

CARDHOLDER AGREEMENT**AgriCard Credit Card**

**PLEASE READ THIS DOCUMENT CAREFULLY
AND KEEP IT FOR REFERENCE PURPOSES.
EFFECTIVE DECEMBER 7, 2013.**

The applicant or the company, as identified in the AgriCard card application (hereinafter, the "cardholder"), accepts liability towards the Federation des caisses Desjardins du Québec (hereinafter, "the Federation") for all debts incurred through the use of the AgriCard credit card (hereinafter, "AgriCard") issued in the applicant's or the company's name for his benefit and for the benefit of authorized representatives, including those which may exceed the credit limits granted, and the use that will be made thereof, even if they are no longer authorized representatives of the cardholder. The cardholder agrees to abide by the conditions of use of this agreement once the AgriCard is activated or used for the first time by an authorized representative. The cardholder agrees to be liable for any indebtedness incurred through the use of the AgriCard, and if the cardholder is comprised of more than one person, each person, including any of their heir and assign, is jointly and severally liable. This acceptance also signifies the cardholder's acknowledgment of the request for the issuance of an AgriCard.

1. DEFINITIONS

Authorized representative: a physical person duly authorized by the cardholder to hold and use an AgriCard and whose name appears on the said card. Where applicable, the term "authorized representative" also designates the cardholder;

Deferred payment financing: purchase of a good or service using the AgriCard, for which payment is deferred at the time of purchase for a specific time period indicated on the statement of account;

Equal instalments financing: purchase of a good or service using the AgriCard and payable by equal and consecutive monthly instalments determined at the time of purchase;

Online statement of account: a statement of account the cardholder or authorized representative, if applicable, can view through a website or application authorized by the Federation;

Regular purchase: purchase of a good or service using the AgriCard, other than purchases made by equal instalment financing or deferred payment financing;

Virtual statement of account: a statement of account the cardholder can view on a website or application authorized by the Federation.

2. USE OF CREDIT

The AgriCard can be used to obtain credit through merchants approved by the Federation:

- a) for the payment of regular purchase;
- b) for equal instalments financing or deferred payment financing;
- c) by any other means the Federation may establish.

The cardholder agrees that the AgriCard shall be used exclusively for business or commercial purposes. The card may not be used for any illicit means. The Federation reserves the right to suspend use of the card without notice if it suspects any form of illicit, unauthorized or fraudulent use of said card.

3. MAXIMUM AMOUNT OF CREDIT

Any use of credit established in section 2 is subject to a credit limit, which is established by the Federation and indicated on the statement of account. The authorized representative of the cardholder may not exceed the credit limit indicated on the statement of account. Any and all credit limits may be increased, at the Federation's discretion, upon request from the cardholder, or decreased

if the Federation deems it appropriate after having analyzed the cardholder's file. Any 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 Federation's applicable credit granting standards. The Federation has no obligation to allow the cardholder to exceed its credit limit, even if it has done so in the past. The cardholder understands that the Federation may decide not to authorize any transaction that will result in the cardholder's credit limit being exceeded or that takes place after the credit limit has been exceeded. The cardholder is liable for the entire balance, whether or not it exceeds the credit limit. The cardholder agrees to repay forthwith on demand any amount that exceeds the credit limit.

4. ANNUAL FEES

The AgriCard does not carry an annual fee. There is no cost for additional cards.

5. STATEMENT OF ACCOUNT PERIOD

One or more statements of account in paper or electronic format will be sent on a monthly basis to the cardholder.

It is the cardholder's responsibility to ensure that a statement of account has been received each month. If the cardholder does not receive such statement, he has to contact the Federation forthwith. The Federation shall not be responsible if, for any reason, the cardholder does not receive the statement of account or any other communication sent to the address, or any other contact information, as shown in its records. The cardholder remains responsible for the payment even if he does not receive a statement or receives it late.

6. MINIMUM PAYMENT FOR EACH BILLING PERIOD

The cardholder undertakes to reimburse the Federation for purchases and any amounts obtained using any one of the credit uses described herein, as well as applicable credit charges, in accordance with the terms and conditions of this agreement. At the latest by the due date shown on the statement of account for a given period, the cardholder shall pay the aggregate of the following:

- a) The monthly instalment(s) payable for the period covered by the statement of account, in respect of purchases made by way of equal instalments financing; and
- b) Any amount payable on the date of the statement of account in respect of deferred payment financing; and
- c) At least **5% OF THE TOTAL OF:** **1)** the balance shown on the statement of account for the previous period, **2)** the regular purchases during the period covered by the statement of account, **3)** the applicable credit charges on purchases that have not been paid by the due date shown on the statement of account for the previous period, **LESS 4)** the payments received since the date of the statement of account for the previous period, and **5)** the amount of any transaction that has led to a credit adjustment during that period; or **\$50**, if **5%** of the previously determined amount is less than **\$50**; and
- d) Any overdue amount on the date of the statement of account; and
- e) Any other amount payable under this agreement and for which the cardholder was notified.

The first monthly instalment for purchases made by way of equal instalments financing will be billed on the first statement of account issued following the transaction. The remaining monthly instalments will be billed on subsequent consecutive statements of account. The outstanding principal amount and any credit charges relating to deferred payment financing, equal instalments financing and deferred equal instalments financing may be prepaid in whole or in part prior to the due date, without penalty. The cardholder must choose a payment method which results in the cardholder's payment being received by the Federation on or before the payment due date, even if the due date falls on a weekend or a holiday.

7. APPLICATION OF PAYMENTS

Payments are applied in the following order: **1)** credit charges, **2)** monthly instalment of principal on purchases by equal instalments financing and deferred equal instalments financing, **3)** regular purchases that carry credit charges, **4)** Regular purchases recorded during the statement period.

Except for a cardholder that is a consumer pursuant to the Consumer Protection Act of the province of Québec, if the Federation incurs any legal fees pursuant to this agreement, such fees will be charged after credit charges. In such case, the cardholder agrees to pay to the Federation all solicitor and client legal costs (on a full indemnity basis) incurred in collecting or attempting to collect a required payment, costs that may be awarded as a result of a court proceeding, as well as the costs incurred by the Federation because a cheque or other instrument of payment given by the cardholder has been dishonoured.

8. GRACE PERIOD

The cardholder has a **21** day grace period from the date the account statement is mailed or availability in electronic format to settle the account without incurring credit charges.

9. 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 that the balance of all indebtedness and accrued credit charges is paid in full by the due date shown on the statement of account. If the cardholder makes a partial payment only, then credit charges are applied on regular purchases appearing on the statement of account based on the average daily balance on account of regular purchases from the date of each purchase until the purchases are paid in full, at the annual interest rate in effect for the period covered by the statement of account. However, if the total balance outstanding indicated on a subsequent statement of account 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: **11.9%** or **15.9%** depending on the rate offered by the Federation.

b) Deferred payment financing: Credit charges on purchases made by deferred payment financing are calculated from the payment due date shown on the statement of account, until such purchases are paid in full. If the total amount of a purchase made by deferred payment financing is not paid in full on the due date shown on the statement of account, it is automatically converted into a purchase by equal instalments financing, payable by equal consecutive monthly payments ("converted payments") as to principal and credit charges at the annual interest rate for the equal instalments financing plan offered by the merchant in effect at the date of the conversion, by way of **12** equal monthly payments if the balance converted is less than **\$1,000**, by way of **24** equal monthly payments if the balance converted is equal to or greater than **\$1,000** and less than **\$3,000**, or by way of **36** equal monthly payments if the balance converted is greater than **\$3,000**. Notice to this effect showing the number of payments and the monthly amount of the converted payments resulting from the conversion from deferred instalments financing to equal instalments financing will be sent to the cardholder at least **30** days before the first payment due date for such purchase by equal instalments financing. If, on or before the due date shown on the statement of account, the cardholder makes a partial payment only on a purchase made by deferred instalments financing, the unpaid balance of such deferred purchase will be converted to equal instalments financing and will be payable at the monthly amount set for the converted payment as shown on the notice until the balance is paid in full.

Annual interest rate: in accordance with the financing plan offered by the merchant, up to a maximum of **11.9%**.

c) Equal instalments financing: Credit charges are applied on all purchases made by equal instalments financing from the date such purchases are posted to the statement of account until they are paid in full, at the annual interest rate in effect for the financing plan offered by the merchant.

Annual interest rate: **11.9%** or **15.9%** depending on the rate offered by the Federation.

In all cases, any reversal of payment or any dishonoured payment made by preauthorized debit will generate credit charges at the applicable rate as established in this section as if the payment had never been made.

The Federation is not obliged to pay interest on any credit balance. The cardholder acknowledges that credit balances are not deposits and are therefore not insured by any governmental deposit insurance agency.

10. LATE PAYMENT CHARGES

If the cardholder fails to make the minimum payment required on the due date shown on the statement of account, he agrees to pay credit charges on any and all unpaid amounts calculated at the annual interest rate applicable to regular purchases regardless of the way the credit obtained is used. In the event of the cardholder being late in making any payment under this agreement for more than **30** days, interest on interest will be charged on such outstanding balance, calculated from the due date of the minimum payment, until full payment.

TABLE OF EXAMPLES OF CREDIT CHARGES

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	ANNUAL INTEREST RATE	COST FOR A 30-DAY BILLING CYCLE		ANNUAL COST	
AVERAGE DAILY BALANCE		\$100	\$500	\$100	\$500
Regular Interest Rate & Equal Instalments	15.9%	\$1.31	\$6.55	\$15.90	\$79.50
Regular Interest Rate & Equal Instalments	11.9%	\$0.98	\$4.90	\$11.90	\$59.50
Deferred payment financing	11.9%	\$0.98	\$4.90	\$11.90	\$59.50

11. VIRTUAL STATEMENT OF ACCOUNT

- Registration for the virtual statement of account automatically puts an end to the mailing of the paper version of the statement of account. If the date of registration for the virtual statement of account is too close to the processing date of the cardholder's statement of account, a statement may be sent by mail to the cardholder. The subsequent account statements will be available in electronic format only.
- The cardholder acknowledges that the virtual statement of account has the same value as the paper version of the statement of account and that it constitutes a sufficient written proof procedure in any legal proceedings. The cardholder acknowledges that he has the responsibility of accessing his virtual statement of account and consulting it.
- The cardholder acknowledges that the Federation cannot be held liable for damages resulting from the impossibility of visualizing the virtual statement of account further to a malfunction, temporary failure or misuse, nor any other interruption of the electronic presentation of the virtual statement of account caused by actions beyond the control of the Federation.
- The Federation may, at any time, suspend the electronic presentation of the virtual statement of account and send it by mail.

12. TOLL-FREE INFORMATION LINE

The cardholder can call the Federation at **1-800-266-5662** during regular business hours in order to obtain information regarding his account, to update his record or to make a payment.

To report the loss or theft of a card, the cardholder must call the Federation at **1-800-266-5662**.

13. AMENDMENTS TO THE TERMS OF THE VARIABLE CREDIT AGREEMENT

With the exception of the interest rates applicable to purchases by equal instalments financing and deferred payment financing the Federation reserves the right to increase the aforementioned interest rates. The Federation also reserves the right to amend the terms of this agreement. In either case, the cardholder will receive **30** days prior written notice. Activation or use of the AgriCard after the expiry of the notice period will constitute acceptance by the cardholder of the amendments contained in such notice. Amendments to the agreement do not affect the amounts due on the AgriCard account.

14. CARD VALIDITY

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

15. CANCELLATION OF AGRICARD

The AgriCard remains the property of the Federation, which reserves the right to cancel the currently authorized credit limit, to revoke and take possession of the card 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 service, subject to applicable laws. The Federation shall not be liable to the cardholder in this or in any other event and the cardholder is fully liable and responsible for all amounts due on the AgriCard Business account.

16. RESPONSIBILITY OF THE FEDERATION

The Federation shall not be liable to the cardholder for the refusal of a merchant to honor the AgriCard nor for the modification, cancellation or replacement of the AgriCard advantages or discounts by a supplier.

17. LOSS OR THEFT OF AGRICARD

If the AgriCard is used without the authorization of the cardholder or of an authorized representative in whose name a card is issued, the cardholder's liability is limited to a maximum of **\$50** and all liability ceases when the cardholder notifies the Federation of the loss or theft of the card.

18. DISPUTES

The Federation assumes no liability whatsoever for the quality of the goods or services obtained using the AgriCard and all claims or disputes must be settled directly between the cardholder and the merchant. The cardholder that wishes to discuss a disputed transaction may contact the Federation. Without limiting the generality of the foregoing, any recourse of the cardholder against the Federation in connection with the use of the AgriCard shall be limited to reimbursement of any amounts improperly charged to the cardholder's account. Although the Federation has no legal obligation to do so, the cardholder acknowledges and agrees that if it credits the cardholder's account for any amount related to

a disputed transaction, any and all right, claim, demand or other interest that the cardholder has or may have in respect of such disputed transaction are automatically assigned to the Federation. The cardholder also agrees to fully cooperate with the Federation in any dispute against a merchant. The cardholder acknowledges and agrees that any dispute that he may have with any merchant does not affect his obligation to pay the Federation the full amount that has been charged to the AgriCard account.

19. CREDIT VOUCHERS

Any credit voucher will be credited to the cardholder’s account on the day it is received by the Federation and it is only then that the cardholder’s responsibility for the indebtedness will cease.

20. JOINT AND SEVERAL LIABILITY

If the AgriCard is issued in the name of more than one cardholder on the same account, each such person shall be jointly and severally liable for any and all indebtedness. In addition, this agreement will be binding on the cardholder’s personal and legal representatives.

21. GUARANTEE

In consideration of the Federation agreeing to provide financing to the cardholder and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the guarantor hereby agrees to be jointly and severally liable for all of the financial liabilities and obligations of the cardholder to the Federation pursuant to this agreement.

The Federation may demand payment from the guarantor even if the Federation has not tried to get payment from the cardholder. The guarantor’s interests are fully postponed to the claims of the Federation and the guarantor waives all rights to take legal action against the cardholder and all rights of subrogation until the Federation is paid in full.

The guarantor is not released from the guarantee simply because the Federation may, from time to time, change or deal with the terms of the cardholder’s obligations; such changes may include the terms of the credit arrangements.

22. PROOF

The cardholder acknowledges that the 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 agrees to review each monthly statement and if an error is found, the cardholder must notify the Federation within **30** days of the issuance of the statement. If the cardholder does not do so, the statement will be regarded as final. However, the Federation may at any time remove from the cardholder’s account any credits that have been posted in error.

23. TERMINATION AND ACCELERATION

Subject to section **33** of this agreement, the Federation may terminate this agreement at any time without notice if the cardholder is in breach of this agreement, including without limitation, where the cardholder fails to make payments by the due date in accordance with the types of credit used, or if the Federation receives information about the cardholder which leads it to believe the cardholder may be unable to repay his indebtedness and credit charges on such indebtedness. If this agreement is terminated, the Federation or its agent may, subject to the applicable laws, do any or all of the following:

- a) require the entire balance of the cardholder’s indebtedness including, without limitation, credit charges to be repaid immediately, whether or not such balance is due and payable at that time;
- b) debit any account the cardholder may have with the Federation and apply the funds against the indebtedness and credit charges owing under this agreement;
- c) request that all AgriCard be returned to it;
- d) take possession of all such cards.

If this agreement is terminated, the cardholder will continue to be liable for indebtedness and credit charges and is responsible for returning all AgriCard to the Federation. If an AgriCard is used after this agreement is terminated, the cardholder will be liable for all indebtedness incurred and credit charges thereon even though the agreement was terminated. The cardholder will not be liable for any indebtedness incurred through the unauthorized use of the AgriCard after the return of the card to the Federation. Subject to applicable laws, the cardholder shall pay to the Federation, on a full indemnity basis, all legal fees and expenses incurred by it to recover any indebtedness or credit charges and all expenses incurred by it to take possession of any AgriCard.

24. ASSIGNMENT

The Federation may assign all or part of its rights and obligations under this agreement without consent of, or notice to, the cardholder.

25. CONSENT

The Federation will open a file under the cardholder’s name so that the cardholder may receive financial services as they relate to the various credit and payment services it provides.

The cardholder agrees that the Federation may obtain and update, from any credit reporting agency, financial institution, employer or credit card issuer (“Third Parties”), only information required for the subject matter of its file, that being the provision of financial services as they relate to the various credit and payment

services, in order to assess the cardholder’s creditworthiness, to administer the cardholder’s account and to review his financial commitments to the Federation within the context of this Agreement or the cardholder’s other financial dealings with it. The cardholder authorizes Third Parties to disclose such information to the Federation, even though said information may be in an inactive or closed file. The cardholder agrees that the Federation may disclose to any Third Party, service provider, potential assignee or any other person authorized under the law any information regarding the cardholder’s financial commitments arising from the use of the AgriCard. These consents remain valid as long as the cardholder maintains a business relation with the Federation, otherwise this agreement shall be terminated.

In the event our service provider is located outside of Canada, the service provider is bound by, and the information may be disclosed in accordance with, the laws of the jurisdiction in which the service provider is located.

26. RULES OF PARTICIPATION IN THE AGRIPPOINTS PROGRAM

If the cardholder benefits from the AgriPoints Rewards Program, the cardholder acknowledges that this program is subject to the following rules.

- The program is offered exclusively with the AgriCard. The AgriPoints are calculated according to a percentage of the purchases made with the AgriCard.
- Cardholders earn points at a rate of **1** point for every **\$4** purchased on AgriCard.
- A payment in AgriPoints can be applied towards the purchase of gift cards for the following merchants Best Buy; Canadian Tire; Costco; Home Depot; RONA; iTunes; Sears Canada and COOP.

TO OBTAIN THE COMPLETE AND UP-TO-DATE LIST OF THE VARIOUS POSSIBILITIES FOR AGRIPPOINTS PURCHASES, THE CARDHOLDER CAN CALL **1-800-266-5662**.

- Credit charges are not eligible for AgriPoints.
- AgriPoints cannot be exchanged for cash or credited as payment on the cardholder’s statement of account.
- AgriPoints cannot be transferred to the account of another AgriCard cardholder. Cardholders and additional cardholders of an account are co-holders of their AgriPoints, and each can make a request for payment.
- The Federation is released from all responsibility regarding the use of AgriPoints by any of the cardholders or additional cardholders.
- In the event of repayment of a purchase, the AgriPoints obtained are deducted from cardholder’s AgriPoints balance.
- Each request for payment of AgriPoints shall consist of not less than **\$25**.
- Except for damages that might be caused due to gross fault or gross negligence, in no case shall the Federation or any other participant in the program, including their employees, be held liable for direct or indirect damages caused in connection with the program, particularly by cancellation of the program.
- The Federation and any other participant in the program shall not be deemed, in any circumstances, to be the agents or representatives of any of them and may not thereby bind them or incur their liability.
- A cardholder who does not observe one of the rules of participation in the program, whose account is outstanding for **90** days or whose card has been cancelled by the Federation may not exercise his rights under the program, particularly the use of his AgriPoints.
- AgriPoints which are not exchanged within **90** days after the expiry date of the program or the closing of the AgriCard account will be cancelled automatically. In the event of the cardholder’s death, AgriPoints may be exchanged only for financial goods and services identified in the deceased cardholder’s name or acquired in his name.
- The Federation reserves the right to modify or terminate the program at any time without notice. The nature or the value of the discounts or benefits mentioned may be modified, cancelled or replaced without notice by the suppliers. Other program benefits are subject to the rules mentioned in this Agreement.

POINTS	2 500	4 500	8 500	16 000	23 000	29 500	36 000	41 500	48 000
REWARDS	\$25	\$50	\$100	\$200	\$300	\$400	\$500	\$600	\$700

27. OPTIONAL SERVICES

The cardholder may subscribe to optional services or benefits supplied by independent service providers. The Federation is not liable for services or benefits that it does not directly provide. In the event of a dispute, the cardholder must address the matter directly with the supplier of such services or benefits.

All terms and conditions pursuant to an optional service are specified in a distinct agreement and shall not form a part of this agreement even where the Federation collects an amount for such optional service.

The cardholder may terminate an optional service at any time during the term of the agreement giving a **30** days notice to the service provider or such shorter

period of notice as is specified in the agreement under which the service is provided.

The optional services associated with the AgriCard may be modified or terminated without notice by the service provider, unless the law provides otherwise. The cardholder must contact the service provider should he require additional information regarding the modification or termination of an optional service.

28. HEADINGS

The headings to each section of this Agreement are added for convenience and shall not be used to interpret the meaning of this Agreement. In this Agreement, unless the context otherwise requires, any reference to gender shall include both genders and words importing the singular number shall include the plural and vice-versa.

29. ENTIRE AGREEMENT

The cardholder acknowledges having received this agreement and the Initial Disclosure Statement, which together constitute the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, understandings and negotiations, whether written or oral. In the event of inconsistencies between the Initial Disclosure Statement and the cardholder agreement, the provisions of the cardholder agreement prevail.

30. SEVERABILITY

Each of the provisions of this agreement is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity, legality or enforceability of any other provision hereof.

31. WAIVER AND AMENDMENT

Except as expressly provided in this agreement, no amendment or waiver of this agreement shall be binding, unless executed in writing by the parties. No waiver of any provision of this agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this agreement constitute a continuing waiver unless otherwise expressly provided.

32. GOVERNING LAW

This agreement will be governed and interpreted in accordance with the laws of the province or territory in Canada where the cardholder resides or most recently resided and the laws of Canada, applicable. If the cardholder has not resided in Canada, this agreement will be governed by and interpreted in accordance with the laws of the Province of Ontario and Canada, as applicable.

33. CLAUSES REQUIRED UNDER THE CONSUMER PROTECTION ACT (SECTION 125) (QUEBEC)

The following provisions apply only if the cardholder is a consumer as defined by the *Consumer Protection Act* in the Province of Quebec:

Forfeiture of the 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.

Within 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 section 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 for 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 **\$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 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 a 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.

