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POS Service Agreement Frequently Asked Questions

- **What happens at the end of the POS Service Agreement?**

Fundamentally, nothing changes when a merchant's POS Service Agreement comes up for renewal. The contract renews automatically just like our Merchant Processing Agreements. There is no need to sign a new agreement or re-evaluate the merchant's situation at that time. The merchant continues to process credit card transactions like usual and Harbortouch continues to provide the same level of service to include equipment swaps, onsite support, etc. Our free POS initiative is essentially a "POS-as-a-Service" program. The program should really not be viewed in terms of the finite length of the POS Service Agreement. The program is meant to provide an all-inclusive POS solution for as long as the merchant is in business or is using our equipment. Just like our Merchant Agreements are in place as long as the merchant is processing with Harbortouch, the Service Agreement serves the same role for their POS equipment. This is why the contract auto-renews. By continuing with their Service Agreement, the merchant never has to worry about replacing broken equipment or paying for support on an "as needed" basis. As long as the merchant is paying their service fee, they have everything covered and can expect a consistent support experience from Harbortouch.

- **Should I have the merchant sign a new POS service agreement after the initial contract term is up?**

No, the Service Agreement automatically renews just like our Merchant Processing Agreements. Merchants do not sign a new Merchant Agreement when their 3-year term is up, and the same holds true for their POS Service Agreement.

- **What if the merchant's equipment is *really* old?**

If we have a high-volume/high-margin merchant using an older Classic system, then inevitably they will end up on a newer Elite system. This will happen in the normal course of business, such as a hardware failure necessitating a system swap or as a result of a conversion effort. Over time, merchants will be converted to Elites and the technology will gradually be updated, but that does not necessarily correspond with the POS Service Agreement term. We don't wait for a merchant's 3-year Merchant Agreement to come up for renewal and then replace their old Nurit with a Verifone. Instead, these upgrades happen in the normal course of business as swaps or conversion efforts necessitate, and the same is true for POS systems.



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- **If a merchant has Classic or Elite I and their contract term is up, can I have the merchant sign a new POS Service Agreement to get the latest Elite II hardware?**

First, the merchant does not need to sign a new POS Service Agreement. As mentioned previously, the agreement automatically renews. The general position is that if the merchant does not need an upgrade, they should continue to use their POS System and they will inevitably get upgraded in the normal course of business. That stated, if the merchant is experiencing an unusually high number of support issues due to the age of the equipment, we might make an exception. Similarly, if it becomes a matter of retention where a merchant fulfilled their initial POS Service Agreement contract and insists on receiving new hardware, we will likely accommodate. These requests should be worked through your Relationship Manager.

- **I have a lot of Classic POS systems in my merchant portfolio. Will Harbortouch upgrade all of them to Elites at contract renewal?**

We will not commit to a specific timeline to upgrade entire portfolios of Classic POS systems to Elite. As mentioned above, Harbortouch continues to upgrade merchants from Classic to Elite in the ordinary course of business.

- **Can I get an additional POS bonus if the merchant signs a new Service Agreement?**

No. First, the merchant should not be signing a new Service Agreement at the end of their term, as outlined above. Second, we do not pay additional bonuses when a normal 3-year Merchant Agreement renews, and the same logic applies for Service Agreements. Third, if we paid another bonus at the end of each POS term, we would be resetting what is already a very long return-on-investment period. This would simply not be a sustainable business model.

- **What happens if a merchant chooses not to renew their POS Service Agreement but they want to continue processing credit cards with Harbortouch?**

We have not yet seen any instances where this has been the scenario. However, if a merchant chooses not to renew their service agreement, they will be without the inclusive support we currently provide. They would need to pay for service on an “as needed” basis. We will soon have “a la carte” support pricing available, but it will almost certainly be in the merchant’s best interest financially to continue with their Service Agreement, especially when the cost of hardware replacements are factored in.

- **How do you recommend we respond to a merchant that simply does not want to renew their POS Service Agreement?**

First, you need to find out why the merchant doesn’t want to renew their POS Agreement by asking two questions. Depending on the answer, you likely can explain why it’s more cost effective and practical to simply let the POS Service Agreement renew.



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1. *Do you not want to renew because you think it will be less expensive than paying the monthly service agreement?* If so, you should know that the costs associated with “a la carte” support, replacement printers, and replacement POS systems will be much more expensive than just continuing with the Service Agreement. Not to mention, you should expect a complimentary upgrade to our newest hardware in the normal course of business. That value alone is worth continuation of the agreement.
 2. *Do you intend to take the POS system to another credit card processor?* If so, you should know that our POS systems only work on the Harbortouch processing platform. You would not be able to process integrated credit card payments with another provider. Further, Harbortouch will not provide support if you use the POS equipment with another credit card provider.
- **What if a merchant just wants to move to the latest Elite hardware and doesn't care about when their POS Service Agreement comes up for renewal?**

In this case, you should refer the merchant to our very affordable POS Equipment Upgrade program.

- **What happens if a merchant chooses not to renew their POS Service Agreement and they don't want to process credit cards with Harbortouch?**

This is essentially a normal cancellation after the contract term is up. If the merchant fulfilled all of their contractual obligations under both the POS Service Agreement and Merchant Agreement, they are welcome to keep the POS system and make their own processing decisions. The merchant would no longer receive any support from Harbortouch in this situation. It is also important to keep in mind that Harbortouch POS systems only work with the Harbortouch processing platform, so the merchant would need to utilize a stand-alone credit card terminal from their new provider. Processing would no longer be integrated with their POS system, which would reduce the accuracy and value of the system's reports. They also would not have access to Lighthouse for reporting or POS management, and would not be able to use Harbortouch gift cards, online ordering, reservations or Tableside. Additionally, if anything breaks, the merchant would be on their own for repair and support.

CONCLUSION

The POS Service Agreement should not be viewed as a lease that has an expiration date. Instead, the program should be viewed as a “POS-as-a-Service” model. This is why the contract automatically renews. As we all know, POS systems require a considerable amount of service and support. Just like the Merchant Processing Agreement, the Service Agreement should stay in place during the entire merchant relationship in order to make sure that the merchant always receives the support that they need, including lifetime replacements. If you have a merchant with an older Classic POS System that needs urgent support or is becoming a retention issue at contract renewal, please let your Relationship Manager know and we can address those situations as needed. In all other cases, there is a very affordable POS Upgrade Program available that permits merchants to easily transition from Classic to Elite.