

Justin Chen
XAC Automation Corporation
4F., No. 30, Industry E. RD. IX, Hsin-chu Science Park
Hsin-Chu, Taiwan, R.O.C.

August 21, 2007

Re: Discover Network Zip 1.0 – Type Approval Letter
Vendor: XAC Automation Corporation
Product: Cradle A01
Version: Cradle FW A04


Dear Justin:

DFS Services, LLC (Discover) hereby confirms its type approval of XAC Automation Corporation Cradle A01 terminal with firmware version Cradle FW A04. Accordingly, XAC Automation Corporation may notify its customers of Discover's type approval and may now distribute this product with the Discover Network Zip Contactless payment application. Discover may list the product referenced above as an approved product on its corporate website together with communications materials for the duration of the type approval contained herein.

This approval is granted for a period of twelve (12) months and will expire on August 21, 2008. XAC Automation Corporation may apply for an approval extension prior to the expiration date.

Any significant hardware or software change to the product tested above must promptly be communicated to Discover. Discover reserves the right, in its sole discretion and at any time, to revoke the type approval granted herein upon prior notice and XAC Automation Corporation shall promptly comply with such revocation. This letter may not be assigned by XAC Automation Corporation.

Sincerely,



Troy Bernard
Manager – POS Technology