

**VARIABLE CREDIT AGREEMENT**
**Visa Desjardins U.S. card**

**PLEASE READ THIS DOCUMENT CAREFULLY AND  
KEEP IT FOR REFERENCE PURPOSES.  
EFFECTIVE MAY 1, 2013**

**For the purposes of this Agreement, the cardholder and additional cardholder(s) are collectively designated by the term “the cardholder”. When the cardholder, if a Visa Desjardins card has been issued by the Fédération in his favour, signs the Visa Desjardins card bearing his name, or when he uses it for the first time, or authorizes its use by a third party, he accepts the following conditions for use and is conjointly and solidarily liable for any debt incurred from the use of the Visa Desjardins card, any debt being recoverable in full from his heirs, legatees and assigns. This acceptance also signifies the cardholder’s acknowledgment of the request for the issuance of his Visa Desjardins card, regardless of the form of signature that is used.**

**1. DEFINITIONS**

In this Agreement, the following terms are ascribed the following meanings:

**“accessible device”:** automated teller machine, point-of-sale equipment, Touch-Tone telephone connected to a Touch-Tone line, computer or any other device enabling a Visa Desjardins cardholder to carry out transactions with the Visa Desjardins card;

**“cash advance”:** advance of cash obtained using the Visa Desjardins card;

**“interest rate”:** the rate used to calculate credit charges;

**“point-of-sale equipment”:** electronic terminal equipped with a card reader and a keyboard to carry out transactions with a Visa Desjardins card (ex.: point-of-sale terminal);

**“regular purchase”:** purchase of a good or service using the Visa Desjardins card;

**“signature”:** method used by the cardholder to indicate his consent, regardless of whether that indication be handwritten, electronic or verbal;

**“transaction record”:** record given by certain accessible devices confirming a purchase or a cash advance made by the cardholder with his Visa Desjardins card;

**“unauthorized transaction”:** transaction made after **1)** the cardholder has reported his Visa Desjardins card lost or stolen, **2)** the card has been cancelled or declared expired, **3)** the cardholder, pursuant to this Agreement, has reported that another person may be aware of his Visa Desjardins PIN, **4)** the cardholder was forced, under threat, to hand over his Visa Desjardins card or to give his Visa Desjardins PIN to a third party, subject to the cardholder filing a complaint with the police authorities, notifying the Fédération forthwith and collaborating with any subsequent investigation or **5)** the cardholder had his Visa Desjardins PIN stolen without his knowledge;

**“Visa Desjardins card”:** any Visa credit card issued by the Fédération to the cardholder or a third party authorized by the former, whose use is governed by this Agreement and by any amending or superseding Agreement thereof;

**“Visa Desjardins PIN”:** a personal and confidential identification number the cardholder must use with his Visa Desjardins card; for the purposes of this Agreement, it is agreed that the Visa Desjardins PIN is personal, confidential and distinct for each cardholder and each of the joint cardholders.

**2. EXCHANGE RATE RISK**

The cardholder acknowledges that at his explicit request, this Variable Credit Agreement is granted to him in US dollars, and that any transaction carried out using or in respect of the Visa Desjardins card shall be in US dollars. The cardholder shall therefore assume all exchange rate fluctuation risks, where applicable.

**3. USE OF CREDIT**

The Visa Desjardins card allows its cardholder to obtain credit:

- a)** for the payment of a regular purchase or in the form of cash advances;
- b)** by any other means the Fédération may establish.

The Visa Desjardins card may not be used as payment for any illegal purchase. The Fédération reserves the right to suspend use of the Visa Desjardins card without notice if it suspects any form of illicit, unauthorized or fraudulent use of said card.

**4. MAXIMUM CREDIT AMOUNT**

Any use of credit established in Section **3** is subject to a credit limit in US dollars, the amount of which is indicated on the statement of account. Either limit may be increased, at the Fédération’s discretion, upon request from the cardholder, or revised downward if the Fédération deems it appropriate after having analyzed the cardholder’s file. Any cash advance, or purchase which results in the applicable credit limit being exceeded shall be regarded as a request to increase the credit limit to the maximum amount that can then be granted to the cardholder, taking into consideration the applicable credit granting standards.

**5. ANNUAL FEES**

Annual fees of thirty US dollars (**US\$30**) shall be payable for the U.S. Visa Desjardins card. However, no fees shall be payable for obtaining an additional card, provided the number thereof is limited to three (**3**). The amount payable under this section is deemed to be a regular purchase for the purposes of Section **10** and will be charged to the cardholder’s account when one or more Visa Desjardins cards are issued and at each subsequent anniversary of the date of issuance. In the event that the Visa Desjardins card is cancelled, the amount payable under this section shall be non-refundable.

**SEE REVERSE** ⇨

## 6. STATEMENT OF ACCOUNT PERIOD

One or more statements of account in paper format will be sent to the cardholder every month.

## 7. MINIMUM PAYMENT FOR EACH BILLING PERIOD

The cardholder shall reimburse the Fédération, in US dollars, for all amounts due as a result of using the Visa Desjardins card as well as applicable credit charges, in accordance with the terms and conditions of this Agreement.

The cardholder shall pay in one payment, at the latest, by the due date shown on the statement of account for a given period:

a) at least **5%** OF THE TOTAL **(1)** of the balance shown on the statement of account for the previous period, **(2)** of the regular purchases during the period covered by the statement of account, **(3)** of the cash advances during the period covered by the statement of account, **(4)** of the applicable credit charges on regular purchases that have not been paid on the due date shown on the statement of account for the previous period and, **(5)** of the credit charges on cash advances; LESS; **(6)** the payments received since the date of the statement of account for the previous period, and **(7)** the amount of any transaction that has led to an adjustment during that period; or ten US dollars (**US\$10**), if **5%** of the previously determined amount is less than ten US dollars (**US\$10**);

b) any overdue amount on the date of the statement of account;

c) any other amount which the Fédération may notify the cardholder to pay.

All amounts owing hereunder are repayable in whole or in part by the due date, without penalty.

## 8. APPLICATION OF PAYMENTS

Payments are used to cover, in this order: **(1)** credit charges, **(2)** cash advances from a previous period, **(3)** regular purchases that carry credit charges, **(4)** cash advances during the statement period, **(5)** regular purchases recorded during the statement period.

## 9. DEADLINE FOR PAYMENT WITHOUT CREDIT CHARGES

The cardholder may pay the total amount due on the statement without incurring credit charges, within twenty-one **(21)** days following the statement mailing date, except in the case of cash advances.

## 10. INTEREST RATES AND CALCULATION OF CREDIT CHARGES

a) **Regular purchases:** Credit charges shall not apply to regular purchases appearing on the statement of account provided the statement's total balance is paid in full by the due date shown on the statement. Otherwise, the regular purchases appearing on the statement shall be subject to credit charges in US dollars based on the average daily balance from the date of each purchase until the purchases have been paid in full, at the annual interest rate in effect during the period covered by the statement of account. However, if the balance indicated on a subsequent statement is paid in full by the due date shown, purchases not yet paid shall be exempt from credit charges for the period for which full payment has been made.

Annual interest rate: **19.4%**.

b) **Cash advances:** All cash advances are subject to credit charges in US dollars based on the daily average balance starting from the date they are made, at the annual interest rate applicable for the period covered by the statement of account.

Annual interest rate: **19.4%**.

## 11. LATE PAYMENT CHARGES

Should the cardholder fail to make the minimum payment required on the due date shown on his statement of account under the heading Minimum Payment Due, he agrees to pay in US dollars, on any unpaid amount (as defined in Section **10**) credit charges calculated at the regular rate of the card applicable to regular purchases and cash advances, namely **19.4%** per year. This annual interest rate is applicable regardless of the way the credit obtained is used.

## TABLE OF EXAMPLES OF CREDIT CHARGES

TABLE OF EXAMPLES OF CREDIT CHARGES FOR A 30-DAY BILLING CYCLE				
	ANNUAL INTEREST RATE	AVERAGE DAILY BALANCE		
		\$100	\$500	\$1,000
Regular Interest Rate	19.40%	\$1.59	\$7.67	\$15.95

## 12. COMMUNICATIONS WITH CARDHOLDER

Should the Fédération have any questions regarding the cardholder's Visa Desjardins account/card, the cardholder specifically authorizes the Fédération to contact him at his place of business or at any other coordinates, at the Fédération's discretion.

## 13. AMENDMENTS TO THE TERMS OF THE VARIABLE CREDIT AGREEMENT

The Fédération reserves the right to increase the aforementioned interest rates. The Fédération also reserves the right to amend the terms of this Agreement. In either case, the cardholder will receive prior written notice in accordance with the *Consumer Protection Act* and its implementing regulations. Use of the cardholder's Visa Desjardins card after the effective date indicated in the notice will constitute acceptance by the cardholder of the amendments which are the object of the said notice.

## 14. USE OF VISA DESJARDINS PIN

a) **Genuine signature:** The cardholder acknowledges that the joint use of his Visa Desjardins card with his Visa Desjardins PIN is the same as his genuine signature to enable him to carry out, through an accessible device, cash advances and purchases, as applicable, as provided for under this Agreement.

b) **Selection and confidentiality of Visa Desjardins PIN:** When a cardholder selects his Visa Desjardins PIN, he undertakes not to select an obvious number (ex.: date of birth, telephone number, social insurance number, health insurance number, driver's permit number), in which case he shall be presumed having contributed to the unauthorized use of his card and shall assume all liability thereof, if any.

The cardholder further undertakes not to disclose his Visa Desjardins PIN to anyone in anyway whatsoever, nor to write it on his card or any other easily accessible document, in which case he shall also be presumed having contributed to the unauthorized use of his card and shall assume all liability thereof, if any.

c) **Liability:** Should the cardholder notice the loss of confidentiality of his Visa Desjardins PIN or as soon as he suspects a third person of knowing his Visa Desjardins PIN, he undertakes, to continue to make purchases or get cash advances, to modify his Visa Desjardins PIN immediately or, if he is unable to do so, to notify the Fédération of this situation. Any transaction made after such modification to a Visa Desjardins PIN is no longer considered an unauthorized transaction as defined in this Agreement.

When unauthorized transactions are made with the cardholder's Visa Desjardins card, the cardholder cannot be held liable for these transactions.

The cardholder acknowledges that the Fédération cannot be held liable for damages, including monetary losses, resulting from the impossibility of using an accessible device due to a malfunction, temporary failure or misuse, nor to any other interruption of the devices caused by acts out of the Fédération's control, including labour conflicts and equipment failure.

## 15. CARD VALIDITY

The cardholder agrees not to use the Visa Desjardins card before the validity date or after the expiry date indicated on the card.

## 16. CANCELLATION OF CARD

As the Visa Desjardins card remains the property of the Fédération, the latter reserves the right at any time to rescind the current authorized credit limit, to

revoke the card and take possession thereof or have it repossessed, and to cancel, in full or in part, one or more services provided by the card, or to deny access to said services without prior notice to the cardholder. The Fédération shall not be held liable in this or in any other event.

## 17. RESPONSIBILITY OF THE FÉDÉRATION

The Fédération cannot be held responsible for the refusal of a merchant to honour the Visa Desjardins card nor for the modification, cancellation or replacement of the Visa Desjardins card's advantages or discounts by a supplier.

## 18. LOSS OR THEFT OF VISA DESJARDINS CARD

If a Visa Desjardins card is used without the cardholder's authorization following the loss or theft of the card, the cardholder's liability is limited to a maximum of fifty US dollars (**US\$50**) and all liability ceases when the Fédération is notified of the loss or theft of the Visa Desjardins card.

## 19. CARD NOT PRESENT TRANSACTION OF THE VISA DESJARDINS CARD

The cardholder agrees that when he carries out a transaction without presenting his card and by simply providing the merchant with his Visa Desjardins credit card number, (for example, transactions made over the telephone or online transactions) he bears the same responsibilities as would be the case if the transaction was completed by signing a transaction slip or entering his Visa Desjardins PIN number in an accessible device.

## 20. DISPUTES

The Fédération assumes no liability whatsoever for the quality of the goods or services obtained using the Visa Desjardins card and all claims or disputes concerning sales drafts or credit vouchers, requests for refunds, etc., should be settled directly between the cardholder and the merchant. A cardholder may also contact the Fédération if he wishes to contest a transaction that appears on the monthly statement of account.

## 21. CREDIT VOUCHERS

Any credit voucher will be credited to the cardholder's account on the day it is received by the Fédération, and the cardholder's obligation to pay that amount ceases on that day.

## 22. CURRENCY CONVERSION SERVICE

All Visa Desjardins purchases or cash advances made in a currency other than US dollars are payable in U.S. currency converted at the exchange rate in effect as determined by the Federation or its provider on the date the purchase or cash advance is processed.

The cardholder shall pay a currency conversion charge of **2.5%** (two US dollars and fifty cents (**US\$2.50**) per one hundred US dollars (**US\$100**) spent) on any amounts recorded in the cardholder's account in foreign currencies and converted into US dollars. The amount payable in exchange rate charges and the currency conversion charge is deemed to be a regular purchase within the meaning of Section **10** of this Agreement and will be charged to the cardholder's account on the date the currency is converted.

In the event that a foreign currency conversion transaction is credited to the cardholder's Visa Desjardins account, the transaction will be converted in U.S. currency at the exchange rate in effect as determined by the Federation or its provider on the date the credit is processed, deduction made of the currency conversion charge of **2.5%** (two US dollars and fifty cents (**US\$2.50**) per one hundred US dollars (**US\$100**) spent). This could for example cause the amount of a debit for a purchase to exceed the amount of the corresponding credit in Canadian currency for a refund or return of such purchase, since the exchange rate in effect on the date of the credit may be different from the exchange rate in effect on the date of the purchase.

## 23. SOLIDARITY LIABILITY

If the Visa Desjardins card is issued in the name of more than one cardholder on the same account, their obligations are conjointly and solidary and may be claimed in full from their respective heirs, legatees and assignees.

## 24. PROOF

The cardholder agrees and accepts that his monthly statement of account constitutes conclusive proof of indebtedness and agrees to pay the indebtedness shown on his monthly statement of account in accordance with the terms of this Agreement.

The cardholder also agrees and accepts that the transaction record issued by an accessible device constitutes proof that the transaction he has carried out has been correctly recorded. In the case of a card-not-present or contactless transaction, as indicated under Section **19** of this Agreement, agrees that the entry of the transaction on his monthly statement of account will constitute proof that the transaction was indeed carried out. The Fédération is not responsible for providing other proof of transactions, unless the cardholder requests it to avoid or settle a dispute within the meaning of this Agreement, and that in such case, he provides the Fédération with a transaction record confirming the purchase or the cash advance. The cardholder then accepts that the magnetic stripe or an equivalent data support on which the data pertaining to the transactions made is stored constitutes a sufficient written proof for all legal proceedings.

## 25. PERSONAL INFORMATION

The Fédération establishes a file in the cardholder's name for the purpose of allowing him to receive financial services related to the different credit and payment services. The personal information in this file is kept on the premises of the Fédération or its representatives and is consulted by their employees when this is justified in the performance of their duties. The cardholder has the right to know the contents of his file and to have any inaccurate information corrected. He is also entitled to have access to his file and have it rectified by addressing a written request to the personal information agent. Moreover, the cardholder may exclude his name from nominative lists constituted by the Fédération. For all these requests, the cardholder must write to Customer Service (PRP), P.O. Box **8600**, Centre-Ville Station, Montréal (Québec), **H3C 3P4**.

The cardholder agrees that the Fédération may obtain and update, from any personal information agent, financial institution, employer or credit card issuer ("Third Parties"), any information required for the subject of its file, i.e., the provision of financial services relating to various credit and payment services, in order to prove his solvency and to review his commitments to the Fédération within the context of his business dealings with it. The cardholder authorizes any Third Parties to disclose such information to the Fédération, even though said information may be found in an inactive or closed file. The cardholder agrees that the Fédération may disclose to any personal information agent, financial institution and credit card issuer any financial commitments towards the Fédération arising from the use of the Visa Desjardins credit card.

## 26. INFORMATION KEPT IN THE UNITED-STATES

For the purposes of issuing and managing the Visa Desjardins card in US dollars, the Fédération calls upon a provider established in the United States. The cardholder therefore understands that by requesting and using the U.S. Visa Desjardins card, information on him may be processed and kept in the United States. The cardholder is correspondingly advised that the governments, tribunals and regulatory bodies of the United States may be able to obtain the disclosure of his information under the applicable laws of the United States.

## 27. DATA TRANSMISSION TO VISA INC. AND ITS SUBSIDIARIES

The cardholder agrees that the Fédération may collect, use and disclose to Visa inc. and any of its subsidiaries, their officers, employees and agents, any necessary information, on the one hand to process, authorize and authenticate a transaction and, on the other hand, for the provision of customer service and the administration of a promotional contest to allow the cardholder to participate in such a contest.

**SEE REVERSE ⇨**

## 28. FORFEITURE OF BENEFIT OF THE TERM

In the event that the cardholder breaches any condition stipulated in this Agreement, including without limitation, where the cardholder fails to make payments by the due date in accordance with any mode of financing he will have used, as defined in Section **1** of this Agreement, then the Fédération, subject to the *Consumer Protection Act*, may require immediate repayment of all the amounts owed by the cardholder, regardless of whether they are due and payable.

## 29. CURRENCY EXCHANGE IN THE EVENT OF COLLECTION

If collection measures are taken or a judgment is obtained, the cardholder acknowledges that the Fédération may, at its sole discretion, convert the amount at the exchange rate in effect at the time the measures are taken, on the date of the judgment, or on any other date it may deem appropriate. Should the exchange rate in force change between the conversion date and the date on which the amount owing is paid, the cardholder shall, on the payment date, pay the Fédération any additional amount that may be required so that the amount paid in Canadian dollars on that date is equal, after being converted at the exchange rate on the payment date, to the amount then owing in US dollars. Any amount owing by the member pursuant to the above shall be a distinct debt, and shall not be affected by a judgment obtained in respect of any other amount owing as a result of or pursuant to this Agreement.

## 30. EXCHANGE RATE

For the purposes of Section **29**, the expression "exchange rate" means the Bank of Canada's official exchange rate at noon ("US/CAN noon rate") in force on the day of the exchange, where applicable, plus any payable conversion premium and fee. If the Bank of Canada's official noon rate is not available on the conversion date, the Fédération may decide, at its sole discretion, that the conversion will be carried out at the exchange rate of the day immediately before or after the conversion date for which a rate is available.

## 31. CLAUSES REQUIRED UNDER THE CONSUMER PROTECTION ACT (SECTION 125)

These provisions apply only if the cardholder is a consumer as defined by the Act.

### Clause of forfeiture of benefit of the term

Before availing himself of this clause, the merchant must forward to the consumer a notice in writing and, unless he is exempted in accordance with section **69** of the General Regulation, he must forward to him a statement of account.

In thirty (**30**) days following the receipt by the consumer of the notice and where necessary, of the statement of account, the consumer may:

- a) either remedy the fact that he is in default;
- b) or present a motion to the Court to have the terms and conditions of payment prescribed in this contract changed.

It is in the consumer's interest to refer to sections **104** to **110** of the *Consumer Protection Act* as well as to section **69** of the General Regulation made under that Act and, where necessary, to communicate with the Office de la protection du consommateur.

### Contract extending variable credit for the use of a credit card

For the purpose of this contract, the sole fact that the card has been issued replaces the merchant's signature and the sole use of the card by the consumer replaces the consumer's signature.

In the event of loss or theft of a credit card, the consumer incurs no liability for a debt resulting from the use of such card by a third person after the issuer of the card has been notified of the loss or theft by telephone, telegraph, notice in writing or by any other

means. Even where such notice is not given, the liability of the consumer whose credit card has been lost or stolen is limited to the sum of fifty US dollars (**US\$50**). At the end of each period, the merchant, if he has a claim with regard to a consumer, must furnish the latter with a statement of account mailed at least twenty-one (**21**) days before the date on which he may exact credit charges if the consumer does not discharge his entire obligation; credit charges for advances of money may start as of the date of the advance up until the date of payment.

The consumer may require the merchant to forward him, without charge, a copy of the vouchers for each of the transactions described in the statement of account.

Until the consumer receives statement of account at his address, the merchant must not exact credit charges on the unpaid balance, except on cash advances.

It is in the consumer's interest to refer to sections **29**, **123**, **124**, **126** and **127** of the *Consumer Protection Act* and, where necessary, to communicate with the Office de la protection du consommateur.

