

*MasterCard
International*



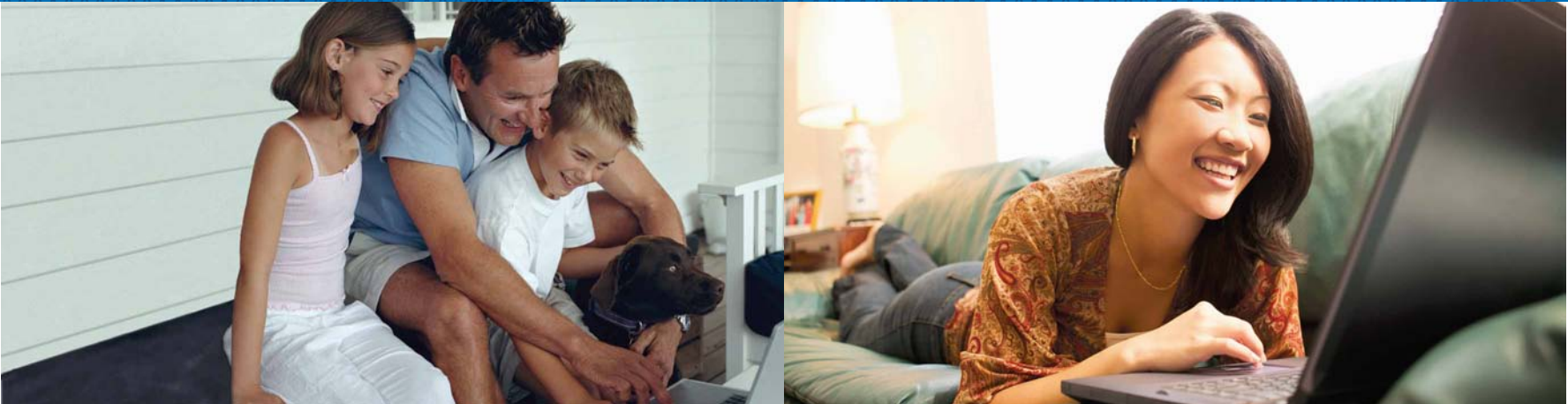
MasterCard® SecureCode™ Program Toolkit

Your blueprint to launching

MasterCard SecureCode



Your blueprint to launching MasterCard[®]



MasterCard[®]
SecureCode[™]

In a recent survey,¹ consumers said:



Enhanced security features would influence their decision to purchase online



Concerned with security and fraud issues



Concerned that their credit card number will be intercepted by "hackers"

A Comprehensive Solution for All Parties

MasterCard SecureCode is a new global e-commerce solution that enables cardholders to authenticate themselves over the Internet through the use of a private code, alleviating concerns they may have about the security of online shopping. As a solution for guaranteeing online payments, reducing fraud and chargebacks, and ultimately increasing the potential for online business, MasterCard SecureCode shines. And by providing cardholders with increased confidence, MasterCard SecureCode can help open the door to a previously untapped market of potential online shoppers estimated at \$3-trillion plus worldwide.²

E-commerce is still in its infancy, but research shows that it is experiencing substantial growth. And while this growth potential is significant, so are challenges facing issuers and merchants. To achieve the key challenge of activating the vast number of cardholders who have yet to participate in an online shopping transaction, consumer concerns about security and privacy must be overcome.

Research demonstrates that security issues continue to play a major role in discouraging online purchasing activity, with 70% of cardholders concerned with security and fraud issues and 61% concerned that their credit card number will be intercepted by "hackers."³ These statistics, in addition to the lost revenue that results from fraud and chargeback costs, support the need for improved security in the online shopping arena, and validate the investment and commitment MasterCard has made in developing SecureCode.[™]

SecureCode is a competitive solution designed to meet the needs of all parties involved in e-commerce transactions. Specifically, it provides today's online consumers with improved confidence that they're protected against the risk of unauthorized use of their card. It also enables issuers to authenticate their cardholders over the Internet and ultimately reduce chargeback costs, while it gives merchants the security of a guaranteed online transaction with explicit evidence of an authorized purchase. Together, these benefits for all parties provide reduced costs and increased confidence.

¹ MasterCard International Consumer Segmentation Research, Q4 2002

² eMarketer, 2002

³ MasterCard International Consumer Segmentation Research, Q4 2002

⁴ Jupiter, 8/02

SecureCode™



Inspired by Market Demand, Informed by Consumer Insight

MasterCard SecureCode addresses two of the most pressing issues in e-commerce today: cardholder concerns about the security of online shopping and the high rate of chargebacks due to fraud. That's why, as an industry leader, MasterCard developed and deployed SecureCode.

Enabled by MasterCard Expertise

MasterCard is determined to improve the security of the e-commerce arena and is providing comprehensive support for issuers, including a choice of authentication options, a list of certified global technology vendors, a SecureCode-hosted service and marketing support, as well as easy-to-implement merchant requirements. By working in tandem with issuers and merchants, MasterCard aims to move the industry to a new security standard based on its e-commerce guaranteed payment model. With this approach, cardholders' longstanding confidence in the MasterCard brand should transition seamlessly from the traditional shopping environment to the online environment.

The Opportunity

The advent of more secure online shopping offers important new benefits for everyone. For consumers, it provides the confidence and peace of mind they want when shopping online. For merchants, this confidence means new potential customers willing to do business at their site, expanding their reach, and reducing fraud and chargeback costs. And for issuers, this means activating a larger percentage of cardholders willing to use their card online, as well as reduced fraud and chargeback losses.

The Cardholder Experience

SecureCode provides enhanced online security, but how does it actually work? From the cardholder perspective, SecureCode is just like the familiar ATM authentication process. Cardholders create their own private SecureCode, as directed by their card issuer. Each time a cardholder pays at a participating online merchant with his or her MasterCard card, a webpage is presented by the issuer, asking the cardholder to authenticate himself before the purchase is completed. The issuer then confirms the identity of the cardholder and the transaction is processed. With this extra safeguard, cardholders enjoy the peace of mind of knowing that unauthorized card use is far less likely at a SecureCode-enabled merchant.



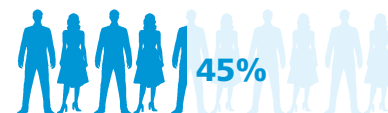
ASSESS: Understanding security needs of today's consumers



IMPLEMENT: Tools that simplify the process



MARKET: Getting the message out strategically



45% of non-shoppers said they would start shopping online if there was better security.⁴



Quick, Simple, Secure

1 Cardholder registers for MasterCard® SecureCode™ in one of two ways:

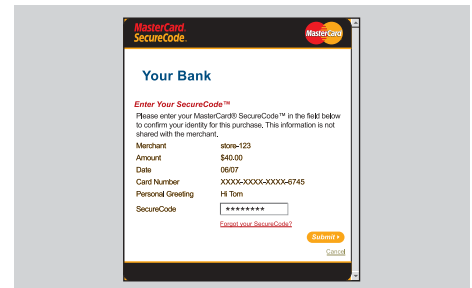
a Standard enrollment per the card issuer's direction — Cardholders are solicited via traditional marketing communications including e-mail, statement messages, statement inserts, web banners and direct mail, and directed to the issuer website to enroll their MasterCard card.



b Activation During Shopping (ADS) — Once the cardholder submits their order at a participating merchant, a window from the card issuer appears and offers the cardholder an opportunity to enroll. The cardholder may complete a simple 2-step enrollment process prior to completing the current transaction.



2 Cardholder shops online at SecureCode™-enabled merchants. Upon successful authentication of the cardholder by his or her card issuer, MasterCard SecureCode generates an electronic equivalent of the cardholder's signature, or an authentication "token." This token is the key that binds the cardholder's authentication to the transaction.



3 The merchant passes the authentication token along with required merchant information to their acquirer. The acquirer then generates an authorization request as it normally would.



4 MasterCard transports the transaction information, including the authentication "token" to the issuer for authorization processing.



Your Best Business Partner

MasterCard SecureCode is the latest example of how MasterCard is working to help issuers, acquirers, and merchants realize the potential of secure e-commerce. By providing you with the tools you need to protect your cardholders, we aim to ensure that you can more effectively tap into the enormous potential available in today's online marketplace.

Issuer Tools

A photograph of a man and a young child sitting at a desk, looking at a laptop screen. The man is on the left, smiling and looking towards the child. The child is on the right, looking intently at the laptop. The background shows a window with blinds, suggesting an indoor setting. The lighting is warm and soft.

Issuer Tools

MasterCard® SecureCode™ helps you meet your cardholders' desire for secure online shopping, while positioning you for the future as new technologies take hold.

Building a Secure e-Commerce Environment



ASSESS



IMPLEMENT



MARKET

Your Benefits Extend to the Potential for Savings and Growth

Enhancing your cardholders' peace of mind may seem like benefit enough, but that's just the beginning. Our research shows 62% of all e-commerce chargebacks are due to either lack of cardholder authorization or charges the cardholder doesn't recognize.⁵ With MasterCard SecureCode, you as the issuer can confirm your cardholder's identity, guarantee payment, and ultimately reduce fraudulent charges and their associated costs.

Additionally, by increasing cardholder confidence in the safety of online shopping, you strengthen your trusted relationships with your customers, who benefit from enhanced security protections. Improved security can also influence cardholders who have yet to venture into the online shopping arena to feel comfortable with e-commerce, and create the opportunity to expand a developing market.

SecureCode™ provides two very simple ways for you, as an issuer, to enroll your cardholders: standard registration and ADS. Standard registration allows your cardholders to register themselves, helping to ensure that their introduction to the program is easy and on their terms. You will also benefit from MasterCard's global marketing efforts to generate awareness of SecureCode and foster cardholder confidence. The presence of SecureCode branding on www.mastercard.com and in other consumer marketing efforts (including the award-winning "Priceless" advertising campaign) can provide the opportunity to enhance your

brand through association with this new global authentication solution. In fact, research reveals that cardholders have a favorable impression of issuers who offer SecureCode, claiming that they "feel like they [issuers] care about my security," and are "happy that my bank is looking out for me."⁶

"If there was something available online to make your card more secure, why not use it? There's no reason not to."

— Consumer Focus Group,
London UK

Cardholders Gain Confidence

Although SecureCode is designed to protect your cardholders from unauthorized purchases, it further serves to provide them with the added peace of mind they want when using their card in the online environment. By having a private code that they share only with you, their issuer, your cardholders can be reassured their card is safe when shopping online at participating merchants.

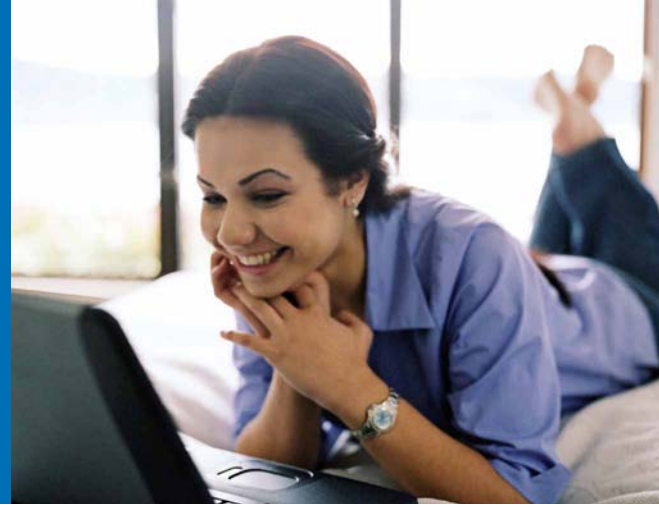
"When I see secure, I think protection. I have security."

— Consumer Focus Group,
Paramus, NJ

⁵ MasterCard INET Reports, 4Q2003

⁶ SecureCode Qualitative Research, 2003

Implementation: Flexible, Simple, Supported



MasterCard
SecureCode

 **ASSESS**

 **IMPLEMENT**

 **MARKET**

MasterCard has designed SecureCode™ across an array of security solutions that authenticate cardholders, and offer multiple options to help ensure the ease of your implementation.

Authentication Solutions

- **MasterCard's Implementation of 3-D Secure** — this solution supports MasterCard's Secure Payment Application (SPA™) algorithm and UCAF without any changes to the 3-D Secure specification or protocol. It's clientless, requiring no cardholder download.
- **Chip Authentication Program** — designed for markets in which smart cards have been widely deployed, the Chip Authentication Program is based on the 3-D Secure protocol. It is designed to build on the inherent security of an EMV-compliant smart card for authentication.

Implementation Options

Realizing that one implementation solution does not address every issuer's needs, MasterCard has devised three alternatives so that each issuer can choose the option that works best for their business.

- 1 Third Party Implementation** — Issuers can work with a SecureCode-compliant vendor to establish their program. For a list of certified vendors, visit: www.securecodevendors.com.
- 2 Internal Implementation** — Issuers can build their own in-house solution, providing maximum flexibility to accommodate their systems and business needs.

3 MasterCard Hosted Service —

A comprehensive, "on-behalf-of" e-commerce security service for issuers operated and hosted by MasterCard. This service helps issuers avoid the up-front cost of installing their own system and speeds the time to market. The Hosted Service relies on issuer-selected criteria to enroll and authenticate your cardholders.

The MasterCard® SecureCode™ Hosted Service architecture includes the feature-rich and easy-to-use SecureCode Access Control Server (ACS) and Enrollment Server (ES), based in the MasterCard data center. The Hosted Service is built upon a 3-D Secure v1.02-compliant platform. The platform provides support for the Secure Payment Application (SPA) algorithm for MasterCard's implementation without any changes to the core 3-D Secure protocol. This is a clientless (no cardholder download necessary) authentication solution designed to work from any personal computer.

Security Demands Support: The Tools You Need

To help ensure that you can launch MasterCard SecureCode as simply and quickly as possible, MasterCard provides a breadth of resources:

- **MasterCard SecureCode Member Enrollment and Implementation Guide** — A comprehensive overview of the objective, benefits, and requirements of the SecureCode program, explanation of the roles and responsibilities of both MasterCard and the program participants, and implementation and testing procedures with specific focus on issuer platforms based on the SPA algorithm.

- **Global Network of Certified Vendors List** — A complete list of technology vendors offering software, integration, support, and other professional services to help deploy MasterCard SecureCode. This listing is available at www.securecodevendors.com.
- **MasterCard SecureCode Cardholder Authentication Page and Enrollment Page Requirements** — A comprehensive outline of the MasterCard SecureCode program requirements associated with issuer purchase authentication and enrollment pages. This guide also details the different cardholder enrollment options and the program requirements associated with each. Enrollment options discussed include direct registration initiated by the cardholder at the issuer's website and enrollment during the online purchase process commonly referred to as ADS enrollment. A section explaining the research findings on which the requirements are based is also included.
- **Program Identifier Guidelines** — These guidelines are intended to help issuers appropriately use the MasterCard SecureCode word mark and/or the MasterCard SecureCode program identifier in all media, including print, the Internet, at tradeshows, and on promotional items.
- **Marketing Support** — An array of marketing materials including direct mail, online and in-bank templates that can be customized to support your efforts to enroll cardholders in SecureCode.

Getting Started: Launch SecureCode Today for Online Protection Tomorrow

The time is now to begin the process of initiating the program if you haven't already. The following steps will help ensure that you launch SecureCode on time and begin providing improved protection for your cardholders.

- 1** Enroll in the SecureCode program as a participating issuer. To begin the enrollment process, please send an e-mail to: e-Business@mastercard.com.
- 2** Implement the necessary SecureCode systems — i.e., Access Control Server (ACS) — directly or by working with a compliant vendor. For a list of SecureCode-compliant vendors, please visit www.securecodevendors.com.
- 3** As part of the enrollment process, you will be provided information regarding SecureCode testing. When your system is ready, you will need to conduct this required testing with MasterCard.
- 4** Actively encourage awareness, enrollment, and usage of SecureCode with your cardholders, utilizing the marketing resources provided in the CD-ROM accompanying this Toolkit or by developing your own.



MasterCard guaranteed payments are possible as a result of our **Universal Cardholder Authentication Field (UCAF)**, designed for secure transport of authentication data within the authorization message.

Marketing SecureCode™

A Wealth of Resources



ASSESS



IMPLEMENT



MARKET

OFFLINE

Direct Mail

Statement Inserts

Postcards

Acquisition Letters

In-Bank Collateral

Posters

Tent Cards

Take-One

Message Library

Statement Messages

ATM Screen Messages

Merchant Offers

ONLINE

Web Banners

E-mail Campaign

Message Library

E-Newsletter Messages

Consumer Demonstration

Program Identifier

Issuer Listing

MasterCard is committed to providing you with a wealth of marketing materials to help you raise cardholder awareness of SecureCode and enroll them as efficiently as possible. These materials offer you a variety of ways to reach your cardholders both online and offline, and can be customized with your own branding.

OFFLINE RESOURCES

Direct Mail

Statement Inserts

To help you reach your cardholders when they receive their monthly statements, MasterCard has developed turnkey inserts to raise awareness of the benefits of SecureCode and to encourage registration. Additionally, inserts specific to ADS have been developed to let cardholders know they will be asked to register prior to checkout at participating online merchants. *Statement inserts are available on the enclosed CD-ROM and can be customized with your institution's branding and website address. Or, you can order generic versions without your branding from the MasterCard Fulfillment Center by completing the order form on the CD-ROM.*

Postcards

Postcards have been created offering an introduction to SecureCode and providing information on standard registration and details specific to ADS. These direct mail pieces allow you to raise awareness by increasing frequency of message in a cost-effective manner. *Postcards are available on the CD-ROM and can be customized with your institution's branding and website address.*

Acquisition Letters

Letters introducing SecureCode via standard registration and explaining ADS provide an additional avenue to reach cardholders in a more traditional format and supplement other promotional approaches. *Acquisition letters are available on the CD-ROM and can be customized with your institution's branding and contact information.*

In-Bank Collateral Materials

To effectively reach cardholders inside the bank environment, posters, tent cards, and a take-one have been created to extend the SecureCode message. The posters and tent cards are designed to raise awareness of SecureCode, while the take-one provides a detailed explanation of the SecureCode program and the process cardholders experience online. *All in-bank collateral materials are available on the CD-ROM and can be customized with your institution's branding and website address.*

Message Library

Statement Messages

To effectively and routinely remind cardholders about SecureCode, a library of statement messages has been created. These messages, focusing on both standard registration and ADS, can be used monthly to ensure frequency of reach and continued awareness. *Statement Messages are provided on the CD-ROM in a Microsoft Word file format.*

ATM Screen Messages

For cardholders accustomed to using ATMs, these messages offer an additional venue to raise awareness and provide a website address for more information about SecureCode. *ATM Screen Messages are provided on the CD-ROM in a Microsoft Word file format.*

SecureCode Participating Merchant Offers

These offers provide value-added benefits for cardholders when they use their SecureCode at participating online merchants. They are available in both e-mail and statement insert formats on www.mastercardonline.com.

ONLINE RESOURCES

Web Banners

Cardholders visiting your site can learn about SecureCode quickly with these easy-to-upload files and can be provided with further information by visiting the website address provided. *Web banners are provided on the CD-ROM as animated .gif files for use on your institution's website.*

E-mail Campaign

A series of e-mails have been designed featuring standard enrollment in SecureCode and ADS, to reach your Internet savvy cardholders in a timely, cost-effective manner. *Each version of the e-mail campaign is provided on the CD-ROM in HTML, text, and AOL formats.*

E-Newsletter Messages

For issuers communicating to their cardholders through e-newsletters, article content is provided for inclusion into newsletters, focusing on standard enrollment and ADS, to supplement the frequency of SecureCode online marketing. *Messages are provided on the CD-ROM as Microsoft Word files.*

Consumer Demonstration

A complete demonstration of the online consumer experience of using SecureCode is available for issuers to post on their website, to introduce the program and illustrate the speed and simplicity of the process. *This demo is available on the CD-ROM in Flash format and is customizable by a choice of language (English, Spanish and French Canadian), branding, and screen content.*

MasterCard® SecureCode™ Program Identifier

In addition, the MasterCard SecureCode program identifier can also be added to the issuer's website. An html version of the SecureCode program identifier can be programmed to the existing SecureCode content on mastercard.com or to the issuer's enrollment page.

Issuer Listing on www.mastercard.com/securecode

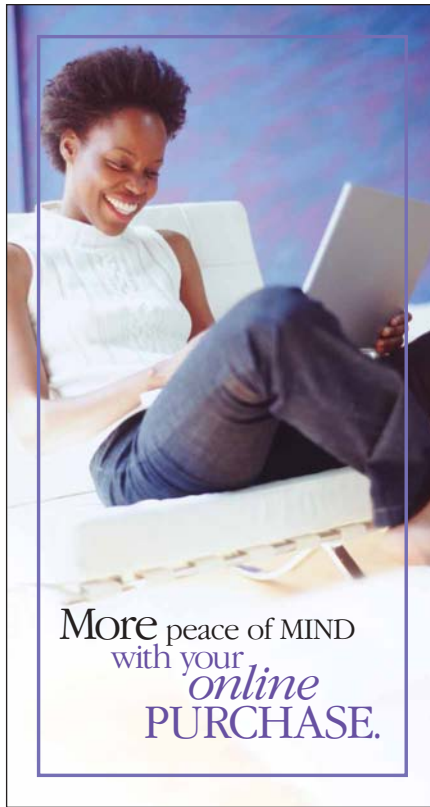
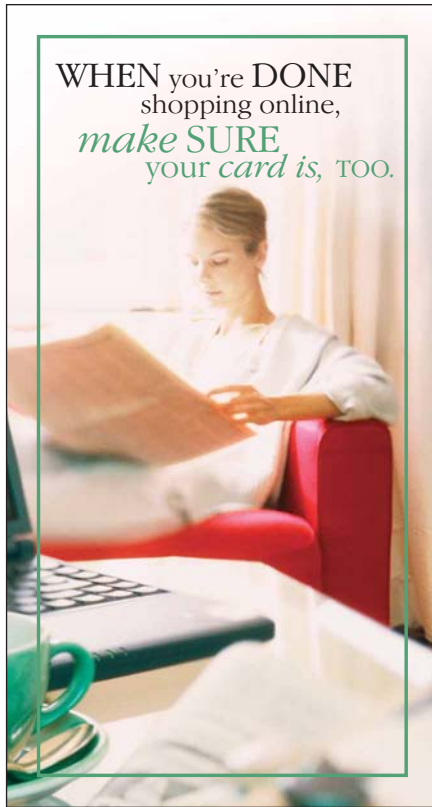
To demonstrate issuer participation in SecureCode, MasterCard provides a listing of issuers at www.mastercard.com/securecode. Each listing provides a link directly to the issuer's enrollment site.



CD-ROM

Digital files of all marketing resources, offline and online, are available for download on the SecureCode CD-ROM.

STANDARD ENROLLMENT (3)



GUARD
your card ON the WEB.


**MasterCard.
SecureCode.**

Because the time you save should be carefree.

Perhaps the most rewarding part of Internet shopping comes when you step away from your computer—it's the time it gives you to enjoy your life more.

With MasterCard® SecureCode™, now that time can be spent with greater peace of mind. It's a new service to enhance your existing MasterCard account. A private code means added protection against unauthorized use of your card when you shop online at participating merchants. **To choose your own SecureCode™, follow the simple steps at www.financialinstitution.com.**

Financial Institution LOGO



SHOP
with added confidence ON the WEB.

**MasterCard.
SecureCode.**

(As if there weren't already enough incentives.)

Seems whatever store you visit online, there are special offers to be had, like free shipping. Or shopping assistance.

And now, with MasterCard® SecureCode™, [financial institution name] can automatically provide you with added peace of mind. It's a new service to enhance your existing MasterCard account. A private code means added protection against unauthorized use of your card when you shop online at participating merchants. **To choose your own SecureCode™, follow the simple steps at www.financialinstitution.com.**

Financial Institution LOGO



ENJOY
added security ON the WEB.


**MasterCard.
SecureCode.**

Presenting extra online security that's quick, simple, and seamless.

After all, what good is shopping online if the process doesn't make life easier?

With MasterCard® SecureCode™, it's simple *and* more secure. It's a new service to enhance your existing MasterCard account. A private code means added protection against unauthorized use of your card when you shop online at participating merchants. **To choose your own SecureCode™, follow the simple steps at www.financialinstitution.com.**

Financial Institution LOGO



Ⓜ IMAGE not available for use in Australia, Germany or South Africa

Ⓜ IMAGE available for international use

Ⓜ IMAGE available for international use

ACTIVATION DURING SHOPPING (2)



Get
WORLD-CLASS
security
on the
worldwide
WEB.



Fast, simple
and now
MORE SECURE.
Online
SHOPPING
never felt so good!



PREPRINTED STATEMENT INSERTS
call 1-800-821-6176 to order

STANDARD ENROLLMENT
ITEM SC-01

Be even
MORE
confident
when you
SHOP online.



JOY
added
curity
ON the
WEB.

Presenting extra online
security that's quick, simple,
and seamless.

After all, what good is shopping online if the process
doesn't make life easier?

With MasterCard® SecureCode®, it's simple *and* more
secure. It's a new service to enhance your existing
MasterCard account. A private code means added
protection against unauthorized use of your card
when you shop online at participating merchants.
To choose your own SecureCode®, follow the
simple steps at www.mastercard.com/securecode.



CLICK HERE,
click there,
protect YOUR CARD
when you're
not there.


**MasterCard.
SecureCode.**

No matter what you're looking
for online, [FINANCIAL INSTITUTION]
is looking out for you.

Whether you're shopping for an exotic vacation or a vacuum
cleaner, now you can enjoy added security with MasterCard®
SecureCode®, a new service to enhance your existing
[FINANCIAL INSTITUTION] MasterCard account.

With your own private code, you'll be protected against
unauthorized use of your card at participating merchants. While
shopping at a participating online merchant, you'll be asked
by [FINANCIAL INSTITUTION] to choose your own private
SecureCode® before completing your transaction. Or, to create
your own SecureCode now, follow the simple steps at
www.financialinstitution.com. Once you have created
your SecureCode, known only to you and [FINANCIAL
INSTITUTION], you can then use it for future purchases at
participating online merchants.

Financial Institution
LOGO



SO MUCH
security,
ALL in one little
code!


**MasterCard.
SecureCode.**

Ready to checkout? Check out
MasterCard® SecureCode® first.

The next time you checkout at a participating online merchant
you'll be asked by [FINANCIAL INSTITUTION] to register your
existing MasterCard SecureCode.

MasterCard SecureCode is a private code for added protection
against unauthorized use of your card. During checkout, a
window from [FINANCIAL INSTITUTION] will appear and ask
you to activate your SecureCode® before completing your
transaction. After you've chosen your private code, known
only to you and [FINANCIAL INSTITUTION], you'll be able
to complete this and all future purchases at participating
merchants with added security. Or, you can set up your
private SecureCode now, by following the simple steps
at www.financialinstitution.com.

Financial Institution
LOGO



ACTIVATION DURING SHOPPING
ITEM SC-01-ADS

Fast, simple
and now
MORE SECURE.
Online
SHOPPING
never felt so good!



MUCH
curity,
ALL in one little
code!

Ready to checkout? Check out
MasterCard® SecureCode® first.

The next time you checkout at a participating online
merchant you'll be asked by your bank to register your
existing MasterCard SecureCode.

MasterCard SecureCode is a private code for added protection
against unauthorized use of your card. During checkout,
a window from your bank will appear and ask you to activate
your SecureCode® before completing your transaction. After
you've chosen your private code, known only to you and your
bank, you'll be able to complete this and all future purchases
at participating merchants with added security. Or, you can
set up your private SecureCode now, by following the
simple steps at www.mastercard.com/securecode.



IMAGE available for international use

IMAGE available for international use

IMAGES available for international use

STANDARD ENROLLMENT (3)

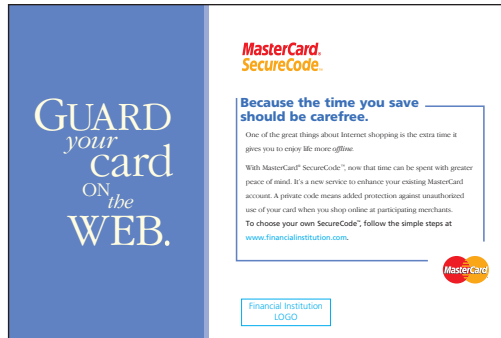


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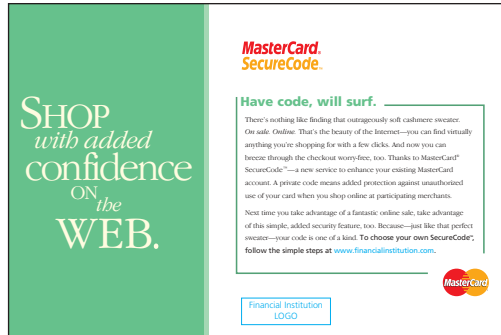
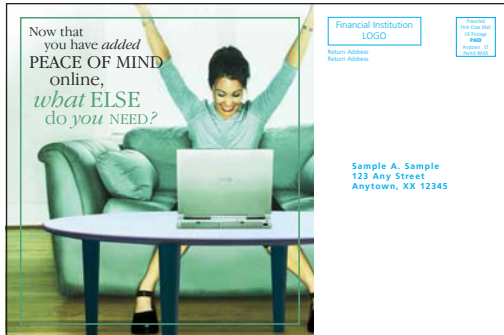


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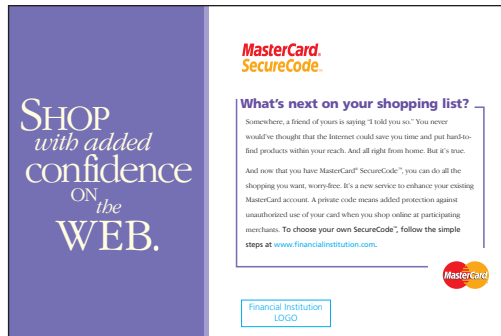
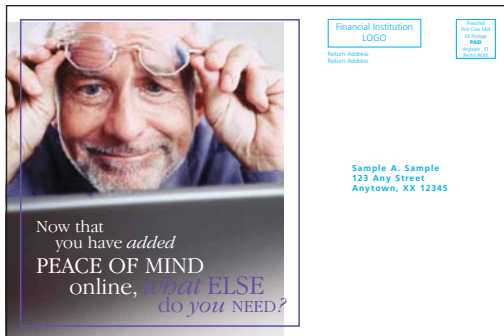


IMAGE available for international use

ACTIVATION DURING SHOPPING (1)

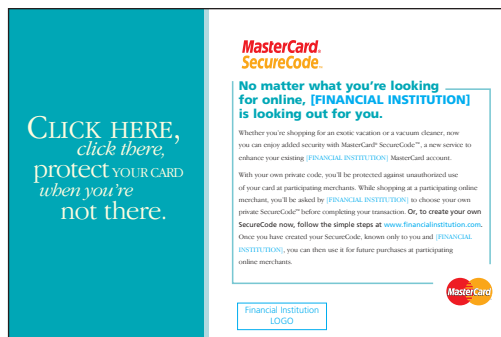
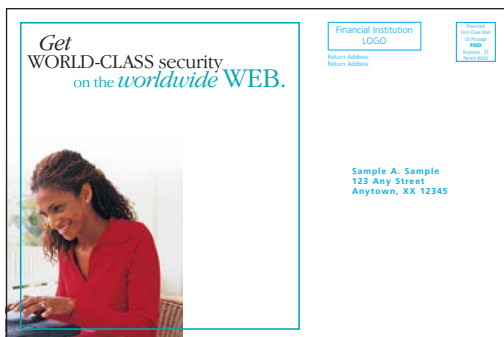


IMAGE available for international use



STANDARD ENROLLMENT (1), ACTIVATION DURING SHOPPING (1)



Financial Institution
LOGO

Financial Institution
123 Any Street
Anytown, XX 12345
888 555 1234 phone
888 555 1235 fax
name@financialinstitution.com
www.webaddress.com

MasterCard
SecureCode.

Dear [FIRST NAME LAST NAME],

One of the great things about shopping online is the extra time it gives you to enjoy life offline.

With MasterCard® SecureCode™, now that extra time can be spent with greater peace of mind. [FINANCIAL INSTITUTION] is pleased to bring you this valuable new service to enhance your existing [FINANCIAL INSTITUTION] MasterCard account. It's a private code that brings you added protection against unauthorized use of your card when you shop online.

Every time you pay online at a participating merchant with your [FINANCIAL INSTITUTION] MasterCard, you will be automatically prompted to enter your own private SecureCode™ — just like entering a PIN at the ATM. With MasterCard SecureCode, only you and the people you designate can make online purchases using your [FINANCIAL INSTITUTION] MasterCard at participating online merchants. And, of course, your SecureCode is completely private, known only to you and [FINANCIAL INSTITUTION].

Choosing your own private SecureCode is quick and easy. Just visit www.financialinstitution.com and enroll your card by following the simple steps. Once you have created your private SecureCode, you can then use it for future purchases at participating online merchants.

If you have questions about how to create or use your SecureCode, please visit www.financialinstitution.com or call us at [PHONE NUMBER] for more information.

Sincerely,

[FINANCIAL INSTITUTION]

Financial Institution
LOGO

Financial Institution
123 Any Street
Anytown, XX 12345
888 555 1234 phone
888 555 1235 fax
name@financialinstitution.com
www.webaddress.com

MasterCard
SecureCode.

Dear [FIRST NAME LAST NAME],

One of the great things about shopping online is the extra time it gives you to enjoy life offline.

With MasterCard® SecureCode™, now that time can be spent with greater peace of mind. [FINANCIAL INSTITUTION] is pleased to bring you this valuable new service to enhance your existing [FINANCIAL INSTITUTION] MasterCard account. It's a private code that brings you added protection against unauthorized use of your card when you shop online.

Every time you pay online at a participating merchant with your [FINANCIAL INSTITUTION] MasterCard, you'll be automatically prompted to enter your own private SecureCode™ — just like entering a PIN at the ATM. With MasterCard SecureCode, only you and the people you designate can make online purchases using your [FINANCIAL INSTITUTION] MasterCard at participating online merchants. And of course, your SecureCode is completely private, known only to you and [FINANCIAL INSTITUTION].

Choosing your own SecureCode is quick and easy. You can visit www.financialinstitution.com and enroll your card by following the simple steps. Or, at participating online merchants, you'll be prompted to create your own SecureCode prior to checkout. When this happens, a window from [FINANCIAL INSTITUTION] will appear and you'll be guided through the simple enrollment process before your purchase is completed. Once you've created your private SecureCode, you can then use it for future purchases at participating online merchants.

If you have questions about how to create or use your SecureCode, please visit www.financialinstitution.com or call us at [PHONE NUMBER] for more information.

Sincerely,

[FINANCIAL INSTITUTION]




IMAGE available for international use



MasterCard[®] SecureCode[™]

*One little code,
stronger security
when you shop
online.*

MasterCard[®]
SecureCode[™]

**[FINANCIAL INSTITUTION] presents MasterCard[®] SecureCode[™].
Added peace of mind that's quick, simple, and personal.**

- Added protection against unauthorized use of your card for online purchases
- Just like your PIN at the ATM, all you do is enter your private code when prompted by [FINANCIAL INSTITUTION] at participating online merchants
- Once your identity is confirmed, your purchase is complete — it's that easy

**MasterCard SecureCode from [FINANCIAL INSTITUTION]...
World-class security on the worldwide web.**

Visit www.financialinstitution.com and register today.

Financial Institution
LOGO



IMAGE available for international use



MasterCard.
SecureCode.

[FINANCIAL INSTITUTION] presents added online security that's quick, simple, and personal.

- Added protection against unauthorized use of your card for online purchases
- Just like your PIN at the ATM, all you do is enter your private code when prompted by [FINANCIAL INSTITUTION] at participating online merchants
- Once your identity is confirmed, your purchase is complete — it's that easy

**MasterCard SecureCode from [FINANCIAL INSTITUTION]...
Guard your card on the web.**

Visit www.financialinstitution.com and register today.

Financial Institution
LOGO



IMAGE available for international use



FRONT

IMAGE available for international use



BACK

IMAGE available for international use



FRONT

IMAGE available for international use



BACK

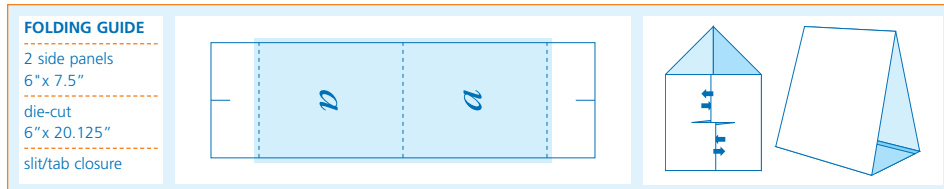
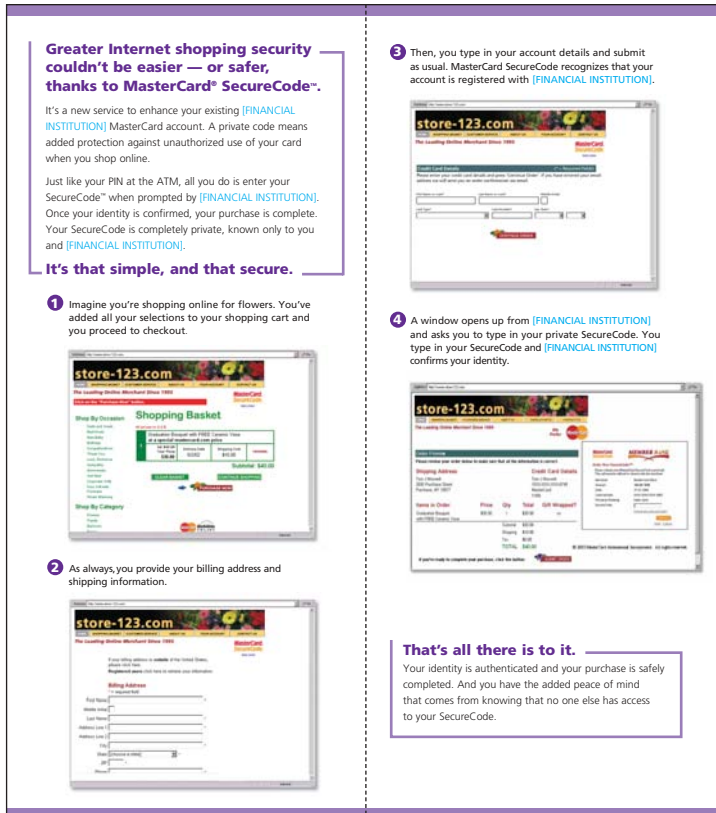




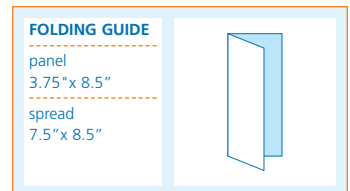
IMAGE available for international use

BACK

FRONT



INSIDE





STANDARD ENROLLMENT (4)

Shop online with added peace of mind with MasterCard® SecureCode™.

It's a new service to help protect against unauthorized use of your existing [FINANCIAL INSTITUTION] MasterCard account when you shop online at participating merchants.

Register today at [www.financialinstitution.com].

Guard your card on the web with MasterCard® SecureCode™!

Visit [www.financialinstitution.com] and create your own private code.

Get your online shopping off to a great start with MasterCard® SecureCode™ —

It's a new service to help protect you against unauthorized use of your [FINANCIAL INSTITUTION] MasterCard account when you shop online at participating merchants.

Visit [www.financialinstitution.com] today and create your own private code.

Shopping online is fast and easy, and now it's more secure, too — with MasterCard® SecureCode™.

Just like using your PIN at the ATM, all you do is enter your private code during checkout at participating online merchants when prompted by [FINANCIAL INSTITUTION]. Once your identity is confirmed, your purchase is complete. It's that fast, that easy, and that much more secure!

Register today at [www.financialinstitution.com].



ACTIVATION DURING SHOPPING (5)

Now you can guard your card with MasterCard® SecureCode™! It's a private code that gives you added protection against unauthorized use of your card when you shop online. The next time you're about to checkout at a participating online merchant, a window will appear from [FINANCIAL INSTITUTION] asking you to confirm your identity and create a private SecureCode™ — information between only you and [FINANCIAL INSTITUTION]. So now when you're done shopping online, you can feel confident that your card is too!

Your [FINANCIAL INSTITUTION] MasterCard has been pre-enrolled for MasterCard® SecureCode™ — a new online security service. The next time you shop online at a participating merchant, a window will appear from [FINANCIAL INSTITUTION] asking you to confirm your identity and create a private SecureCode™ between only you and [FINANCIAL INSTITUTION], all to better protect you from unauthorized use of your card. So much security all in one little code!

Your [FINANCIAL INSTITUTION] MasterCard has been pre-enrolled for MasterCard® SecureCode™ — a complimentary, new online security service to add protection against unauthorized use of your card online. The next time you shop online at a participating merchant, a window will appear from [FINANCIAL INSTITUTION] asking you to confirm your identity and create a private SecureCode™ — information between only you and [FINANCIAL INSTITUTION]. Now you can shop with added confidence on the web!

Your [FINANCIAL INSTITUTION] MasterCard account has been pre-enrolled in MasterCard® SecureCode™ — a complimentary, new online security service. The next time you shop online at a participating merchant, a window from [FINANCIAL INSTITUTION] will ask you to confirm your identity and create a private SecureCode™. Your private SecureCode offers added protection from unauthorized use of your card every time you shop at a participating online merchant. Now isn't that something to feel confident about?

Your [FINANCIAL INSTITUTION] MasterCard card has been pre-enrolled in MasterCard® SecureCode™ — a complimentary, new online security service. The next time you shop online at a participating merchant, a window from [FINANCIAL INSTITUTION] will appear, asking you to confirm your identity and to set up your own private SecureCode™ known only to you and [FINANCIAL INSTITUTION]. By using your SecureCode each time you shop online at participating merchants, you'll be better protected against unauthorized use of your card. Now that's more peace of mind when you're online.



Click here, click there, protect your card when you're not there.

MasterCard® SecureCode™ Visit [www.financialinstitution.com] to enroll today.

Enjoy added peace of mind when you shop online with a secret code you create.

Get world-class security on the worldwide web.

MasterCard® SecureCode™ Visit [www.financialinstitution.com] to enroll today.

Enjoy added peace of mind when you shop online with a secret code you create.

Fast, simple, and now more secure. Online shopping never felt so good!

MasterCard® SecureCode™ Visit [www.financialinstitution.com] to enroll today.

Enjoy added peace of mind when you shop online with a secret code you create.

So much security, all in one little code!

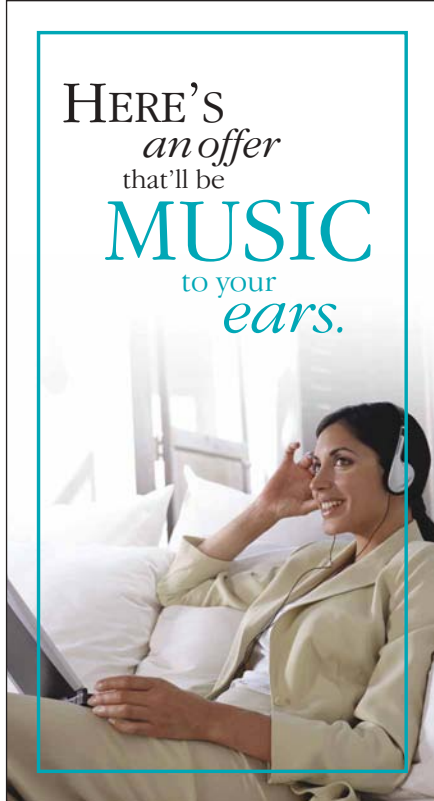
MasterCard® SecureCode™ Visit [www.financialinstitution.com] to enroll today.

Enjoy added peace of mind when you shop online with a secret code you create.

Like to shop online? You'll love to feel more secure.

MasterCard® SecureCode™ Visit [www.financialinstitution.com] to enroll today.

Enjoy added peace of mind when you shop online with a secret code you create.



HERE'S an offer that'll be MUSIC to your ears.

Shop with one **LITTLE CODE** and get more security AND savings.

MasterCard SecureCode **CRUTCHFIELD ELECTRONICS .com**

You can shop for a wide selection of electronics at Crutchfield.com — from TVs to DVD players, digital cameras to camcorders — and now, thanks to MasterCard® SecureCode®, you can get added security too!

Use your MasterCard SecureCode next time you shop online at Crutchfield.com and you'll get \$20 off a purchase of \$100 or more. To redeem this special offer, visit www.crutchfield.com/mc and enter **promotion code PA116**.

Enjoy added peace of mind when you shop online with MasterCard SecureCode. **If you don't have your own private SecureCode®, register today at www.mastercard.com/securecode.**

Terms & Conditions
You must be at least 18 years of age and purchase over \$100 exclusive of shipping and handling charge from Crutchfield to take advantage of this offer. Not applicable on gift certificates. Bose products, Escort products, Monster Cable products, Polk Audio home speakers, iPods or TiVo Audio products. This promotion may not be combined with any other Crutchfield offer. Crutchfield reserves the right to amend the terms, alter the credit amounts, or cancel this offer at any time without prior notice at the sole and absolute discretion of Crutchfield. Limit one per person. Void where prohibited, taxed or otherwise restricted by law. Offer good only in the USA and available for online orders thru 12/31/05.

Financial Institution LOGO




IMAGE available for international use

THIS IS A SAMPLE MERCHANT OFFER A complete library of MasterCard SecureCode merchant offers are available as customizable files at www.mastercardonline.com/securecode.


Financial Institution LOGO

[FIRST_NAME][LAST_NAME],
Use your MasterCard® SecureCode™ at Crutchfield.com and take \$20 off your next order of \$100 or more.



One little code can help you save big on electronics.
 You can shop for a wide selection of electronics at Crutchfield.com – from TVs to DVD players, digital cameras to computers – and now, thanks to MasterCard SecureCode, you can get added security too!

Use your MasterCard SecureCode next time you shop online at Crutchfield.com and you'll get \$20 off a purchase of \$100 or more. To redeem this special offer, visit www.crutchfield.com/mc and enter promotion code **PA118**.

Enjoy added peace of mind when you shop online with MasterCard SecureCode. A private code means added protection against unauthorized use of your card when you shop online. If you don't have your own private SecureCode, register today at www.mastercard.com/securecode.



Terms & Conditions
 You must be at least 18 years of age and purchase over \$20 exclusive of shipping and handling charge from Crutchfield to use advantage of this offer. Not applicable on gift certificates, Bose products, Escort products, Member Cable products, Piko Audio home speakers, Photo or Travel Audio products. This promotion may not be combined with any other Crutchfield offer. Crutchfield reserves the right to amend the terms, alter the credit amount, or cancel this offer at any time without prior notice at the sole and absolute discretion of Crutchfield. Limit one per person. Void where prohibited, taxed or otherwise restricted by law. Offer good only in the USA, and available for online orders thru 12/31/05.

IMAGE

available for international use

THIS IS A SAMPLE MERCHANT OFFER

A complete library of MasterCard SecureCode merchant offers are available as customizable files at www.mastercardonline.com/securecode.

Web Banners (3)

IMAGE available for international use

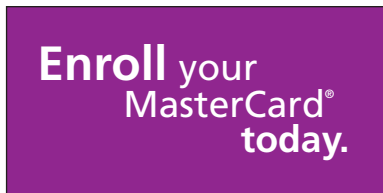
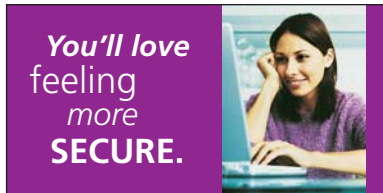
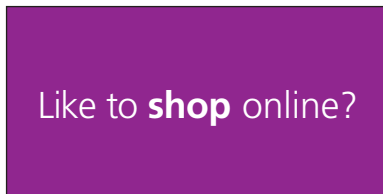


IMAGE available for international use

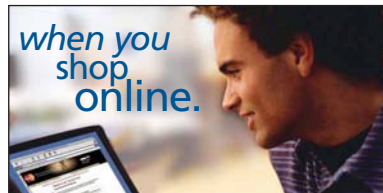
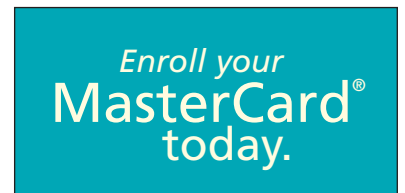
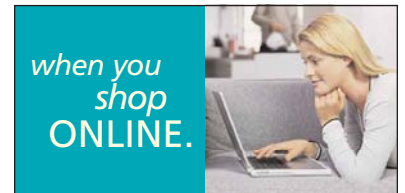
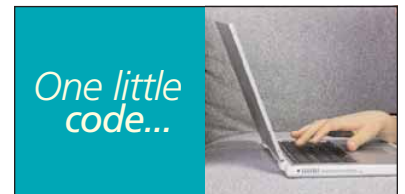


IMAGE available for international use




STANDARD ENROLLMENT (9)



IMAGE available for international use

Financial Institution LOGO

[FIRST_NAME] [LAST_NAME],
 Guard your card online with [FINANCIAL INSTITUTION] and MasterCard® SecureCode.
Enroll today!



With [FINANCIAL INSTITUTION] and MasterCard SecureCode only you, and the people you give permission to, can make online purchases at participating merchants using the [FINANCIAL INSTITUTION] MasterCard account that you enroll in this new, free service.

You begin by selecting your own private code. When you shop and check out at participating online merchants, you are automatically prompted to enter this special code — just like entering a PIN at the ATM. If your correct SecureCode™ isn't provided to [FINANCIAL INSTITUTION], the purchase doesn't go through!

Enroll in MasterCard SecureCode from [FINANCIAL INSTITUTION]!


MasterCard SecureCode from [FINANCIAL INSTITUTION] ... enjoy added peace of mind when you shop online.

MasterCard SecureCode.

How Does SecureCode Work?
 View the demo and see how easy it is to use SecureCode!

There's no need to sign up for a new card or download any new software. Registering for your own SecureCode is easy — it works with the [FINANCIAL INSTITUTION] MasterCard card you have now, and it's free!

Learn more about MasterCard SecureCode.



Financial Institution LOGO

Congratulations [FIRST_NAME] [LAST_NAME]!
 You have successfully completed your MasterCard® SecureCode™ registration with [FINANCIAL INSTITUTION]. Now only you — and the people you authorize — can use your [FINANCIAL INSTITUTION] MasterCard card to shop online.

Start shopping online with extra security right now by using your [FINANCIAL INSTITUTION] MasterCard card at participating merchants. There's no need to login. The SecureCode™ service works automatically when you check out at one of the listed merchants.

Helpful Hints:

- Make sure that you store all the information regarding your personal SecureCode in a safe place.
- If you want to review or print the log of your [FINANCIAL INSTITUTION] MasterCard SecureCode online transactions or edit your account profile, login to your account here.
- Save this email to log back into your account, or bookmark the [FINANCIAL INSTITUTION] MasterCard SecureCode Account Management login page.

Remember — more and more online merchants will be participating in the MasterCard SecureCode program. We'll send you email notifying you of these new merchants and special deals.





MasterCard SecureCode from [FINANCIAL INSTITUTION] ... enjoy added peace of mind when you shop online.

MasterCard SecureCode.

Check out these online retailers and their special offerings:

- Crutchfield.com
- OfficeMax
- British Airways

Check out our entire list of participating merchants!

Financial Institution LOGO

Hello [FIRST_NAME] [LAST_NAME]!
 Great News! Even more online merchants now accept MasterCard® SecureCode.

When you pay online at one of these merchants with your [FINANCIAL INSTITUTION] MasterCard card, a box will pop up from [FINANCIAL INSTITUTION] prompting you for your unique SecureCode™ just like entering your PIN at the ATM. Within seconds your identity is confirmed by [FINANCIAL INSTITUTION]. No need to worry, your SecureCode is completely private and will not be shared with the merchant.

View the current list of participating online retailers, and be sure to bookmark the page and check back often — new merchants will continue to be added to the list!





To review or print the history of your SecureCode online transactions using your enrolled [FINANCIAL INSTITUTION] card, or edit your account profile, login to your account here.

MasterCard SecureCode from [FINANCIAL INSTITUTION] ... enjoy added peace of mind when you shop online.

MasterCard SecureCode.

Shop with added confidence on the web:

- Crutchfield.com
- OfficeMax
- British Airways







ACTIVATION DURING SHOPPING (1)

IMAGE available for international use

Financial Institution LOGO

Hello [FIRST_NAME] [LAST_NAME],
 Find everything you want online... including added security!



You can get almost anything you're looking for online — from concert tickets to cashmere sweaters, spa reservations to sporting equipment — and now, thanks to MasterCard® SecureCode™, you can get added security too! MasterCard SecureCode is a new service to enhance your existing [FINANCIAL INSTITUTION] MasterCard account. A private code means added protection against unauthorized use of your card when you shop online at participating merchants.


Choosing your own SecureCode™ is quick and easy. At participating online merchants, you'll be prompted by [FINANCIAL INSTITUTION] to create your own SecureCode during checkout. When this happens, a window will appear and you'll be guided through a simple SecureCode enrollment process before your purchase is completed. Just like your PIN at the ATM, your SecureCode confirms your identity to [FINANCIAL INSTITUTION], quickly and easily. Once you've created your SecureCode, known only to you and [FINANCIAL INSTITUTION], you can then use it for future purchases at participating online merchants.

Now you really can find everything on the Internet, including added security, all with your new MasterCard SecureCode from [FINANCIAL INSTITUTION].

MasterCard SecureCode.

How does MasterCard SecureCode work?
 View the demo and see how easy it is to use!

If you'd prefer to enroll in MasterCard SecureCode now, follow the simple steps at www.financialinstitution.com.





STANDARD ENROLLMENT (1)

Get world-class security on the worldwide web.

One of the great things about shopping online is that you have access to a whole world of shopping possibilities, without ever leaving the comfort of your home! And now when you shop online, you can feel even more comfortable with the added online security of MasterCard® SecureCode™. This new service is designed to enhance your existing [FINANCIAL INSTITUTION] MasterCard account. It's a private code that protects you against unauthorized use of your card when you shop online at participating merchants.

Just like using your PIN at the ATM, all you do is enter your private SecureCode™ during checkout at participating online merchants when prompted by [FINANCIAL INSTITUTION]. Once your identity is confirmed, your purchase is complete! It's that simple. Visit [www.financialinstitution.com] and create your own private SecureCode today.

**MasterCard SecureCode from [FINANCIAL INSTITUTION]...
World-class security when you shop the worldwide web.**

[Sidebar link to view demo]

See how simple it is to use MasterCard SecureCode by clicking on this demonstration.



ACTIVATION DURING SHOPPING (1)

Faster, easier...and now online shopping is more secure.

Today, when you're online looking for something special or just looking for a bargain, it's nice to know someone is looking out for your online shopping security. That's why [FINANCIAL INSTITUTION] is introducing MasterCard® SecureCode™, a new service designed to enhance your existing [FINANCIAL INSTITUTION] MasterCard account. It's a private code that protects you against unauthorized use of your card when you shop online at participating merchants.

Just like using your PIN at the ATM, all you do is enter your private SecureCode™ during checkout at participating online merchants when prompted by [FINANCIAL INSTITUTION]. Once your identity is confirmed, your purchase is complete!

While shopping at a participating online merchant, you'll be asked by [FINANCIAL INSTITUTION] to choose your own SecureCode before completing your transaction. Enrollment is quick and easy, and once you've established your SecureCode, you can use it for future transactions at participating online merchants.

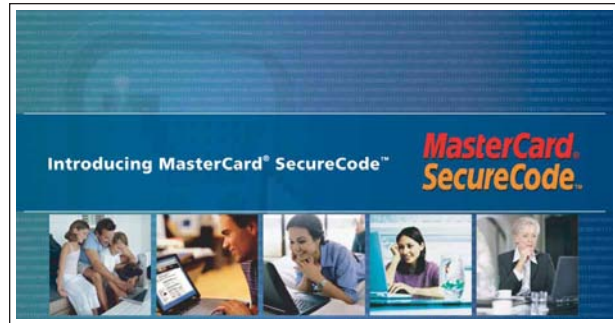
If you'd prefer to enroll in MasterCard SecureCode directly at [FINANCIAL INSTITUTION], follow the simple steps at [www.financialinstitution.com].

**MasterCard SecureCode from [FINANCIAL INSTITUTION]
Added peace of mind when you shop online**

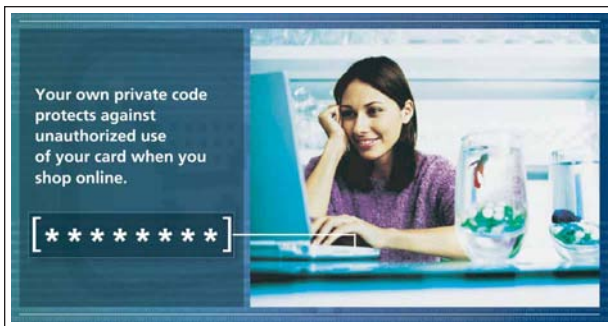
[Sidebar link to view demo]

See how simple it is to use MasterCard SecureCode by clicking on this demonstration.

The MasterCard® SecureCode™ consumer demonstration offers cardholders a way to learn how easy and valuable it is to use SecureCode™. Providing your cardholders with access to the demonstration will help assure them that the process will not only provide enhanced security when shopping online, but that it will not slow down or hinder their shopping experience. ➔



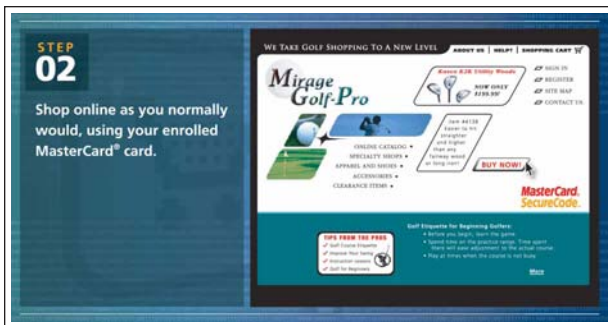
➔ Cardholder is presented with the SecureCode identifier.



➔ A private code offers ease and simplicity of use while providing enhanced confidence for online shopping.



➔ Cardholders register for MasterCard SecureCode at their Issuer's website and set up their own private code.



➔ Cardholders continue to shop as usual at participating merchant sites with the improved security of SecureCode.



➔ Cardholders are directed to confirm their identity with their Issuer for authorization before completing an online transaction. This information is not shared with the merchant.

Marketing SecureCode™ to Cardholders: Best Practices for Best Results



ASSESS



IMPLEMENT



MARKET

To maximize your SecureCode marketing efforts to your cardholders, MasterCard has compiled a list of recommended best practices to assist you.

Raise Program Awareness

- To ensure high activation rates, utilize a combination of marketing tools leveraging online and offline resources. By taking advantage of all the marketing support MasterCard is providing, issuers can reach their cardholders via Internet communication, direct mail, and in-bank collateral materials. Educating cardholders through multi-faceted marketing efforts will help provide optimal reach and enrollment.
- Provide cardholders with several opportunities to enroll as repetition will build familiarity — mandating cardholder enrollment is only permitted after a minimum of three ADS exposures to SecureCode and is not recommended by MasterCard.
- If the cardholder chooses not to activate, their e-mail address may be captured so information about the program can be sent to them and they can consider their decision at their leisure.

Employ Clear Communication

- Use language provided on the enclosed CD-ROM to communicate the benefits of SecureCode, for example, “get added peace of mind...” or “an extra level of security...”
- If an e-mail address is collected, reassure the cardholder that it will not be sold or shared with any third parties.
- Cardholders should be reminded to disable any software that prevents pop-ups as this may interfere with the use of SecureCode.
- Where possible, one of the screens should include the exact URL where program details can be found so that the cardholder does not have to search through the issuer’s entire site to find the SecureCode section.

Direct Enrollment Screens

- Explain in simple language how the program works — use the analogy of a PIN at the ATM to establish familiarity.
- Provide a demonstration of enrollment and purchasing.
- Once enrolled, remind cardholders that program login is not necessary. The program will work automatically at participating merchants.

ADS Screens

If ADS is deployed, pre-marketing is required in advance of launch. Use a multi-faceted marketing approach to generate awareness of MasterCard® SecureCode™.

- When cardholders enroll in SecureCode, they are asked to answer their issuers' choice of security questions to confirm their identity prior to establishing a private code. Limit the number of security questions required to a maximum of three. Do not ask for the cardholder's entire social security number as many consumers are wary of putting this information online. Be sure the information being asked is on file, accurate and without omissions, in order for all eligible cardholders to avoid unnecessary failures and cardholder frustration.
- Ask personal questions that are not subject to change (for example, mother's maiden name).
- A clear distinction between the identity-verification step and the creation of the SecureCode is necessary.
- Issuers should be aware of which pieces of data cardholders are sensitive about sharing, as requesting a "sensitive" piece of data will depress response rates. (For example, many cardholders are willing to provide the last four digits of their social security number, but not the entire number).

Customizing and Ordering Materials for Your Cardholders

You have two options for producing the marketing materials you need to best reach your cardholders and ensure their enrollment in SecureCode.

- 1 Use the electronic files on the enclosed CD-ROM to customize the materials you want to produce with your institution's own branding (subject to MasterCard's review and approval).
- 2 Order the SecureCode marketing materials from MasterCard by filling out the Order Form available on the enclosed CD-ROM. Orders can be placed via e-mail at MCorders@OBSCconnect.com, fax at 314-567-4620 or phone at 1-800-821-6176.

Getting Started with SecureCode

With enhanced online security, your financial institution has the opportunity to extend market reach and tap into the enormous growth potential of e-commerce. For more information on getting started with MasterCard SecureCode, contact your MasterCard Representative, or e-mail us at e-Business@mastercard.com.



Frequently Asked Questions

Why did MasterCard develop and deploy SecureCode™? SecureCode was developed to address key issues present in today's e-commerce environment, including cardholder concerns about the security of online shopping and the high rate of e-commerce chargebacks due to fraud. By developing and deploying SecureCode — a global solution for authenticating cardholders over the Internet — these two concerns have been directly addressed.

What are the benefits to my cardholders? Your cardholders benefit from SecureCode because they have added confidence, knowing that their online shopping is secure. SecureCode does not substantially change their online purchasing experience — with SecureCode, your cardholders simply enroll once and then provide their private code to their issuer to complete their online purchase. It's a simple process that provides cardholders with added online shopping confidence.

Does SecureCode substantially change their online purchasing experience?

No. SecureCode is intended to reinforce the online buying experience.

Given that the risk has shifted to me as an issuer for an authenticated transaction, what benefit does SecureCode offer me? As an issuer, you benefit from SecureCode through reduced fraud and chargeback dispute costs and brand presence at every purchase. As cardholders gain confidence in the security of online shopping, the potential for increased transactions represents a significantly expanded marketplace.

Will my cardholders have frequent opportunities to shop at SecureCode-enabled merchants? Yes, thousands of merchants worldwide are either live or planning support for SecureCode. MasterCard continues to target the top online merchants for SecureCode adoption, and major processors and acquirers are adding new merchants daily. A list of participating merchants can be viewed at www.mastercard.com/securecode.

How do I most effectively market SecureCode to my cardholders? One of the key purposes of this Toolkit is to provide you with a comprehensive overview of the marketing materials MasterCard has created to help you market SecureCode effectively to your cardholders. From direct mail to e-mails, web banners, ATM screens, and in-bank collateral materials, MasterCard has developed a broad spectrum of communications for you to easily and cost-effectively reach your cardholders and encourage enrollment. All of these materials are customizable and can be found on the CD-ROM accompanying this kit.

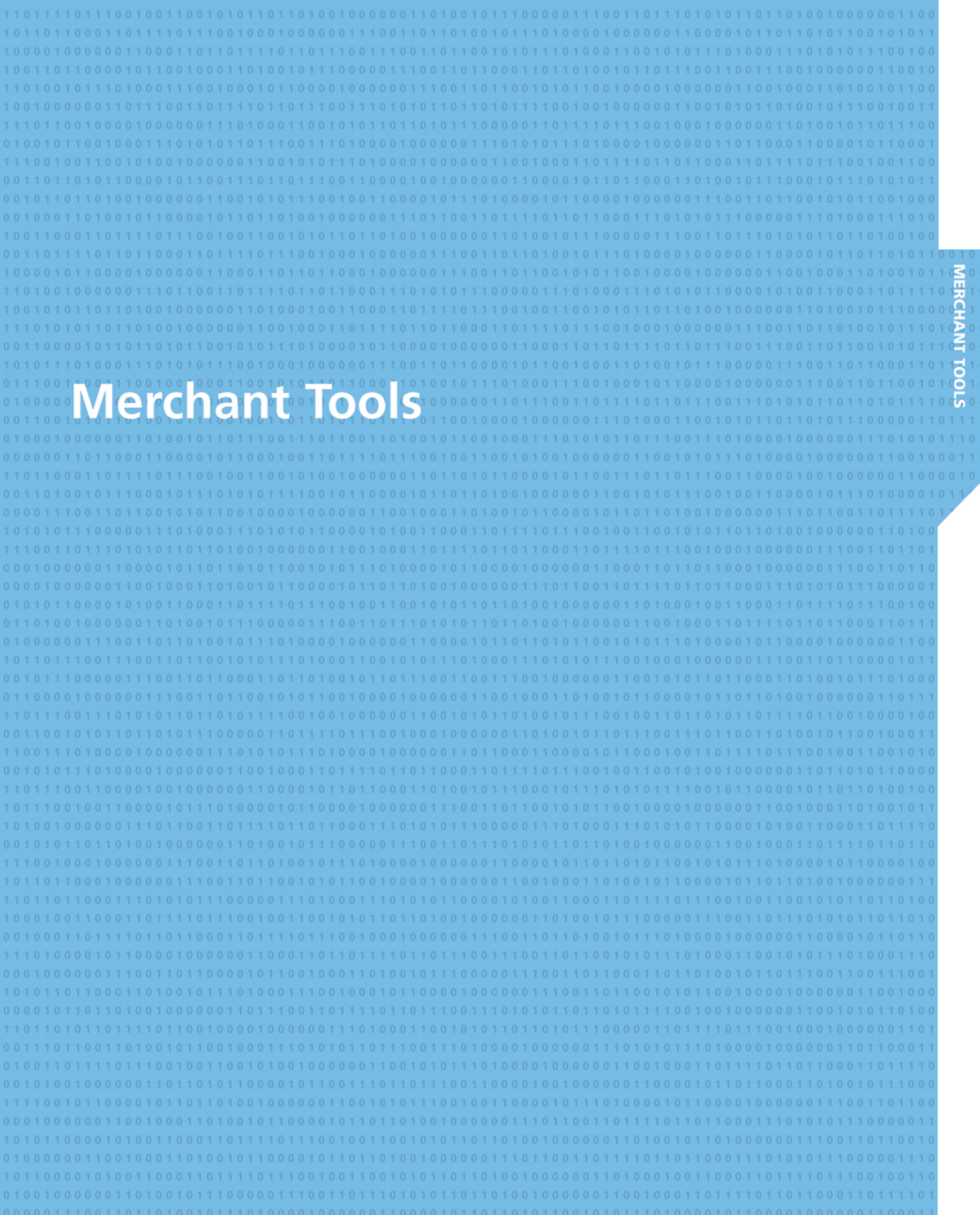
Is MasterCard® SecureCode™ easy for online shoppers to use? Yes. Cardholders simply need to enter their private SecureCode in a window from their issuer before their online transaction can be completed. The communication is entirely between the cardholder and their issuer and no information is shared with the merchant.

Does MasterCard SecureCode also support Maestro® cards? Yes. In addition to MasterCard credit and debit cards, MasterCard SecureCode also provides issuers with a new way of supporting Maestro debit transactions over the Internet. This opens the door to more cross-border transactions with merchants in countries where debit is more established than credit.

Where can I find a list of certified MasterCard® SecureCode™ vendors? For a current list of certified-compliant MasterCard SecureCode vendors, please visit www.securecodevendors.com.

Once I have implemented the MasterCard SecureCode requirements, how do I test my site? When you initially enroll in the service, you will receive testing information. To enroll, send an e-mail to e-Business@mastercard.com.

How do I properly use the MasterCard SecureCode program identifier? Guidelines are provided on the enclosed CD-ROM for all usage of the MasterCard SecureCode program identifier.



Merchant Tools

MERCHANT TOOLS

A woman with long dark hair, wearing a bright yellow turtleneck sweater, is sitting on a green leather-like couch. She is smiling and looking upwards and to the right. In the foreground, a laptop is open on the couch to her left, and a dark coffee cup is on a saucer to her right. The background is a plain, light-colored wall.

Merchant Tools

MasterCard® SecureCode™ meets the needs of merchants with a global authentication tool that takes online shopping security and customer confidence to a new level.

Building Consumer Confidence with a More Secure e-Commerce Environment



-  **ASSESS**
-  **IMPLEMENT**
-  **MARKET**

Impact of Online Fraud Staff time, chargebacks and revenue have biggest impact.⁷

45%	Loss of staff time
44%	Chargebacks
41%	Loss of Revenue
35%	Loss of Goods
31%	Increase in Staff Resources
30%	Chargeback Fines
29%	Loss of Customer Goodwill
27%	Financial Reconciliation Inefficiency
23%	Higher Discount Fees

Today, card issuers decline **4.9%** of all transactions, but **12.4%** of all e-commerce transactions.⁸

Online Security Means Cost-Savings and Market Expansion

As an online merchant, you know there are unique challenges in the e-commerce environment. Especially when it comes to payment disputes. Unlike the physical world, there's no signed sales receipt online and no definitive way for a merchant to dispute a cardholder claim that a purchase wasn't made. In fact, research shows that "no cardholder authorization" and "charges cardholders don't recognize" comprise 62% of all online chargebacks and that the ratio of e-commerce chargebacks to overall chargebacks is 7 to 1.⁹ Perhaps even more revealing, fraud led to 6.9 billion dollars in lost online revenue between 2000 and 2003.¹⁰ These direct losses are in addition to the lost staff time you endure, the chargeback fines, and perhaps most importantly, the lost goodwill of your customers.

Considering all the challenges, a solution that limits fraud and chargeback costs and provides enhanced security for your customers translates into a compelling advantage for your online business. MasterCard SecureCode offers you this advantage with unique authentication data that links a cardholder to a specific e-transaction, giving you explicit evidence of an authorized purchase, and providing the basis for a guaranteed online transaction. With this valuable asset, you can help reduce the costs and hassles associated with fraud and chargebacks, and offer customers the added security they're looking for when shopping online. With this added sense of consumer confidence, you will have an opportunity to tap into the estimated \$3 trillion-plus in untapped online potential business worldwide. And, as a SecureCode™-enabled merchant, you'll also benefit from the significant marketing effort MasterCard is making to raise awareness of SecureCode.

Access to Cross-Border Transactions

MasterCard SecureCode also fully supports Maestro® debit transactions in addition to MasterCard credit and debit transactions, making it possible to process fully authenticated debit transactions over the Internet. With SecureCode, unique authentication data links a cardholder to a specific e-commerce transaction giving you explicit evidence of a purchase, and it provides the basis for a guaranteed online transaction — like that available for physical point-of-sale transactions for many years. This feature opens the door to more e-commerce transactions and cross-border opportunities, a particularly valuable feature in countries where debit is more commonly used than credit.

Maximum Confidence at Minimal Cost

While the benefits of MasterCard SecureCode to your customers are significant, the cost of implementation to you is not. In fact, it's quite simple. MasterCard SecureCode requires a compliant merchant plug-in application to be deployed on your website. Following that, you can work with your own transaction processor to pass authentication data via MasterCard's standardized method for handling cardholder authentication data. This data transport mechanism, known as the Universal Cardholder Authentication Field (UCAF™), specifies how cardholder data is carried among all parties in a transaction — cardholders, merchants, issuers, and acquirers.

MasterCard SecureCode also potentially leverages your investment in a compliant merchant plug-in across card associations. The core protocol behind the processing of SecureCode, known as 3-D Secure, is quickly becoming an industry standard for online payments.

⁷ CyberSource Research October 2003

⁸ Based on MasterCard data 3Q2003

⁹ MasterCard INET Reports, 4Q2003

¹⁰ CyberSource Research October 2003

Easy to Implement, SecureCode™ Works Hard for Your Business



 **ASSESS**

 **IMPLEMENT**

 **MARKET**

MasterCard® SecureCode™ utilizes the Universal Authentication Field (UCAF) infrastructure, so cardholder authentication data can be used to link cardholders to the transaction much like a signature in the offline payment sector. In order to qualify for MasterCard's new global payment guarantee, participating online merchants must implement a merchant plug-in, successfully test with MasterCard, and display the MasterCard SecureCode program identifier on their websites.

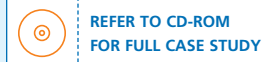
Considering the sizable benefits, merchant requirements are quite manageable. To get started, all merchants need to do is contact their transaction processor to ensure SecureCode

processing support and update their site to include the plug-in application available from a MasterCard-certified vendor. Both the initial and the ongoing costs should be relatively minimal.

Once merchants have deployed the merchant plug-in, it's up to the issuer to authenticate its enrolled cardholders for online transactions. The authentication data, together with an authorization approval for SecureCode-enabled transactions, precludes issuers from utilizing "cardholder non-authorization" chargebacks. So merchants like you can focus on the business of filling orders and serving customers rather than on authorization concerns.

To find a MasterCard certified vendor, visit:
www.securecodevendors.com

Case Study: eTronics



etrionics.com

Overcoming Fraud and Chargebacks with SecureCode

eTronics is one of the top ten largest Internet consumer electronics retailers, generating over \$65 million in yearly sales. Since inception in 1999, eTronics has been consistently profitable. Yet, shortly after launch, the company found it was faced with over \$1 million a year in credit card chargeback costs.

To combat the issue of online fraud, eTronics began evaluating an array of security solutions. After trying a number of potential solutions, both internal and external, eTronics teamed up with a MasterCard-licensed compliant technology vendor offering a merchant e-commerce platform solution. This vendor, Cardinal Commerce, introduced eTronics to MasterCard SecureCode, which was implemented in the spring of 2003.

Mayer Balsler, Vice President of eTronics, says of SecureCode, "For me it was a no-brainer. The product came from a recognized brand that consumers were comfortable with."

Balsler's choice to implement SecureCode offers his company and others like his a payment guarantee similar to the one they have enjoyed with physical, point-of-sale transactions in the past. eTronics does not bear any operational or chargeback costs for fully-authenticated MasterCard SecureCode transactions.

Balsler is optimistic about SecureCode and says, "We're expecting rapid ROI with MasterCard SecureCode. With this solution, we expect to get more orders out, get orders out faster — and get more orders, period."

Marketing Opportunities for Merchants



The MasterCard SecureCode marketing platform has been extensively tested in consumer research and received strong support universally. A wide-ranging global marketing and promotional effort is currently underway, enabling online merchants to benefit from the ever-increasing awareness generated. As a MasterCard SecureCode merchant, you have multiple marketing opportunities available to you, including:

- Your website address will be featured on our consumer site at www.mastercard.com/securecode. To request a listing, complete the free advertising form at www.securecodemerchant.com.
- You will be able to use SecureCode branding on your website, recognizing your business as a supporter and participant in safer e-commerce.
- You may have access to inclusion in marketing materials (i.e., merchant promotional offers available as e-mails and statement inserts, and postcards and statement messages) reminding customers to shop using their SecureCode.

All these opportunities serve to improve the security of e-commerce, while simultaneously helping to expand your potential market reach.

Getting Started Today for Enhanced Security Tomorrow

To become one of the thousands of SecureCode merchants worldwide, visit www.securecodemerchant.com and follow these simple steps:

- 1 Contact your transactions processor to ensure that it supports MasterCard SecureCode. If it does not, please send an e-mail to securecodemerchant@mastercard.com
- 2 Load a SecureCode-compliant merchant plug-in application on your server, available from compliant vendors. For a list of SecureCode-compliant vendors, visit www.securecodevendors.com
- 3 Conduct a simple test with MasterCard to ensure you're ready to go.
- 4 Add the MasterCard SecureCode program identifier to your website to let customers know you are working to secure their online shopping experience. And, we invite you to advertise for free on our consumer website. Go to www.securecodemerchant.com for more information.



ASSESS



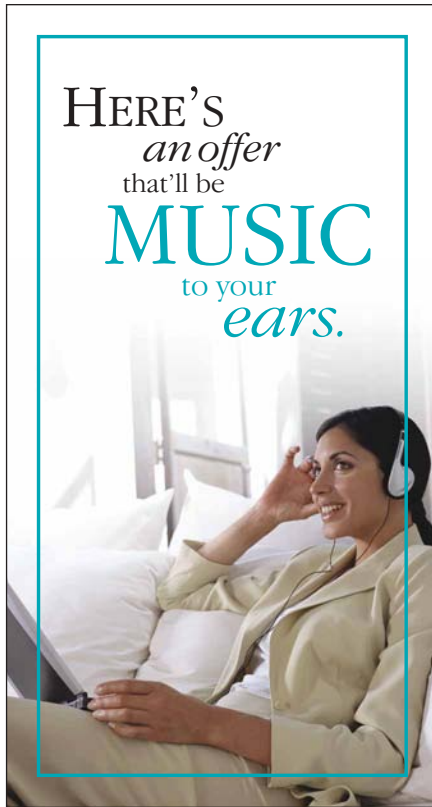
IMPLEMENT



MARKET

**"I like the way that it
instantly confirms that
it's me."**

— *Consumer Focus Group,
London UK*



HERE'S
an offer
that'll be
MUSIC
to your
ears.

Shop with one
LITTLE CODE
and get more
security AND
savings.

MasterCard SecureCode **CRUTCHFIELD ELECTRONICS .com**

You can shop for a wide selection of electronics at Crutchfield.com — from TVs to DVD players, digital cameras to camcorders — and now, thanks to MasterCard® SecureCode, you can get added security too!

Use your MasterCard SecureCode next time you shop online at Crutchfield.com and you'll get \$20 off a purchase of \$100 or more. To redeem this special offer, visit www.crutchfield.com/mc and enter **promotion code PA116**.

Enjoy added peace of mind when you shop online with MasterCard SecureCode. **If you don't have your own private SecureCode, register today at www.mastercard.com/securecode.**

Terms & Conditions
You must be at least 18 years of age and purchase over \$100 exclusive of shipping and handling charge from Crutchfield to take advantage of this offer. Not applicable on gift certificates, Bose products, Escort products, Monster Cable products, Polk Audio home speakers, iPods or TiVo! Audio products. This promotion may not be combined with any other Crutchfield offer. Crutchfield reserves the right to amend the terms, alter the credit amounts, or cancel this offer at any time without prior notice at the sole and absolute discretion of Crutchfield. Limit one per person. Void where prohibited, taxed or otherwise restricted by law. Offer good only in the USA and available for online orders thru 12/31/05.

Financial Institution LOGO

- IMAGE available for international use
- THIS IS A SAMPLE MERCHANT OFFER A complete library of MasterCard SecureCode merchant offers are available as customizable files at www.mastercardonline.com/securecode.

Financial Institution LOGO

[FIRST_NAME][LAST_NAME],

Use your MasterCard® SecureCode™ at Crutchfield.com and take \$20 off your next order of \$100 or more.

One little code can help you save big on electronics.
You can shop for a wide selection of electronics at Crutchfield.com — from TVs to DVD players, digital cameras to camcorders — and now, thanks to MasterCard SecureCode, you can get added security too!

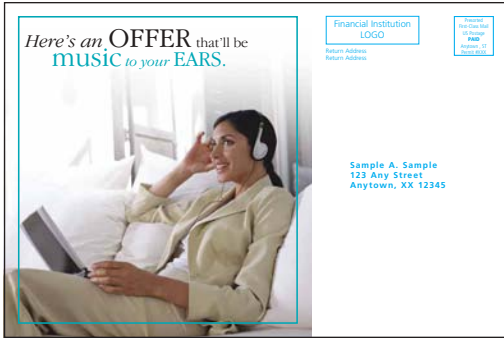
Use your MasterCard SecureCode next time you shop online at Crutchfield.com and you'll get \$20 off a purchase of \$100 or more. To redeem this special offer, visit www.crutchfield.com/mc and enter **promotion code PA116**.

Enjoy added peace of mind when you shop online with MasterCard SecureCode. A private code means added protection against unauthorized use of your card when you shop online. If you don't have your own private SecureCode, register today at www.mastercard.com/securecode.

MasterCard SecureCode **CRUTCHFIELD ELECTRONICS .com**

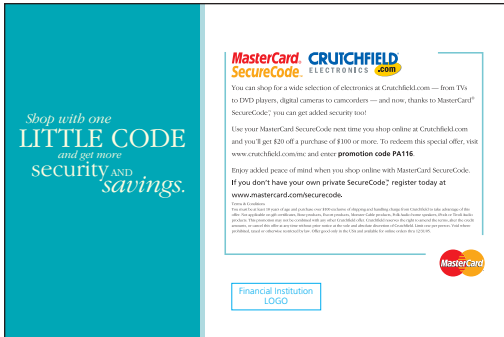
Terms & Conditions
You must be at least 18 years of age and purchase over \$100 exclusive of shipping and handling charge from Crutchfield to take advantage of this offer. Not applicable on gift certificates, Bose products, Escort products, Monster Cable products, Polk Audio home speakers, iPods or TiVo! Audio products. This promotion may not be combined with any other Crutchfield offer. Crutchfield reserves the right to amend the terms, alter the credit amounts, or cancel this offer at any time without prior notice at the sole and absolute discretion of Crutchfield. Limit one per person. Void where prohibited, taxed or otherwise restricted by law. Offer good only in the USA and available for online orders thru 12/31/05.

- IMAGE available for international use
- THIS IS A SAMPLE MERCHANT OFFER A complete library of MasterCard SecureCode merchant offers are available as customizable files at www.mastercardonline.com/securecode.



➤ **IMAGE**
available for international use

➤ **THIS IS A SAMPLE MERCHANT OFFER**
A complete library of MasterCard SecureCode merchant offers are available as customizable files at www.mastercardonline.com/securecode.



Message Library: Statement Messages

REMIND TO SHOP (4)

Try this on for size! MasterCard® SecureCode™ gives you added confidence when you shop online at your favorite stores. Like using your PIN at the ATM, all you do is enter your private code during checkout at participating online merchants when prompted by [FINANCIAL INSTITUTION]. Once your identity is confirmed, your purchase is completed. Now with improved online security, you have one more great reason to shop online!

Run, swim, hike or bike to the nearest computer to shop online — with added confidence! MasterCard® SecureCode™ is a private code that confirms your identity to [FINANCIAL INSTITUTION] when you shop at participating merchants, and protects you against unauthorized use of your card at these merchants. Like using your PIN at the ATM, you enter your code when prompted and then complete your purchase. It's that simple to enjoy added protection online!

Shop for your home without leaving home — and feel more secure! MasterCard® SecureCode™ makes online shopping safer with just one little code. Next time you're shopping at a participating merchant, use your own private SecureCode™ during checkout when prompted by [FINANCIAL INSTITUTION]. Your identity will be confirmed, your purchase completed, and you'll be better protected against unauthorized use of your card. Feel peace of mind online, anytime, anywhere.

Start shopping with online security that's easy as A-B-C! MasterCard® SecureCode™ protects you against unauthorized purchases with one little code. Like using your PIN at the ATM, you enter your private code when prompted by [FINANCIAL INSTITUTION] during checkout at a participating merchant. [FINANCIAL INSTITUTION] confirms your identity and your purchase is safely completed. Now that's simple and secure. No kidding!



Frequently Asked Questions

What benefits do online merchants receive for adding MasterCard® SecureCode™ to their website? There are several benefits that create a very strong business case for your implementation of SecureCode™:

- 1** Protection from “cardholder unauthorized” chargebacks for fully compliant transactions. Such protection is designed to reduce your chargeback and processing expenses.
 - 2** More confident online shoppers. Customers are likely to shop online more frequently and spend more with the added security of MasterCard SecureCode.
 - 3** Wider geographic reach by being able to sell to customers in other countries. Not only will you have the added protection against chargebacks for these customers, you will be able to process their Maestro® debit transactions safely and securely. In many areas of the world, online debit cards are more prevalent than credit cards.
 - 4** An opportunity to advertise for free on MasterCard’s consumer website and attract new customers.
-

Is MasterCard SecureCode easy for online shoppers to use? Yes. Cardholders simply need to enter their private SecureCode in a window from their issuer before their online transaction can be completed. The safekeeping of this code is not the retailer’s responsibility; rather, the process is managed by the MasterCard issuer.

Does MasterCard SecureCode also support Maestro® cards? Yes. MasterCard SecureCode also provides issuers with a new way of supporting Maestro debit transactions over the Internet. In doing so, SecureCode opens the door to more cross-border transactions with merchants in countries where debit is more established than credit.

Where can I find a list of certified MasterCard SecureCode vendors? For a current list of certified compliant MasterCard SecureCode vendors, visit www.mastercardmerchant.com/securecode/vendors.html

Once I have implemented the MasterCard SecureCode requirements, how do I test my site? When you’re ready to test, you should contact your transaction provider.

Do I need to display the MasterCard SecureCode program logo? Yes. The logo is available on the enclosed CD-ROM, and once you have successfully completed testing you are required to display it on your website in accordance with MasterCard guidelines. This will let customers know you are working to make transactions safer.

How do I properly use the MasterCard SecureCode program identifier? Guidelines are provided on the enclosed CD-ROM for all usage of the MasterCard SecureCode word mark and program identifier.

How do I download the MasterCard SecureCode program identifier? The MasterCard SecureCode program identifier is available on the enclosed CD-ROM, and should be used following compliance testing with MasterCard.

As a participating merchant, would I be listed on the MasterCard SecureCode consumer website?

Yes, if you choose. Go to www.securecodemerchant.com for more information.

MasterCard.
SecureCode.

**Tap into an enormous e-Business opportunity today
with MasterCard® SecureCode.™**

For more information on how you can benefit by offering this new service,
contact your MasterCard Representative, or e-mail us at e-Business@mastercard.com.

MasterCard
International

