Desjardins

VISA*

VARIABLE CREDIT AGREEMENT

VISA* DESJARDINS U.S. *BUSINESS* CARD[1]

450 boulevard De Maisonneuve West, Montreal, Quebec H3A 0H2

Effective November 2017

The applicant(s) or the company as named in the Visa Desjardins U.S. *Business* Card application form (hereinafter, the "Holder") shall be liable to the Fédération des caisses Desjardins du Québec (hereinafter, the "Federation") for any debts contracted through the use of the Visa Desjardins U.S. *Business* credit cards (hereinafter, the "Visa Desjardins Card") issued in the name and for the benefit of the Holder for use by its authorized representatives, including any debts that may exceed the credit limits granted, and continued use of cards by those who are no longer authorized representatives of the Holder. In the case of a partnership where the Holder named several applicants, the Holder and applicants shall be jointly and severally, or solidarily, liable for any debts and obligations described herein, and such debts and obligations shall be indivisible and may be claimed in their entirety from the heirs, beneficiaries and assigns thereof. The Holder accepts and undertakes to abide by the terms of use set forth in this variable credit agreement as of the moment an authorized representative first uses the Visa Desjardins Card. When an authorized representative signs or uses a Visa Desjardins Card for the first time, he/she undertakes to comply with the PIN terms of use as stated in this variable credit agreement and consents to the disclosure of information regarding his/her use of the card as provided for in the said agreement.

1. DEFINITIONS

Unless indicated otherwise, the following terms and expressions in this agreement shall have the following meanings:

Regular purchase: the purchase of a good or service using the Visa Desjardins Card, other than equal instalment financing;

Accessible device: automated teller machine, point-of-sale equipment, Touch-Tone telephone connected to a Touch-Tone line, computer or any other device enabling an authorized representative to carry out transactions with the Visa Desjardins Card;

Cash advance: advance of cash obtained using the Visa Desjardins Card;

Visa Desjardins Card: any Visa Desjardins U.S. *Business* credit card issued by the Federation in the name and to the benefit of the Holder for use by its authorized representatives, and which is governed by this variable credit agreement;

Master account: the Holder's account, to which are linked the secondary accounts of each Visa Desjardins Card issued for use by the authorized representatives;

Secondary account: a Visa Desjardins Card account related to the Holder's master account. There are as many secondary accounts as there are Visa Desjardins Cards issued in the name and to the benefit of the Holder for use by its authorized representatives. The numbers of these accounts correspond to the numbers appearing on the Visa Desjardins Cards issued in the name of the authorized representatives;

Visa Desjardins PIN: a personal and confidential identification number the authorized representative must use with his/her Visa Desjardins Card;

Individual payments: the payment method used for amounts owing following the use of a Visa Desjardins Card that allows the authorized representative to pay only the amounts owing on the Visa Desjardins Card issued in his/her name;

Consolidated payments: the payment method used for amounts owing following the use of a Visa Desjardins Card requiring a single payment by the Holder for all of its authorized representatives;

Transaction record: the record given by certain accessible devices confirming a regular purchase or a cash advance made by the authorized representative with his/her Visa Desjardins Card;

Authorized representative: a physical person duly authorized by the Holder to hold and use a Visa Desjardins Card and whose name appears on the said card. Where applicable, the term "authorized representative" may also designate the Holder;

Contactless technology: technology which allows a Holder to make a payment using the Visa Desjardins Card at participating merchants for an amount determined by the merchant without having to enter or swipe the card in point-of-sale equipment; this technology allows the Holder to simply "wave" the card in front of the point-of-sale equipment without having to sign a transaction slip or enter a PIN;

Unauthorized transaction: transaction made after **(i)** a Visa Desjardins Card is reported lost or stolen, **(ii)** the Visa Desjardins Card has been cancelled or declared expired, **(iii)** the authorized representative, pursuant to this variable credit agreement, has reported that another person may be aware of his/her Visa Desjardins PIN, **(iv)** the authorized representative was forced, under threat, to hand over his/her Visa Desjardins Card or to give his/her Visa Desjardins PIN to a third party, subject to the authorized representative filing a complaint with the police authorities, notifying the Federation forthwith and collaborating with any subsequent investigation, or **(v)** the authorized representative's Visa Desjardins PIN was stolen without his/her knowledge.

2. CURRENCY RISK

The Holder acknowledges having expressly requested this variable credit agreement in U.S. dollars, and that all transactions carried out using the Visa Desjardins Card and resulting from such use shall be in U.S. dollars. The Holder therefore bears all risks relating to exchange rate fluctuations, if any.

3. USE OF CREDIT

The Visa Desjardins Card can be used to obtain credit:

a) For the payment of a regular purchase or in the form of cash advances;

b) By any other means the Federation may establish.

4. MAXIMUM CREDIT AMOUNT

The authorized representative may not exceed the credit limit, the amount of which is indicated in U.S. dollars on the monthly account statement. This limit may be increased, at the Federation's discretion, upon request from the Holder. The Federation reserves the right to cancel or amend the credit limit of an authorized representative, at its entire discretion and at any time without notice to the Holder or the authorized representative, in accordance with the Federation's applicable credit policies and standards. Any cash advance or regular purchase which results in the credit limit granted to the authorized representative being exceeded may be regarded as a request to increase the credit limit to the maximum amount that can then be granted to the Holder, taking into consideration the Federation's applicable credit granting standards.

5. ENROLMENT AND USER FEES

Enrolment fees, including for optional services, if any, indicated on the Visa Desjardins U.S. *Business* Card application, are charged in U.S. dollars and are deemed to be regular purchases. Such fees shall be charged to the account of the Holder on its monthly account statement and on the monthly account statements of each of the authorized representatives, if any, when at least one card is issued and at each subsequent anniversary of the date of issuance.

6. ACCOUNT STATEMENT PERIOD

The Federation shall send the Holder, or the Holder and each of the authorized representatives, as the case may be, a printed copy of their account statement once a month.

7. MINIMUM PAYMENT FOR EACH BILLING PERIOD

The Holder shall repay to the Federation, in U.S. dollars, through each of its authorized representatives where applicable, for purchases and cash advances made using the Visa Desjardins Card and any amounts obtained through any of the credit uses set forth herein, as well as applicable interest, in accordance with the terms and conditions of this variable credit agreement. By no later than the due date shown on the account statement for a given period, the Holder, through the intermediary of its authorized representatives, if any, shall send the Federation a payment representing:

a) the entire balance, including interest on cash advances and on the unpaid portion of the previous month's balance; or

b) at least 2% OF THE TOTAL of **(1)** the balance shown on the account statement for the previous period; **(2)** regular purchases during the period covered by the account statement; **(3)** cash advances and cheques during the period covered by the account statement; **(4)** the applicable interest on purchases that have not been paid on the due date shown on the account statement for the previous period; and **(5)** interest on cash advances and cheques; LESS **(6)** payments received since the date of the account statement for the previous period, and **(7)** the amount of any transaction that has led to an adjustment during that period; or US$50, if 2% of the previously determined amount is less than US$50;

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

d) any other amount which the Federation may notify the Holder to pay.

In all cases, any payment reversal and any payment made by cheque or by preauthorized debit that is not honoured will incur interest at the applicable rate hereunder as though the payment had never been made.

8. APPLICATION OF PAYMENTS

Payments are used to cover, in this order: **(1)** interest charges; **(2)** cash advances from a previous period; **(3)** regular purchases that carry interest charges; **(4)** cash advances during the period covered by the account statement; and **(5)** regular purchases posted during the statement period.

9. GRACE PERIOD

The Holder has a grace period of twenty-one (21) days from the date the account statement is mailed, during which the total balance of the account statement may be paid without having to pay interest, other than on cash advances.

10. INTEREST RATES

a) Regular purchases: The annual interest rate applicable on regular purchases unpaid by the due date shown on the account statement is 19.4%.

b) Cash advances: The annual interest rate applicable on cash advances, calculated based on the average daily balance from the date of the transaction until receipt of full payment, is 19.4%.

11. CALCULATING INTEREST

a) Consolidated payments

i. Regular purchases: No interest is calculated on regular purchases billed the first time if the balance is paid in full by the due date shown on the account statement. Otherwise, interest is calculated on the average daily balance from the date on which the transaction is posted to the account statement until receipt of full payment, if payment is not made within 21 days, at the annual interest rate indicated on the account statement.

ii. Cash advances: Interest on cash advances is calculated on the average daily balance from the date the transaction is made until receipt of full payment, at the annual interest rate indicated on the account statement.

b) Individual payments

i. Regular purchases: No interest is calculated on regular purchases billed for the first time if the balance is paid in full by the due date shown on the account statement. Otherwise, interest is calculated on the average daily balance from the date on which the transaction is posted to the account statement until receipt of full payment, if payment is not made within 21 days, at the annual interest rate indicated on the account statement. However, if the balance shown on a subsequent statement is paid in full no later than the indicated due date, regular purchases not yet paid shall be exempt from interest for the period for which full payment is made.

ii. Cash advances: Interest on cash advances is calculated on the average daily balance from the date the transaction is made until receipt of full payment, at the annual interest rate indicated on the account statement.

12. LATE PAYMENT CHARGES

Should the minimum required payment not be made by the due date shown on the account statement, the Holder agrees to pay additional interest on any unpaid amount, calculated at the annual interest rate in effect for the regular purchases as stated in this variable credit agreement.

13. CARD VALIDITY

The Visa Desjardins Card may not be used before the validity date or after the expiry date indicated on the Visa Desjardins Card.

14. USE OF CARD

The Holder of the Visa Desjardins Card undertakes to ensure that the Visa Desjardins Card is used exclusively for business expense purposes. The Visa Desjardins Card may not be used to pay for any unauthorized or illegal regular purchases, or for the authorized representative's personal purposes. The authorized representative authorizes the Federation to communicate to the Holder any information pertaining to his/her use of the Visa Desjardins Card issued under this variable credit agreement. More specifically, but without limitation, the authorized representative authorizes the merchants where he/she uses the Visa Desjardins Card to disclose to the Federation details on the use made of the Visa Desjardins Card, so that the Federation may disclose the same to the Holder, in accordance with the following model. Such disclosure is necessary to enable the Holder to better monitor its expenses and ensure compliance with its purchasing and procurement policies. The authorized representative understands and agrees that such disclosure is not limited to purchase categories (e.g., fuel, hotel, restaurant) but may include information on the type of product, cost, location, etc. and shall be provided solely as an example.

AIRLINES	ACCOMMODATION	CAR RENTAL	FUEL	OTHER TRAVEL AND ENTERTAINMENT EXPENSES
Flight number Departure and Arrival Time Ticket Code	Food & Drink Parking Mini-bar Laundry Telephone Etc.	Name of Lessee Insurance Fuel One Way Rental Towing Etc.	Fuel Type Quantity Unit Price Non-Fuel Code Non-Fuel Subtotal	Recipient/ Postal code Description of Item Product Code Quantity Unit Price Measurement Unit Etc.

15. USE OF VISA DESJARDINS PIN

a) Genuine signature: The Holder acknowledges that the joint use of the Visa Desjardins Card with an authorized representative's Visa Desjardins PIN is the same as the authorized representative's genuine signature to enable him/her to carry out, through an accessible device, purchases and cash advances, as provided for under this agreement.

b) Selection and confidentiality of Visa Desjardins PIN: When the authorized representative selects his/her Visa Desjardins PIN, he/she undertakes not to select an obvious number (e.g., date of birth, telephone number, social insurance number, health insurance number, driver's licence number); otherwise he/she shall be presumed to have contributed to the unauthorized use of his/her Visa Desjardins Card and assume all liability therefor, if any. The authorized representative further undertakes not to disclose his/her Visa Desjardins PIN to anyone in any way whatsoever, nor to write it on his/her card or any other easily accessible document; otherwise he shall also be presumed to have contributed to the unauthorized use of his Visa Desjardins Card and shall assume all liability therefor, if any.

c) Liability: Should the authorized representative notice the loss of confidentiality of his/her Visa Desjardins PIN, or as soon as he/she suspects a third party of knowing his/her Visa Desjardins PIN, he/she undertakes, in order to continue to make purchases or obtain cash advances, to modify his/her Visa Desjardins PIN immediately or, if unable to do so, to notify the Federation of the situation. Any transaction made after such modification to a PIN is no longer considered an unauthorized transaction as defined in this agreement. The Holder is not liable for unauthorized transactions made with an authorized representative's Visa Desjardins Card.

The Holder acknowledges that the Federation cannot be held liable for damages, including monetary losses, resulting from the inability to use 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 Federation's control, including labour conflicts and equipment failure.

16. CARD NOT PRESENT TRANSACTION AND CONTACTLESS USE OF THE VISA DESJARDINS CARD

The Holder agrees that when an authorized representative carries out a transaction without presenting the card and by simply providing his/her Visa Desjardins credit card number, (e.g., telephone or online transactions) or carries out a contactless transaction, the Holder bears the same responsibilities as would be the case if the authorized representative had signed a transaction slip or entered his/her Visa Desjardins PIN in an accessible device.

17. FOREIGN CURRENCY CONVERSION SERVICE

All cash advances and regular purchases completed with a Visa Desjardins Card in a currency other than U.S. dollars are payable in U.S. dollars converted at the exchange rate in effect as determined by the Federation or its provider on the date the transaction slip is processed.

A currency conversion charge of 2.5% shall apply on any amount recorded in the account in foreign currencies and converted into U.S. dollars. The amount payable in currency conversion charges is deemed to be a regular purchase and shall be charged to the secondary account of the authorized representative's Visa Desjardins Card on the date the currency is converted.

18. CANCELLATION OF THE CARD BY THE FEDERATION

As the Visa Desjardins Card remains the property of the Federation, the Federation reserves the right to take possession of it or have it repossessed, and to cancel all or part of any services provided by the card, or to deny the authorized representative access to it, without prior notice to the Holder or the authorized representative. In any of these cases, the Federation shall not be held liable.

19. DESTRUCTION OF THE CARD

Subject to the "Lost or Stolen Card" section of this agreement, in the event of cancellation of one or more Visa Desjardins Cards held by an authorized representative, the Holder shall be responsible for the destruction of the cancelled cards. If the Holder withdraws use of the Visa Desjardins Card from an authorized representative, the Holder is responsible for destruction of the withdrawn card. The Holder shall remain liable for payment of any debt contracted using a card issued to an authorized representative from whom it has withdrawn use of the Visa Desjardins Card, until the Federation is notified of such withdrawal.

20. LOST OR STOLEN CARD

The Holder and authorized representative undertake to notify the Federation immediately if a Visa Desjardins Card is lost or stolen. Subject to the "Use of Visa Desjardins PIN" section of this agreement, the Holder's liability shall be limited to a maximum of US$50 and all liability shall cease when the Federation is notified of the loss or theft of said Visa Desjardins Card.

21. DISPUTE WITH A MERCHANT

a) The Federation 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 Holder and the merchant. The Holder may also contact the Federation if it wishes to dispute a transaction that appears on the monthly account statement.

b) The Federation assumes no liability whatsoever if a Visa Desjardins Card is refused by a merchant for any reason whatsoever, or should the merchant amend, cancel or replace the benefits or discounts attached to the Visa Desjardins Card.

22. CREDIT VOUCHERS

Any credit voucher will be credited to the Visa Desjardins Card's secondary account on the day it is received by the Federation, and the Holder's obligation to pay that amount shall cease on that day.

23. FORFEITURE OF BENEFIT OF THE TERM

In the event that the Holder breaches any condition set forth in this agreement, including without limitation, where the Holder fails to make payments by the due date, the Federation may require immediate repayment of all amounts owed by the Holder, regardless of whether they are due and payable. Where applicable, the Federation reserves the right to withhold, in order to obtain payment of any specific, liquid and payable claim it has against the Holder, any sum of money it owes to the Holder and use it to compensate its claim.

24. RECURRING PRE-AUTHORIZED TRANSACTIONS

The holder and its authorized representatives accept that the Federation may contact merchants that the company or its authorized representative have authorized to make recurring transactions (e.g., monthly subscriptions for newspapers, cellphone plans) in order to disclose the new credit card number and expiry date, each time that a new credit card is issued to an authorized representative. The holder and its authorized representatives accept that each merchant will use this updated credit card information to continue the recurring transactions and they understand and accept that not all merchants are eligible to receive these updates and that it is their responsibility to make sure that each merchant has the updated credit card information. The holder and its authorized representatives may withdraw from this update service by calling at the customer service line on the back of their Visa Desjardins card.

25. CURRENCY CONVERSION IN CASE OF COLLECTION

In the case of collection measures or following a court decision, the Holder acknowledges that the Federation may, in its sole discretion, proceed with the conversion at the exchange rate in effect on the date of such collection measures or court decision or on any other date it deems appropriate. If the exchange rate in effect varies between the conversion date and the date of payment of the amount due, the Holder shall, on the payment date, pay to the Federation any additional amount that may be required for the amount paid on such date in Canadian dollars to be equal, after conversion on the payment date at the exchange rate in effect, to the amount then due in U.S. dollars. Any amount payable by the holder according to the foregoing shall be a separate debt and shall not be affected by a judgment obtained for any other amount payable hereunder.

26. EXCHANGE RATE

For the purposes of Section 24, "exchange rate" shall mean the official Bank of Canada noon rate of exchange ("US/CAN noon rate") in effect on the conversion date, if applicable, plus any applicable premiums and conversion fees. Where the official Bank of Canada noon exchange rate is not available on the conversion date, the Federation may decide, in its sole discretion, to proceed with the conversion at the exchange rate in effect on the day immediately preceding or following the conversion date when such exchange rate is available.

27. INFORMATION STORED IN THE UNITED STATES

The Federation uses a U.S.-based service provider to issue and manage the Visa Desjardins U.S. *Business* card. The Holder and authorized representatives, if any, consequently acknowledge that by applying for and using the Visa Desjardins U.S. *Business* card, their information may be processed and stored in the United States. The Holder and authorized representatives are therefore advised that the United States governments, courts and regulatory authorities may be able to access such information under the applicable laws of that country.

28. PROOF

The Holder acknowledges that any monthly account statement constitutes conclusive proof of the balance due and agrees to pay the balance shown on these statements in accordance with the terms of this variable credit agreement. The Holder also acknowledges that the transaction record issued by an accessible device constitutes proof that the transaction completed by the authorized representative has been correctly recorded. In the case of a card-not-present or contactless transaction, as indicated in this variable credit agreement, the Holder agrees that the recording of the transaction on the monthly account statement shall constitute proof that the transaction was carried out. The Federation is not responsible for providing other proof of transactions, unless the Holder requests it to avoid or settle a dispute within the meaning of this variable credit agreement. In such a case, the Holder will provide the Federation with a transaction record confirming the purchase or the cash advance. The Holder agrees that the magnetic stripe or an equivalent medium on which the transaction data is stored constitutes sufficient written proof for all legal proceedings.

29. AMENDMENTS TO THE VARIABLE CREDIT AGREEMENT

The Federation reserves the right to amend the terms of use of the Visa Desjardins Card by giving prior written notice of 30 days. Use of the Visa Desjardins Card by an authorized representative following such notice shall constitute acceptance by the Holder of said amendments as of the effective date stipulated in the notice, with respect to both the balance existing on that date and to subsequent debits.

[1] These terms may vary over time at the discretion of the Federation but such variation shall in no way affect the validity of the agreement, nor application thereof.

* Trademark of Visa International Service Association and used under license.