

The legal stuff.

**Your PC Financial®
Mastercard®
Cardholder Agreement**



FINANCIAL.

Cardholder Agreement

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President's Choice Financial Mastercard® Cardholder Agreement

Thank you for choosing the *President's Choice Financial* Mastercard®. Your *President's Choice Financial* Mastercard® has no annual fee and gives you great benefits! You get free Extended Warranty Purchase Assurance, PLUS for every dollar you spend with this card –anywhere – you receive PC Optimum™ points. For more details about how you earn and redeem *PC Optimum* points, please see your Benefits Guide.

Before you begin using your *President's Choice Financial* Mastercard®, be sure to read your Cardholder Agreement. Your Cardholder Agreement is an important and useful document, which describes in detail the terms and conditions associated with your *President's Choice Financial* Mastercard® account. Your Cardholder Agreement outlines your responsibilities as a cardholder and explains how your *President's Choice Financial* Mastercard® works, including how interest is calculated and how your payments are applied. It also details what you need to do if you believe there is an error on your statement or if your card is lost or stolen.

We recommend you read your Cardholder Agreement thoroughly, as use of your *President's Choice Financial* Mastercard® means your acceptance of all stated terms. We also recommend that you read the Loblaw Companies Limited Privacy Policy, included in your welcome kit, as it explains how we collect, use and disclose your personal information. Please keep this document in a secure place for future reference. If you have any questions, please call a Customer Service Representative at 1 866 246 7262.

This Cardholder Agreement applies to your *President's Choice Financial Mastercard*® account, and any cards, including renewal and replacement cards, and convenience cheques that we may issue for the account and replaces any other cardholder agreements we may have provided to you. Additional terms and conditions regarding your Account are set out in your application, Disclosure Summary (which is available online at www.pcfincancial.ca), card carrier and any additional disclosure documents that we may provide to you on occasion, and those terms and conditions also form part of this Cardholder Agreement. In the event of a conflict between the terms and conditions of any of the above-mentioned documents, the terms and conditions of this Cardholder Agreement, as may be amended, will govern.

1. Definitions

1.1 “Account” means a *President's Choice Financial Mastercard*® account, and, where applicable, also includes any Card and convenience cheque issued on the Account.

1.2 “Agreement” means this Cardholder Agreement, as may be amended by us.

1.3 An “authorized user” is a person who has been issued a Card on the Account at the request of the primary cardholder. We may limit the number of authorized users per Account.

1.4 “Card” means any card or other device or technology that is issued by President's Choice Bank and linked to the Account, and includes any renewal or replacement of such card, device or technology.

1.5 A “cardholder” means the primary cardholder and any authorized user.

1.6 “Disclosure Summary” means the box that contains important information about your Account, and which is titled “*President's Choice Financial Mastercard*® Account Disclosure Summary.” This box is provided with applications and in card carriers provided to new cardholders as of January 2010 and is also available online at www.pcfincancial.ca, by selecting the “Legal Stuff” link.

1.7 The word “fees” means all fees and charges applicable to your Account, except where expressly stated otherwise. The fees and charges applicable to your Account are described in your application, Disclosure Summary, card carrier and any other disclosure document that we may provide to you on occasion.

1.8 “PIN” means personal identification number.

1.9 The “primary cardholder” is the person in whose name the Account exists.

1.10 “We,” “us” and “our” mean President's Choice Bank, the issuer of the *President's Choice Financial Mastercard*.

1.11 “You” and “your” mean the primary cardholder.

2. Your agreement with us

2.1 You agree that the use of your Account means that you understand and agree to the terms and conditions contained in this Agreement as may be amended by us.

Use of your Account also means that you understand and agree to the terms of the loyalty program applicable to your Account. The terms of your applicable loyalty program are contained in a separate agreement. For the most current version of the loyalty program terms, visit the legal information section at pcfinancial.ca or call 1 866 727 6468.

2.2 As the primary cardholder, you are solely liable under this Agreement and are solely responsible for all amounts owing under your Account including for any amounts incurred on the Account by authorized users. This Agreement will be binding on you and your personal and legal representatives and your and their successors and assignees. You are also responsible for ensuring that authorized users, if any, understand this Agreement and the Loblaw Companies Limited Privacy Policy (see section 22 “Privacy policy” for more details) and how these documents apply to them, and use any Card issued to them and the Account in accordance with the terms and conditions of this Agreement.

2.3 Authorized users may be permitted to change their own information on the Account or request a replacement Card, but are otherwise not authorized to give instructions to us with respect to the Account. For instance, an authorized user would not be able to change your information such as your address or request or consent to an increase in the credit limit or close the Account. We may provide information about the Account to the authorized user (as described in section 22.2).

2.4 You agree that we may on occasion send a renewal or replacement Card to any cardholder on the Account, without your consent or notice.

3. Using your Account

3.1 The Account is intended for personal use only, and cardholders on the Account may use the Account for any permitted transaction or purpose, including:

- purchasing goods and services; and
- obtaining cash advances.

3.2 When a transaction is made on your Account, we are lending you the amount required for the transaction and you authorize us to charge your Account and promise to pay us for all transactions made with your Account, whether or not transaction alerts have been provided to you with respect to the transactions (when this service is available), whether they were made by you, an authorized user, or someone else that you or an authorized user permitted to use the Account, and for any applicable fees, premiums or interest.

3.3 We may decline an authorization request for any transaction at any time for any reason. We may also request additional information at any time to evaluate a transaction request or to evaluate and adjust the rates of interest, credit limit or other features of your Account.

3.4 We are not responsible for any damages, including special, indirect or consequential damages, even if they were foreseeable, if, for any reason, your Card is not honoured, a convenience

cheque is not accepted or your Account cannot be used. You cannot stop payment on any convenience cheques and are not able to stop any other transaction or payment. Please see section 19 “Pre-authorized payments” for more information.

3.5 When any cardholder on the Account pays for goods or services with the Account number without presenting their Card (such as for purchases by telephone, mail or Internet) or where a signature, PIN or password is not required, the legal effect is the same as if the Card had been presented and the sales slip was signed or a PIN or password entered. You may need to enrol in a security program and may be required to enter additional information to complete certain Internet transactions.

3.6 You will ensure that your Account is not used, by you or any other authorized user on the Account, for any unlawful purpose, such as the purchase of goods or services prohibited by law, or for any other use that may at any given time be prohibited by us, which currently includes the following:

- any cardholder disclosing their PIN or password to persons who are not cardholders on the Account;
- allowing any non-cardholders to use the Card or Account;
- obtaining a cash refund or a refund for returned goods or services purchased on the Account other than by receiving a credit on the Account;
- allowing a credit balance to occur on the Account other than due to a correction or to a refund for goods or services purchased on the Account;
- use of the Account if you are bankrupt or insolvent or are unlikely to be able to pay your minimum payment on time; and
- use of the Account for business or commercial purposes.

3.7 You must sign any Card that has a signature panel as soon as you receive it and ensure that the authorized users on the Account sign any Cards that include a signature panel as soon as they receive them. However, you agree to pay all debts incurred on your Account (subject to your rights under section 17 “If your Card is lost or stolen”), even if these debts are incurred prior to activation of the Account or after the expiry of any Card or after the closure or suspension of your Account.

4. Your PIN and passwords

4.1 You and any authorized users on your Account will be required to set a PIN upon activation of your new Card(s), or in order to use the chip feature on a previously issued Card for which we had provided you a PIN for use at bank machines. When setting or changing your PIN, you and any authorized users on your Account must not select a PIN that is easily identifiable, such as a birth date, a phone number or a PIN that you or any authorized user use for any other accounts you may have, or that does not comply with any other instructions provided by us for setting or changing your PIN. If you have forgotten your PIN, need to set a new PIN or wish to change your PIN, please call us at the telephone number listed in section 28 “How to contact us.”

4.2 As the primary cardholder, you may also register to access the Account online. Visit our website (www.pcfincancial.ca) for information on how to register.

4.3 You must ensure that you and any authorized users on your Account maintain the secrecy of any PIN or password for your Account (which includes passwords or access codes used to access your Account online or to complete Internet transactions), including by:

- not writing any PIN or password on the Cards or on statements for your Account;
- not keeping them written anywhere in a wallet or at home; and
- not disclosing them to anyone who is not a cardholder on the Account, including our call centre or any third party, or in response to any e-mails, whether on purpose or by accident.

If you or any authorized users do not properly safeguard any PIN or password for your Account, you may be liable for unauthorized transactions on your Account. Please see section 17 “If your Card is lost or stolen” for further details.

5. Transactions

5.1 The primary types of transactions are purchases, cash advances and the premiums, fees and interest applicable to each of these types of transactions. Some transactions are referred to as “promotional items,” because a promotional rate of interest, instead of the purchase or cash advance rate of interest, typically applies to those transactions. See section 5.5 for more details. If you have any questions as to the nature of a particular transaction, please see section 28 “How to contact us” and call us.

5.2 Purchases: The purchase interest rate is the rate of interest that typically applies to all purchases. Purchases include all purchases made on your Account, including premiums and all markups applicable to purchases, and also includes any transaction to which a “transaction fee for cash equivalent” applies. The types of transactions for which a “transaction fee for cash equivalent” would apply are listed in your Disclosure Summary or in any notice that we may provide to you on occasion and currently include wire transfers, money orders, traveller’s cheques and permitted betting and purchases of lottery tickets and casino gaming chips.

5.3 Cash advances: The cash advance rate of interest typically applies to all cash advances and to any markups applicable to cash advances. Cash advances are transactions in which funds are advanced by us and charged to your Account, and include:

- obtaining cash at a bank machine that accepts Mastercard;
- obtaining cash in person at a teller of a Mastercard issuing institution;
- using a convenience cheque; or
- completing a transfer.

A “transfer”, typically referred to as a balance transfer, occurs when you use your Account to pay an outstanding balance on a credit card account at another financial institution.

A “convenience cheque” is a cheque on the Account that we may issue to you on occasion, which you can use to pay for goods or services. Any dispute regarding a payment made with a convenience cheque is not eligible for dispute resolution through our processes and must be addressed directly with the merchant.

5.4 Conditions for cash advances: We may limit the number and amount of cash advances and decline them for any reason. All cash advances will be fulfilled in the order we process them (which may not reflect the order in which we receive them). Additional conditions may apply to cash advances; for instance, you may need to have a certain credit limit, available credit, interest rate or a specific status on your Account in order to be eligible to make certain or all cash advances. Additional terms or conditions may also be set out in the terms of any cash advance offer and on your card carrier. Purchases made through cash advances (such as by paying a merchant with a convenience cheque) are not covered by Extended Warranty or Purchase Assurance and do not earn points unless otherwise specified.

5.5 Promotional items: You may occasionally be eligible for certain promotional offers. By participating in a promotional offer, you are subject to any additional terms set out in the promotional offer, and those terms also form an integral part of this Agreement. When a promotional offer applies to a particular transaction, that transaction will be referred to as a “promotional item.” Promotional items differ from the other transactions. For example, the rate of interest that applies to promotional items (a “promotional rate of interest”) is typically lower than the purchase and cash advance interest rates. The promotional rate of interest will no longer apply to any outstanding unpaid promotional items once any of the following occurs:

- the promotional offer term expires, after which the purchase rate of interest will apply in the case of purchases and the cash advance rate of interest will apply in the case of transfers and convenience cheques; or
- when your Account is in default (please see section 7 “Good standing” for details), in which case the default rate of interest will apply.

In addition, the items would then otherwise be treated in the same manner as the transactions described above in section 5.2 in the case of purchases, and in section 5.3 in the case of transfers and convenience cheques.

5.6 Promotional-rate convenience cheques: If you receive convenience cheques as part of a promotional offer, only those cheques, and not any other convenience cheques that you may have, will be treated like promotional items during the promotional offer period.

5.7 Fees, markups and premiums: The fees and markups applicable to your Account are described on your Disclosure Summary and card carrier. Information regarding premiums will be set out in the offer for the service(s) to which any premium applies. Fees, markups and premiums may be amended with notice to you.

6. Your credit limit

6.1 Your credit limit is disclosed to you on your card carrier and on each statement, and is the maximum amount that can be charged to your Account. Your available credit decreases by the amounts charged to your Account. You must not let the amount

you owe on your Account exceed your credit limit. We reserve the right to refuse to honour any use of the Card or other access to your Account which would cause you to exceed your credit limit. However, if we allow the total you owe on your Account to exceed your credit limit, this does not mean that your credit limit has changed, and you remain responsible for and must pay the amount that exceeds your credit limit immediately. Each time your Account is over its credit limit on your statement date, you may be charged the overlimit fee shown on the card carrier. The overlimit fee may be amended with notice to you.

6.2 Merchants may request pre-authorization for certain transactions such as hotel or rental car reservations, and the resulting “holds” will decrease your available credit. However, if you exceed your credit limit solely as a result of holds placed on your Account, your Account will not be considered to be over the credit limit and the overlimit fee will not be charged to your Account.

6.3 The amount of a transaction (such as the amount of a convenience cheque) cannot exceed your credit limit, even if you have accumulated a credit balance on your Account. Credit balances on your Account do not accrue interest and are not insured.

6.4 We may decrease your credit limit at any time without prior notice. We may increase your credit limit with your prior consent or at your request. Credit limit increases are subject to credit approval, and we may decline or authorize only a portion of any credit limit increase you request. You will continue to be responsible for paying all amounts owing on your Account even if your credit limit is decreased or increased. We may also set a separate credit limit for different types of transactions, such as a limit for purchases, a limit for transfers and another limit for other cash advances. You may ask for a credit limit increase or decrease online (www.pcfincancial.ca) or by calling toll-free at the number listed in section 28 “How to contact us.” We may not allow you to decrease your credit limit below your Account balance plus any outstanding authorizations at the time of your request.

7. Good standing

7.1 Your Account is considered to be in good standing when you and the authorized users on the Account are in full compliance with all of the terms of this Agreement. Your Account will not be in good standing and you will be in default under this Agreement if any of the following occur:

- you do not make your minimum payment by the payment due date described in section 8 “Payment due date” for two consecutive billing periods (see section 13 “Your statement,” and in particular section 13.1, for an explanation of the term “billing period”);
- you or any authorized user on the Account does not comply with any other term of this Agreement;
- you become bankrupt or insolvent; or
- you or any authorized user on the Account uses the Account in a manner that is prohibited by us or by law or in an inappropriate manner.

If you are in default under this Agreement:

- the default interest rate, which is disclosed in the Disclosure Summary and which may be amended with notice to you, will apply to all of your unpaid balances on your Account (including promotional items), as of the first day of the second billing period for which payment has not been made;
- promotional items that were purchases will be treated like purchases in all respects, and promotional items that were cash advances will be treated like cash advances in all respects;
- we can require immediate payment of all amounts owing on your Account upon providing the required notice, if any; and
- we can offset balances from any other Account you have with us, any of our affiliated companies or any third party company offering products under a Loblaws Inc. brand, and use it to pay the amount that you owe us, without notice to you.

7.2 While in default, the status of your Account will be reviewed from time to time.

7.3 Our failure to exercise any of our rights when you are in default does not mean that we cannot or will not exercise those rights later or upon another default.

8. Payment due date

8.1 Your payment due date will be shown on your statement each month.

8.2 Your payment due date will be a minimum of 21 days from your statement date and may vary depending on your Account activity, such as whether you paid your previous statement balance in full by the payment due date.

9. Your payments

9.1 You may pay your Account balance in full at any time. However, for each billing period you must pay at least the minimum payment due, as shown on your statement, by the payment due date shown on your statement.

9.2 The minimum payment due is any past due amounts, plus:

- if your statement balance is more than \$10, the greater of:
 - \$10;
 - 2.2% of your total statement balance (5% for new accounts issued to Quebec residents since August 1, 2019, and for all other accounts held by Quebec residents: 3% effective on August 1, 2021, 3.5% effective on August 1, 2022, 4% effective on August 1, 2023, 4.5% effective on August 1, 2024, and 5% effective on August 1, 2025); or
- the interest charges and fees billed on your current statement plus \$1; or
- if your statement balance is \$10 or less, the full amount.

As noted in section 14 “Merchant issues,” merchant credits on your Account do not count towards your minimum payment due or towards payment in full of your statement balance.

9.3 If you do not pay at least the minimum payment due by the payment due date for two consecutive billing periods, your Account will not be in good standing and you will be in default. Please see section 7 “Good standing” for more information.

9.4 Payments must be made in Canadian currency and may not exceed the amount owed on the Account. We are not responsible if for any reason you are unable to access a credit balance on the Account.

9.5 You are responsible for selecting a payment method which ensures that your payment is received and applied by us to your Account by the payment due date, even if normal postal service or electronic communication (if you requested electronic communication) is disrupted or not possible for any reason whatsoever. Generally, payments are applied to your Account as of the day that we receive them provided they are received during business hours on a banking day in Ontario and otherwise will be applied to your Account on the next banking day. Regardless of the method of payment that you choose, your available credit limit may not reflect your payment until your payment has cleared. Payments, particularly those made by cheque or in a bank branch, can take more than a week to clear.

10. How we apply payments to your Account

10.1 The term “billed” refers to an amount that has been shown on a statement.

10.2 Payment amounts up to your minimum payment will be applied to your Account balance, first to interest, second to fees and the remainder, if any, to transactions on the Account, starting with those that have been shown on a statement. Within each type of transaction on the Account (see section 5 of the Cardholder Agreement for details regarding the different types of transactions), payment amounts up to your minimum payment will be applied starting with the items with the lowest rate of interest to the items with the highest rate of interest.

Payments greater than your minimum payment will be prorated, meaning applied proportionately against the balance owing on your Account, as follows:

- first, against any unpaid billed amounts based on their proportion of the total remaining statement balance;
- second, against any new balances on your Account, which have not yet been shown on a statement, based on their proportion of the remaining balance owing on your Account; and
- third, the remainder of the payment, if any, will become a credit balance on your Account.

10.3 In the event that you have a credit balance on your Account, the credit balance will be applied to any new transactions in the order in which they are posted to your Account.

10.4 We may accept late payments, partial payments and payments marked “paid in full” or with similar wording without losing any rights we have by law or under this Agreement to recover the amounts owed to us on the Account.

11. Interest rates

11.1 Different rates of interest may apply to different types of transactions. The rates applicable to your Account, other than promotional rates of interest, are shown in the Disclosure Summary and may be amended with notice to you. The most current rates will also appear on each statement for your Account.

11.2 The promotional rate of interest, when offered, will be set out in the promotional offer and may be amended with notice to you. The promotional rate of interest will immediately cease to apply upon the expiry of the offer term and during and after default.

11.3 We may change the rates of interest applicable to your Account at any time for any reason. In each case, you will be provided with the required notice of the change, unless your Account ceases to be in good standing, in which case the default rate of interest will apply to your Account. Please see section 7 “Good standing” for more details as to what happens when you are in default.

12. How we calculate interest and the interest-free grace period on purchases

12.1 The term “interest-free grace period” means a period during which interest is not charged. For new purchases, this is the period between the date of the purchase and the payment due date shown on the statement on which the purchase first appears. The term “purchases” includes transactions to which a “transaction fee for cash equivalent” applies, such as wire transfers. See section 5.2 “Purchases” for more details. You can avoid being charged interest on purchases by always paying your entire current statement balance in full each month by its payment due date.

The interest-free grace period will apply and no interest will be charged on new purchases shown on your current statement (meaning purchases which have not been shown on any previous statement) if you pay your entire current statement balance in full by its payment due date. If you do not pay your entire statement balance in full by the applicable payment due date, then interest will be calculated from the transaction date and charged on all billed purchases on the Account (meaning purchases which have not yet been paid in full and have been shown either on your current statement or on a previous statement) until you pay your entire statement balance in full.

The interest-free grace period also applies to fees.

12.2 There is no interest-free grace period on cash advances. Interest will be calculated from the transaction date and charged on cash advances (including each transaction treated as a cash advance as described in section 5.3 “Cash advances”) until they are repaid in full.

12.3 In addition to sections 12.1 and 12.2, interest will also be charged on all previously billed interest other than billed interest for cash advances and fees, if you do not pay your entire statement balance in full by the applicable payment due date.

12.4 Interest which has accrued on any interest-bearing portion of your outstanding balance between the date of your current statement and the date we receive your payment will appear on your next statement.

12.5 For each type of interest-bearing transaction, the applicable “daily interest rate” is the rate of interest that applies to that type of transaction divided by the number of days in the year (365 days, except in a leap year, when it is 366 days). Your statement shows the annual rate of interest and the daily interest rate for each type of interest-bearing transaction made during the billing period covered by the statement.

12.6 For each type of interest-bearing transaction, the “average daily balance” is the sum of all daily balances for that particular type of transaction during that billing period divided by the number of days in that billing period.

12.7 Interest is calculated at the end of each billing period for each type of interest-bearing transaction by multiplying together: (i) the average daily balance for that type of transaction, (ii) the applicable daily interest rate, and (iii) the number of days in the billing period. The interest calculated for each type of interest-bearing transaction is then added together, and the total is added to your Account balance at the end of your billing period.

13. Your statement

13.1 Each statement will normally cover between 28 and 33 days (depending on holidays, weekends and the number of days in each month), and the period covered by a statement is referred to as the billing period.

13.2 We will provide you with a statement for your Account for each billing period unless: (i) there is no activity on your Account, including no transactions, payments, credit or debit balances on your Account during that billing period and there is no balance outstanding, or (ii) you have been notified that your Account has been suspended or closed due to default and we have demanded payment of the outstanding balance, in which case we will not provide you with statements, or (iii) your Account has a debit balance of less than \$10, there have been no transactions or payments, and no interest or fees are being incurred on your Account, in which case we may provide you with a statement once in a 3 month period. Account statements are provided to the primary cardholder only.

13.3 If you notice any errors on your statement, you must notify us within 30 days of the statement date. See section 28 “How to contact us” for our contact information. Please provide your Account number and, if you are inquiring about a specific transaction, details of the transaction and the dates appearing beside the item on the statement. If you do not notify us within 30 days of the statement date, then the statement will be deemed complete and accurate, except for any improper credits to the Account or any transfers that are still being processed.

13.4 You agree to continue to make payments in accordance with this Agreement even if we are delayed or prevented from providing your statement to you due to a change in your address or e-mail address, a postal strike, an Internet failure, an inability to communicate with you electronically or for any other reason. During any such period, you must contact us or check your Account balance online to obtain the information required to meet your payment obligations under this Agreement and to keep your Account current and in good standing. Please see section 28 “How to contact us” for our contact information.

14. Merchant issues

14.1 If you have problems with any product or service acquired through the use of your Account, you must settle the problem directly with the merchant. In order to avoid late charges and penalties, please continue to make payments to your Account while you are resolving the problem directly with the merchant. If you are expecting a merchant to apply a credit to your Account, then please monitor your Account closely, and if the credit does not appear within 30 days, then please call us at the number noted in section 28 “How to contact us.”

14.2 If you return a purchase and we receive a credit from the merchant, you may be required to sign certain documents with respect to the credit. We will deduct the amount of the merchant credit from the balance owing on your Account, and any rights and claims that you have with respect to that disputed amount are automatically assigned to us.

14.3 When we receive a credit from a merchant, the credit will not be treated like a payment made by you, and the credit will not count towards your minimum payment due or towards payment in full of your statement balance. If you have outstanding balances on your Account accruing interest at different rates, the merchant credit may not necessarily be applied against the item for which you received the credit.

If we have charged you any interest on a purchase that was returned and for which a merchant credit was applied to your Account, we may not refund this interest to you.

15. Your liability and indebtedness

15.1 You are responsible for and will repay all amounts owing on your Account (subject to your rights under section 17 “If your Card is lost or stolen”), including any indebtedness incurred by any cardholder (which includes the primary cardholder and any authorized users) or by any other person to whom any cardholder has given either express or implied authority to use the Account. The total amount that you owe consists of any amounts charged to your Account, and includes purchases, cash advances, markups, promotional items, premiums, interest and fees. If you are in default, you must pay, in addition to interest and any charges incurred due to a dishonoured payment, all legal costs on a solicitor-and-own-client basis that we incur to collect or attempt to collect the payment from you.

16. Transactions in a foreign currency

16.1 Transactions made in a currency other than Canadian dollars, will be converted to Canadian dollars before being posted to your Account. Credits to your Account in a foreign currency will also be converted from the foreign currency to Canadian dollars. Each conversion to Canadian dollars will be made at exchange rates determined by Mastercard International Incorporated in effect on the date that we process the transaction. This exchange rate may be different from the rate in effect on the transaction date. For transactions made in certain foreign currencies, the foreign currency will be converted first to U.S. dollars, then to Canadian dollars. When a transaction in a foreign currency is posted to your Account, you will be charged a currency conversion markup for each transaction. The markup is disclosed in your Disclosure Summary and applies to purchase, refund and cash advance transactions. The amount of a purchase and any corresponding refund may differ as a result of the currency conversion markup and any differences in exchange rates from the date we process the purchase transaction and the date we process the refund transaction. The amount of a purchase may generally be higher than its corresponding refund due to these factors.

16.2 The foreign currency conversion markup percentage is disclosed to you in your Disclosure Summary and may be amended with notice to you.

17. If your Card is lost or stolen/Unauthorized use of your Account

17.1 You agree that we will consider that all transactions on your Account have been authorized by you, until you advise us otherwise.

17.2 You must inform us immediately about any actual or suspected loss or theft of any Cards, convenience cheques, PIN or passwords for your Account, and of any actual or suspected unauthorized use of any such Cards, convenience cheques, PIN, passwords or your Account. You may contact us toll-free at 1 866 246 7262 (or collect at 647 426 1343 if you are outside Canada and the U.S.). We may take whatever steps we consider necessary to recover any affected Card or convenience cheques, and additionally may report the loss, theft or unauthorized use to the appropriate authorities.

17.3 If your Card (which for the purposes of this section means the plastic card issued on the Account and does not include any other device or technology that is linked to the Account) is lost or stolen, then your maximum liability for any unauthorized transaction made on your Account without your PIN prior to your notifying us of the loss or theft will be limited to \$50. However, if the unauthorized transaction was made at an ABM using your PIN, then you are liable for and must pay the full amount that was charged to your Account before you had told us of the unauthorized transaction.

17.4 Other than in connection with a lost or stolen Card as described in section 17.3, if someone other than a cardholder makes an unauthorized transaction, such as a fraudulent transaction, using your Account, you will not be responsible for that transaction, provided your Account is in good standing, you have exercised reasonable care in safeguarding your Card, PIN, passwords and your Account information, you do not benefit from the transaction, you report the unauthorized transaction to us as soon as you become aware of it and no later than within 30 days from the statement date on which the transaction is reflected, and you co-operate fully with our investigation. If you do not meet these criteria, and you report unauthorized use of your Account (other than in connection with a lost or stolen Card as described in section 17.3), then you must pay the full amount that was charged to your Account before you had told us of the unauthorized transaction.

17.5 We may block use of your Account without prior notice, if we suspect unauthorized or fraudulent use of your Account.

18. If you move or other information relating to you changes

18.1 You must provide us prompt notice of any change in your residential address, and your mailing address if different from your residential address. If you have chosen to receive electronic notifications regarding your statements and other related correspondence by e-mail, you must also notify us of any changes to your e-mail address. We should also be notified if other information relating to your contact information changes. Please see section 28 “How to contact us” for our contact information. If we send a statement or a notice to you and it is returned because of an invalid address, then we will not issue further statements or notices to you until we receive a correct or new address from you, and we may restrict use of the Account until we have received the updated information. You will continue to be responsible for paying all amounts owing on your Account even if we are not issuing statements to you due to an invalid address or e-mail address. There are certain items, such as Cards, which we may, at our discretion, refuse to mail to an address that is not in Canada.

19. Pre-authorized payments

19.1 When a new Account number or expiry date is issued to you or to any authorized user on the Account, you must advise any merchants to whom the Account number had been provided for the purpose of arranging pre-authorized recurring payments of the new Account number, expiry date and of any other information that may be required by such merchant, except your PIN and passwords.

19.2 Certain merchants may register with Mastercard Worldwide Inc. to receive automatic updates regarding your Account, such as changes to your Account number, expiry date and status of your Account. Unless you opt out by calling us at 1 866 246 7262, those merchants will receive those updates. Since not all merchants will register to receive this service from Mastercard Worldwide Inc., you remain responsible for updating merchants with whom you have set up pre-authorized payments.

19.3 You are responsible for all pre-authorized payments posted to your Account, even those that may be posted after you have requested that your Account be closed or you have requested that a merchant cease posting these pre-authorized payments to your Account.

20. Special services and benefits

20.1 We may make special services or benefits available to you. They are subject to additional terms and conditions (which may change on occasion). They may be cancelled with or without notice. We are not liable for any service or benefit not directly supplied by us.

21. Electronic communications

21.1 If you have chosen to receive your statements and other related correspondence electronically, any documents sent to you electronically will be deemed, for legal purposes, to have been provided “in writing” and signed and delivered by us. Similarly, we may rely upon any instructions that we receive electronically, which we believe have been provided by you, such as electronic requests for changes to your credit limit.

21.2 To communicate with us by electronic means, you may be required to comply with security measures established by us from time to time for our mutual protection.

22. Privacy policy

22.1 As a subsidiary of Loblaw Companies Limited, we have adopted the Loblaw Companies Limited Privacy Policy. How we collect, use and share personal information is set out in this privacy policy. This privacy policy may be amended. A copy of the most current version can be obtained online at our website or by writing to the President’s Choice Financial Privacy Office, at the address below. If you have any questions about our privacy policy, you can contact the President’s Choice Financial Privacy Office by e-mail at privacy@pcfinancial.ca or by writing to President’s Choice Financial Privacy Office, 600-500 Lakeshore Blvd. West, P.O. Box 600 Toronto, ON M5V 2V9.

22.2 You consent to our sharing certain information, as detailed below, with your authorized users. You acknowledge that any authorized users on your Account may view, obtain or be provided with information about the Account, including transactions, balances, and available credit. Authorized users will be able to receive information about the Account, including viewing monthly electronic statements and all of the transactions made by any Cardholder on the Account on an ongoing basis. You cannot limit, restrict or reduce the access or authority available to an authorized user. Any authorized user has the same degree of access to the Account as listed in this section, and each authorized user will be able to access the activity of each authorized user on the Account.

23. Changes to this agreement, interest rates, fees, charges, premiums and markups

23.1 We may amend this Agreement or any other disclosure document provided to you, including the interest rates, the interest-free grace period, any fees, premiums or markups, or any features of your Account (except your credit limit, which is subject to change as described in section 6 “Your credit limit”) by providing you with notice of such amendment at your most recent address or e-mail, as applicable, in our records. A change may apply both to the unpaid balance on your Account and to all new transactions. Any such notice will be provided in accordance with applicable laws. Use of the Account or a balance outstanding remaining on the Account once the amendment becomes effective will signify that you agreed to the amendment.

24. Cancellation of this agreement closure or suspension of account

24.1 We may cancel this Agreement, or close or suspend access to your Account, at any time without telling you in advance. We may refuse to honour any balance transfer requested or convenience cheque written on your Account, either before or after cancellation, closure or suspension. You may also close your Account by telling us in writing by sending a letter to the address noted in section 28 “How to contact us.”

24.2 If your Account is closed or suspended, you remain responsible for all amounts owing on the Account, including any additional interest and pre-authorized payments that may be posted to your Account, and the Agreement will remain in effect until you pay us all such amounts. You are responsible for contacting all merchants with whom you have arranged pre-authorized payments to cancel those payments. Upon cancellation of this Agreement or closure or suspension of your Account, you will cease to be eligible to receive credit on your Account under this Agreement.

24.3 We own all Cards and convenience cheques issued on your Account. Upon closure or suspensions of your Account, you must immediately securely destroy all Cards and unused convenience cheques issued on your Account in accordance with our instructions or, if we ask you to do so, return them to us.

25. Governing law

25.1 This Agreement will be governed by and interpreted in accordance with Canadian law. The courts in the Canadian province or territory in which you reside will have exclusive jurisdiction over any disputes arising in connection with the Account or this Agreement.

26. Language clause

26.1 The parties hereto specifically request that this Agreement and all documents related hereto be drawn up and signed in the English language only. Les parties aux présentes exigent que cette convention ainsi que tous les documents s’y rapportant soient rédigés et signés en langue anglaise seulement.

27. Assignment

27.1 We may sell, assign or transfer any or all of our rights or obligations under this Agreement, without notice to you, and we may disclose information about you and your Account to the person or entity to which we make any such sale, assignment or transfer.

28. How to contact us

28.1 We value customer feedback and encourage you to contact us. Our Customer Contact Centre handles all questions and comments about *President's Choice Financial Mastercard*[®].

Please note that for security reasons, we do not respond to Account specific questions via our e-mail address. Do not include your Account number in any e-mail to us. For Account specific questions, please call us or log in online at our website (www.pcfincancial.ca), which is a secure site, and contact us through that secure site. You may contact us by the following methods:

Phone: 1 866 246 7262

E-mail: talktous@pcMastercard.pcfincancial.ca
(general questions only)

Mail: President's Choice Financial Mastercard
P.O. Box 4403
STN A, Dept. 5114, Toronto, Ontario
M5W 5Y4

29. How to resolve your concerns with us

29.1 Our Customer Contact Centre routinely handles and makes operational decisions about complaints and is the first level of our complaints handling process. If your concern is not resolved to your satisfaction at this level, you may then escalate your concern to The President's Choice Bank Ombudsman, the second and highest level of our internal complaints handling process. Please follow the process in section 29.2.

Customer Contact Centre

29.2 If you have contacted a Customer Service Representative with your concern and it is not resolved to your satisfaction you may:

Step 1: ask a Customer Service Representative to inform a Supervisor/Manager of your concern;

Step 2: if your concern is still not resolved to your satisfaction, then, using the contact information in section 28.1, you may ask the Supervisor/Manager to have your concern addressed by President's Choice Bank Executive Customer Care or you may communicate with us via mail using the contact information in section 28.1, or by using one of the following methods:

Phone: 1 866 822 8775

E-mail: customercare@pcbank.ca; and

PC Bank Ombudsman

Step 3: if after having completed steps 1 and 2, you feel that President's Choice Bank Executive Customer Care has not addressed your concern to your satisfaction, you may then escalate your concern by contacting the President's Choice Bank Ombudsman directly by phone at 1 855 662 8377, by e-mail at ombudsman@pcbanc.ca, or by mail at President's Choice Bank Ombudsman, 600-500 Lakeshore Blvd. West, P.O. Box 600 Toronto, ON M5V 2V9.

Please note that the President's Choice Bank Ombudsman will only be able to accept your request for an independent review if you have completed steps 1 and 2 and your case has already been addressed by President's Choice Bank Executive Customer Care and you are not satisfied with the outcome. Otherwise, your case will be referred back to President's Choice Bank Executive Customer Care for appropriate review prior to the President's Choice Bank Ombudsman's involvement.

30. Your right to an independent review

30.1 If your complaint is not resolved within ninety (90) days after receipt by the President's Choice Bank Ombudsman or if you cannot accept the decision of the President's Choice Bank Ombudsman, you can contact the Ombudsman for Banking Services and Investments (OBSI), who is independent from President's Choice Bank and whose purpose is to review your complaint.

You can contact OBSI:

by phone at 1 888 451 4519,

by fax at 1 888 422 2865,

by email at ombudsman@obsi.ca,

or by mail at Ombudsman for Banking Services and Investments, 20 Queen Street West, Suite 2400, P.O. Box 8, Toronto, ON M5H 3R3

or visit OBSI's website at www.obsi.ca

30.2 The Financial Consumer Agency of Canada (FCAC) supervises federally regulated financial institutions, such as President's Choice Bank. If you have a complaint regarding a potential violation of federal consumer protection laws, you can contact the FCAC in writing at: Financial Consumer Agency of Canada, 427 Laurier Avenue West, 6th floor, Ottawa, Ontario K1R 1B9; or through its website at www.fcac-acfc.gc.ca. The FCAC will determine whether the financial institution is in compliance. It will not, however, resolve individual consumer complaints.

31. FOR RESIDENTS OF QUEBEC:

Additional clauses apply.

Section **7.1** provides that “If you are in default under this Agreement: [...] we can require immediate payment of all amounts owing on your Account upon providing the required notice, if any”.

References to the “merchant” in this Section shall refer to President’s Choice Bank.

31.1 Clauses required under the Consumer Protection Act

(Clause of forfeiture of benefit of the term)

Before availing himself of this clause, the merchant must forward the consumer a notice in writing and unless he is exempted in accordance with section **69** of the General Regulation, he must forward 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 an application to the court to have the terms and conditions of payment prescribed in this contract changed.

(Open credit contract for the use of a credit card)

- (1) If the consumer uses all or part of the credit extended to make full or partial payment for the purchase or the lease of goods or for a service, the consumer may, if the open credit contract was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the open credit merchant collaborated with a view to granting credit, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider.

The consumer may also, in the circumstances described in the first paragraph, exercise against the open credit merchant, or against the merchant's assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The open credit merchant or the merchant's assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the open credit merchant at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the open credit merchant received if he assigned the debt.

- (2) A consumer who is solidarily liable with another consumer for the obligations arising from an open credit contract is released from the obligations resulting from any use of the open credit account after notifying the merchant in writing that he will no longer use the credit extended and no longer intends to be solidarily liable for the other consumer's future use of the credit extended in advance, and after providing proof to the merchant, on that occasion, that he informed the other consumer by sending him a written notice to that effect at his last known address or technological address.

Any subsequent payment made by the consumer must be applied to the debts contracted before the notice was sent to the merchant.

- (3) A consumer who has entered into a preauthorized payment agreement with a merchant under which payments

are made out of credit obtained under a credit card contract may end the agreement at any time by sending a notice to the merchant.

On receipt of the notice, the merchant must cease to collect the preauthorized payments.

On receipt of a copy of the notice, the card issuer must cease debiting the consumer's account to make payments to the merchant.

- (4) The consumer is not liable for debts resulting from the use of a credit card by a third person after the card issuer has been notified, by any means, of the loss, theft or fraudulent use of the card or of any other use of the card not authorized by the consumer. Even if no notice was given, consumer liability for the unauthorized use of a credit card is limited to **\$50**. The consumer is held liable for the losses incurred by the card issuer if the latter proves that the consumer committed a gross fault as regards the protection of the related personal identification number.
- (5) Without delay at the end of each period, the merchant must send the consumer a statement of account. The merchant is not required to send a statement of account to the consumer at the end of any period if there have been no advances or payments during the period and the outstanding balance at the end of the period is zero.
- (6) If the consumer makes a payment at least equal to the outstanding balance at the end of the preceding period within **21** days after the date of the end of the period, no credit charges may be required from the consumer on that outstanding balance, except as regards money advances. In the case of a money advance, charges may accrue as of the

date of the advance until the date of payment.

- (7) The consumer may demand that the merchant send, without charge, a copy of the vouchers for each of the transactions charged to the account during the period covered by the statement. The merchant must send the copy of the vouchers requested within **60** days after the date the consumer's request was sent.
- (8) Until the consumer receives a statement of account at his address or technological address if expressly authorized by the consumer, the merchant must not claim credit charges on the unpaid balance, except as regards money advances.

It is in the consumer's interest to refer to sections **103.1, 104 to 110, 122.1, 123, 123.1, 124, 126, 126.2, 126.3, 127** and **127.1** of the Consumer Protection Act (chapter P-**40.1**) 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.

31.2 Changes

Section **23.1** "Changes to this agreement, interest rates, fees, charges, premiums and markups" provides that "We may amend this Agreement or any other disclosure document provided to you, including the interest rates, the interest-free grace period, any fees, premiums or markups, or any features of your Account ... by providing you with notice of such amendment at your most recent address or e-mail, as applicable, in our records."

If we introduce and/or increase the amount chargeable as membership fees, renewal fees or replacement fees for a lost or stolen credit card or if we increase the credit rate, we will send you, at least **30** days before the amendment comes into force, a written notice

setting out exclusively the new clause, or the amended clause and the clause as it read formerly, and the date of the coming into force. If we amend any other clause in the Agreement, we will send you, at least **30** days before the amendment comes into force, a written notice drawn up clearly and legibly, setting out exclusively the new clause, or the amended clause and the clause as it read formerly, the date of the coming into force of the amendment and advise you that you may refuse the amendment and cancel the Agreement without cost, penalty or cancellation indemnity by sending us a notice to that effect no later than **30** days after the amendment comes into force, if the amendment entails an increase in your obligations or a reduction in our obligations.

31.3 Credit Reporting Agencies

We may obtain credit reports and information about you from Trans Union of Canada, Inc., Equifax Canada Inc., or any other credit reporting agency. You may access and correct or update any of your personal information in these files by contacting these credit reporting agencies through their websites www.transunion.ca and www.consumer.equifax.ca.

31.4 Governing Law

For residents of Quebec, Section **25.1** “Governing Law” shall provide that the Cardholder Agreement will be governed by and interpreted in accordance with the laws of the Province of Quebec and applicable laws of Canada. The courts in the Province of Quebec will have exclusive jurisdiction over any disputes arising in connection with the Account or this Cardholder Agreement.

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