

DEBIT CARD AGREEMENT

This Debit Card Agreement ("Agreement") is intended to govern the use of debit cards. In consideration of CS Alterna Bank ("Alterna Bank") issuing to me one or more debit cards (each individual one of which is hereinafter referred to as the "Card") and one or more personal identification numbers ("PIN") for use with one or more of the Cards, the undersigned (the "Client") agrees that:

Definitions

1. **ATM (Automated Teller Machine):** An electronic terminal, used by Clients to access their accounts for debit card services provided by Alterna Bank. ATMs include electronic terminals operated by Alterna Bank or other institutions through which a Client can access his or her account(s).
2. **Client:** The undersigned Client of Alterna Bank.
3. **Interac Flash®:** The contactless payment feature that allows the Client to conduct Point of Sale Transactions at select merchants, without having to swipe or insert the Client's debit card and enter a Personal Identification Number.
4. **PIN (Personal Identification Number):** A secret code (number) selected by the Client for use in conjunction with the Card, to confirm the identity of the Client, and to authorize transactions effected by use of the Card.
5. **POS Transaction (Point of Sale Transaction):** A transaction effected by use of the Card at an electronic terminal used by the Client to pay for goods or services by debit to his or her Alterna Bank account(s).

Liability

6. Debits to the Client's account(s) may be made for withdrawals, transfers or POS Transactions effected through the use of the Client's PIN and Card (at an ATM, POS Terminal, or otherwise) by the Client or by anyone using the Client's PIN and Card. The Client shall be liable for all such debits, whether or not such debits or use of the PIN and Card have been authorized by the Client, except as otherwise expressly provided for in this Agreement.
7. The Client agrees not to obtain a cash advance from an ATM or engage in a POS Transaction in excess of the total amount then on deposit in the account(s) of the Client with Alterna Bank and the approved limit under the Client's Line-of-Credit Loan Agreement or Overdraft Protection Agreement. If a cash advance(s) is obtained and/or if a POS Transaction is engaged which is in excess of that total through the usage of the Client's PIN and Card, whether or not such usage is authorized by the Client (except as expressly provided in this Agreement), the Client agrees to repay the total amount of said cash advance(s) or POS Transaction(s) to Alterna Bank forthwith with interest at the current interest rate being charged by Alterna Bank.
8. The Client shall be responsible and is liable for all use of the Client's Card and/or PIN, including entry errors made by anyone using the Client's Card and/or PIN at ATMs or POS Terminals, except as otherwise expressly provided for in this Agreement.
9. The Client shall be responsible and is liable for fraudulent or worthless deposits made through use of the Client's Card and/or PIN.
10. The Client shall not be liable for losses or debits to the Client's account(s) that result from circumstances beyond the Client's control. Circumstances beyond the control of a Client are those circumstances the occurrence of which the Client has not contributed to in whole or in part. The Client shall be deemed to have contributed to losses or debits to the Client's account(s), and is therefore liable for such losses or debits in any of the following circumstances:
 - (a) If the Client has made the Card and PIN available to any third party or has failed to take reasonable precautions to prevent a third party from having access to the Card and PIN;
 - (b) If the Client has written the PIN on the Card or has kept the Card and PIN together (or in such manner as to make them available for use together);
 - (c) If a PIN selected by the Client is the same or similar to an obvious or readily ascertainable number combination associated with that Client such as the Client's date of birth, account number or telephone number;
 - (d) If the Client has failed to immediately notify Alterna Bank of the loss or disappearance of the Card or of the PIN becoming known or available to a third party;
 - (e) the Client has failed to comply with any of his or her obligations under this agreement; or
 - (f) If the Client has in any manner voluntarily made the PIN available to a third party.

If the Client contends that he or she is not liable for one or more debits to the account(s), the Client acknowledges that there shall be an onus on the Client to demonstrate that the circumstances in question were beyond the Client's control. This means that the Client is required to demonstrate that the Client did not contribute, and is not deemed to have contributed, to the occurrence of the circumstances in question.

11. The Client may use his/her Card without the PIN at participating merchants. For those transactions, the Client will have the same rights and responsibilities as if the Client had used the Card and PIN.
12. Loss suffered by a Client relating to or arising out of circumstances to which the Client has contributed, or is deemed to have contributed, for each individual transaction will not exceed the established ATM or point of sale withdrawal limits for the transaction in question. However, the Client acknowledges that in some circumstances, the resulting loss may exceed the actual funds in a Client's account where an account has Line-of-Credit protection, or is linked with another account or other accounts of the Client.
13. The Client will indemnify and hold Alterna Bank harmless from and against any and all losses, costs or damages as well as any and all claims or suits which may be brought against Alterna Bank by third parties because of the Client's failure to comply with instructions of Alterna Bank relating to the proper use, care, custody and control of the Card and the PIN, the Card an *Interac Flash®*, and/or the Client's failure to comply with the obligations of the Client under this Agreement.

Procedures for Addressing Unauthorized Transactions and other Transaction Problems

14. In the event of a problem with a transaction using the Card and PIN, or Card and *Interac Flash®*, an unauthorized transaction using the Card and PIN, or Card and *Interac Flash®* other than a matter related to goods and services provided by Merchants, the Client will report the issue promptly to Alterna Bank and Alterna Bank will investigate and respond to the issue on a timely basis. Alterna Bank will not unreasonably restrict the Client from the use of any funds subject to dispute, provided that the Client did not contribute or is not deemed to have contributed to the issue, problem or unauthorized transaction. Alterna Bank will respond to the Client's report of an issue, problem or unauthorized transaction in a reasonable timeframe, and will indicate whether or not any reimbursement will be made for any loss suffered by the Client. Reimbursement will be made for a Client's losses within a reasonable time after Alterna Bank determines that the loss in question resulted from circumstances beyond the Client's control. The Client acknowledges that in coming to a determination that a loss resulted from circumstances beyond a Client's control, Alterna Bank may request the Client to provide a written statement or affidavit as to the circumstances of the loss. Alterna Bank shall not be required to reimburse the Client for any loss should the Client elect not to provide the requested written statement or affidavit or should the Client not otherwise provide reasonable assistance to Alterna Bank in investigating the circumstances in question.

Dispute Resolution

15. If the Client is not satisfied with the response from Alterna Bank, Alterna Bank will provide the Client with, upon request, a written account of its investigation and the reasons for its findings. If the Client is not satisfied, the issue will be referred to the complaint resolution process as outlined in brochures located in branches and on our website. Neither Alterna Bank nor the Client will have the right to start court action until 30 days have passed since the issue was first raised with Alterna Bank. Any dispute related to goods or services supplied in a POS transaction is strictly between the Client and the merchant and the Client will raise no defence or claim against Alterna Bank.

Lost or Stolen Card

16. If the Card is lost, stolen, misused, misplaced or destroyed, by any means whatsoever, or the Client believes the PIN may have become known to someone other than the Client, or *Interac Flash®* has been used by someone other than the Client (all of the foregoing being collectively referred to as a "Loss of Card") the Client shall notify Alterna Bank immediately of the Loss of Card:
 - (i) by telephone to the ATM Hotline Number. That number is currently 1-888-807-4101 anywhere else and may be changed from time to time by Alterna Bank. Any subsequent number will be posted in Alterna Bank branches and published on its website. On receipt of such a telephone notice (or any other oral notice) Alterna Bank may cancel the Card forthwith and, if it does so, shall notify the Client in writing; and
 - (ii) in writing to any Alterna Bank branch. On receipt of such a written notice Alterna Bank shall cancel the Card forthwith and shall notify the Client in writing.
 - (iii) in the event of a Loss of Card, the Client will be liable for all transactions and the resulting account activity incurred through the use of Card and PIN before the time the Client notifies Alterna Bank of the Loss of Card in accordance with the requirements of subparagraphs (i) or (ii) above. The Client will not be liable for any transactions and the resulting account activity resulting from the Loss of Card that is incurred after the time the Client notifies Alterna Bank of the Loss of Card in accordance with the requirements of subparagraphs (i) or (ii) above.

PIN Confidentiality

17. The Client must keep the PIN secret and confidential at all times. As set out in Section 10 the Client shall be liable for any losses incurred with respect to the use of the Card together with the PIN and for any access gained to the information in the Client's accounts if the Client contributes or is deemed to have contributed to such losses. The Client acknowledges that it constitutes a Card Loss within the meaning of Section 16 if the PIN is revealed or if the Client believes that someone else has learned it and that the Client must notify Alterna Bank immediately of such Card Loss in accordance with the requirements of Section 16(i) or (ii).

Deposits

18. The Client agrees to enclose all deposits made by the Client with the Card in a specially marked envelope provided by Alterna Bank. When such deposits are made, the Client shall indicate to the ATM the nature and amounts involved in the transaction and the transaction record issued by the ATM shall be in whatever amounts are stated by the Client. Such transaction records are for the Client's records only, and shall not be binding upon Alterna Bank. Alterna Bank is authorized to open all envelopes so deposited and to deal with the contents in the manner in which it usually deals with items deposited by its Clients. It is expressly agreed that Alterna Bank' count or determination of the contents of the envelope shall be conclusively deemed to be correct and shall be binding on the Client.
19. Amounts credited to the Client's account as a result of deposits made by using the Card and PIN together will not be available for withdrawal until the deposits are verified and negotiable items such as cheques are honoured.
20. The Client will not deposit any coins, non-negotiable items or any other items not acceptable for deposit to the Client's account into any ATM and will pay Alterna Bank for any damages, costs or losses suffered by Alterna Bank as a result of such deposit.

Amendment to Debit Card Agreement

21. In all provinces except Quebec, Alterna Bank may amend the terms and conditions of this Agreement from time to time, and notice of such amended terms and conditions shall be posted on Alterna's website. The Client agrees to access and review Alterna's website periodically and in any event, no less than once a month. If notice is posted before a change takes effect, the Client agrees and consents to the change if the Client uses an Account or has funds on deposit in the Account after the effective date of the change. Subject to Section 24, if notice is posted after the change takes effect, use of an Account after the date the notice is posted will mean that the Client has agreed to the change.

In Québec, Alterna Bank may amend the terms and conditions of this Agreement from time to time, including but not limited to the following sections:

- Definitions (clauses 1 to 5);
- Liability (clauses 6 to 13);
- Procedures for Addressing Unauthorized Transactions and other Transaction Problems (clause 14);
- Dispute resolution (clause 15);
- Lost or Stolen Card (clause 16);
- PIN Confidentiality (clause 17);
- Deposits (clauses 18 to 20);
- Amendment to Debit Card Agreement (clause 21);
- Limits on Withdrawals or Debits and Holding Funds (clause 22);
- Termination of the Debit Card Agreement (clause 23);
- Service Charges and Foreign Currency Transactions (clause 24);
- Power of Attorney (25)
- Transaction Verification (clause 26);
- Transaction Records (clause 27);
- *Interac Flash®* – Enabling and Opting Out (clause 28);
- Scope of Agreement (clause 29);
- Cardholder Privacy (clause 30)

Alterna Bank will provide notice of such amended terms and conditions in the following manner:

- (a) a written notice will be sent to the Client's last recorded address, which will set out the amendment, at least 30 days before the effective date of the amendment. The effective date of the amendment will also be specified, as will the Client's rights as set out in paragraph (b) hereinafter;
- (b) The Client will be allowed to refuse the amendment and terminate the Agreement without cost, penalty or cancellation fee, by sending to Alterna Bank a written notice to that effect no later than 30 days after the amendment comes into force.

Such written communication may be included in advertising brochures or other written communications which are sent to Clients periodically. The Client shall be deemed to have received notice of any such amendments contained in a written communication sent to the Client's last recorded address whether or not the Client has actually received such communication and any and all such amendments shall be binding upon the Client, if the client does not follow the procedure set out in paragraph (b) hereinabove.

Limits on Withdrawals or Debit and Holding Funds

22. Alterna Bank will set one or more limits (dollar amount or otherwise) for transactions that may be conducted at an ATM or POS transaction terminal from time to time and Alterna Bank may change these limits periodically, notification of which will be provided in the same manner and with the same effect as notification of amendments to this Agreement under Section 21. Alterna Bank will tell the Client what the current limits are on the documents accompanying Cards Alterna Bank issues to the Client as well as in branch with provision of appropriate identification. Alterna Bank may impose withdrawal limits or may hold funds in accordance with its hold funds policies in place from time to time when Alterna Bank deems it necessary to protect the Client's and Alterna Bank's respective interests with regard to transactions carried out by the Client. Alterna Bank publishes its hold funds policy in brochure format, available in branches.

Termination of the Debit Card Agreement

23. Alterna Bank remains the owner of the Card. It may restrict the use of the Card or may terminate this Agreement and the Client's right to use the Card at any time without notice, except in Québec where a prior 60-day written notice will be provided. The Client will return the Card to Alterna Bank pursuant to such request.

Service Charges and Foreign Currency Transactions

24. The Client acknowledges having been advised of, and will pay, the applicable fees now in effect for services available under this Agreement. The applicable fees can be found at the following link: <https://www.alternabank.ca/Personal/EverydayBanking/ServiceFees>. New or amended fees will only become effective 30 days after notification by Alterna Bank which notification will be provided in the same manner and with the same effect as notification of amendments to this Agreement under Section 21.

If the Card is used in connection with a transaction in foreign currency, the Client agrees that the rate of conversion into Canadian currency will be fixed according to the rules of the electronic network through which the transaction is conducted.

Power of Attorney

25. If the cardholder is acting as an attorney for a Client and uses a Card, the attorney is liable for the transactions carried out in the Client's account, in accordance with the terms and conditions of this Agreement.

Transaction Verification

26. All transactions are subject to verification and acceptance by Alterna Bank. This may take place on a date later than the transaction date, and verification and acceptance of transactions will affect when transactions become effective. Alterna Bank' records of transactions will be deemed to be correct, conclusive and binding on the Client. Alterna Bank' count and verification of the particulars of a transaction will be deemed to be correct, conclusive and binding on the Client, unless the Client gives written notice of an error or omission in accordance with the requirements of the Client's account agreement with Alterna Bank.

Transaction Records

27. A paper transaction record dispensed mechanically as a result of the use of the Card constitutes a record only of the Client's instructions. Whether such a transaction record is dispensed or not, it is the Client's responsibility to verify that the transaction has been properly executed by checking the periodic statement or passbook entries itemizing transactions as required by the Client's account agreement with Alterna Bank.

In absence of evidence to the contrary, the records of Alterna Bank are conclusive for all purposes, including litigation in respect of any instructions given by the Client to Alterna Bank through the use of the Card and PIN and/or the Card and *Interac Flash®*; the contents of any envelope deposited by the Client into an ATM; the making of a withdrawal, deposit or transfer through the use of the Card and PIN and/or Card and *Interac Flash®*; and any other matter or thing relating to the state of accounts between the Client and Alterna Bank in respect of any electronic transaction.

Interac Flash® – Enabling and Opting Out

28. If the Card is enabled with *Interac Flash®*, Alterna Bank will select and link an Account to the Client's debit card. *Interac Flash®* transactions will default to the pre-selected Account. Client can have *Interac Flash®* disabled or re-enabled by calling Alterna's Contact Centre or by visiting any Alterna Bank Branch.

Scope of Agreement

29. This Agreement replaces any prior agreement governing the use of the Card and PIN and/or *Interac Flash®* but does not replace or supersede and agreement or provision of any agreement relating to any loan, credit facility or the operation of any account. This Agreement applies to any account specified herein and as well as any other account designated by the Client from time to time for use in connection with the Card and PIN and/or *Interac Flash®*.

Cardholder Privacy

30. The Client acknowledges that Alterna Bank has policies to protect the Client's privacy and that the Client may obtain particulars upon request. The Client hereby consents to the use of their personal information by Alterna Bank and its affiliates to monitor use of financial services, in order to detect fraud, develop needed products and services and offer Clients needed services. However, if the Client has given or hereafter gives express consent to the collection, use and further disclosure of their personal information by Alterna Bank in a form and content that is more permissive than the content provided herein, the other form of consent shall govern our relationship. The Client may withdraw consent at any time by contacting the Alterna Bank Privacy Officer. The Client can access the Privacy Policy in branch.

SECURITY TIPS

- Your PIN is your electronic signature; never reveal it to anyone.
- Do not use the same PIN for more than one Card.
- Never lend anyone your Card.
- Memorize your PIN; do not write it down anywhere.
- Never use numbers based on your name, address, telephone number, social insurance number or date of birth in your PIN; they are all too easy to guess.
- Protect your Card at all times.
- When you use your Card and have to enter your PIN, use your hand or body to block anyone else's view of the keypad. Don't be afraid of looking overcautious.
- Make sure you take your Card and your transaction record when you are finished.
- After making a withdrawal with your Card, put the money away immediately.