

**Meeting Between Federal Reserve Board Staff,
MasterCard and Sidley Austin LLP
August 12, 2010**

Participants: Louise Roseman, Geoffrey Gerdes, Edith Collis, Jennifer Davidson, Elizabeth Kiser, Jeffrey Yeganeh, David Stein, Chris Clubb, Dena Milligan, Vivian Wong, and Robin Prager (Federal Reserve Board); Julia Cheney (Federal Reserve Bank of Philadelphia)

Shawn Miles, Jodi Golinsky (MasterCard); Karl Kaufmann, Ryan Rogers (Sidley Austin LLP)

Summary: Staff of the Federal Reserve Board and Federal Reserve Bank of Philadelphia participated in a teleconference with representatives of MasterCard to discuss the interchange fee provisions of the Dodd-Frank Act (the “Act”). Representatives of MasterCard first provided staff with an overview of MasterCard’s payment system. As part of this discussion, MasterCard’s representatives discussed MasterCard’s debit interchange fee structure; the network fees charged to issuing and acquiring customers; the incentive arrangements between MasterCard and its issuers and merchants; fraud prevention; and processing of MasterCard’s PIN and signature debit card transactions. During the meeting, MasterCard’s representatives also discussed Mastercard’s views on the technical implementation of the small issuer exemption under the Act, and the lead time needed to implement any changes to MasterCard’s payment system.