

SCHEDULE 5

Cost of Borrowing (Banks) Regulations (SOR/2001-101)

Information Box

This Information Box contains a summary of key information about your credit card.
Please read the entire document for full details.

Initial Credit Limit	This will be provided to you at the point of sale when you first apply for the credit card, and in your first monthly statement.
Annual Interest Rate or Rates	<p>31.99% per annum (Regular Revolving Credit Plan, Same as Cash Credit Plan, Free Financing Plan, and No Interest/No Payment Credit Plan)</p> <p>Up to 19.99% – actual interest rate will be disclosed to you at the point of sale (Equal Payments with interest Credit Plan and Special Promo Credit Plan).</p>
Interest-free Grace Period	<p>21 days or the duration of the Promotional Period, as applicable.</p> <p>If you have a <u>Regular Revolving Credit Plan</u>, an <u>Equal Payments with interest Credit Plan</u>, or a <u>Special Promo Credit Plan</u>, you will benefit from an interest-free grace period of at least 21 days on new purchases made on the particular credit plan.</p> <p>If you have a <u>Free Financing Credit Plan</u>, you will benefit from an interest-free grace period for the duration of the Promotional Period, provided you pay the full amount due by the expiration of the Promotional Period and pay all required minimum payments due during the Promotional Period.</p> <p>If you have a <u>Same as Cash Credit Plan</u>, all accrued interest will be waived if you pay the full amount due by the expiration of the Promotional Period.</p> <p>If you have a <u>No Interest/No Payment Credit Plan</u>, no interest will accrue during the Promotional Period.</p> <p>If a Promotional Period applies, the length of the Promotional Period will be communicated to you at the time of enrollment in the Plan.</p> <p>See Section 7 of the Retail Credit Agreement for more information on the credit plans.</p>
Determination of Interest	If interest is charged, it is calculated on your daily average balance and charged monthly to your account on the last day of your billing cycle.
Minimum Payment	Your minimum payment depends on the type of Credit Plan you have. Your minimum payment is the sum of the minimum payment for each outstanding Credit Plan, plus any amounts past due, plus premiums for creditor insurance, plus any fees we have charged to your account during the statement period, plus any overlimit amounts.

	<p>For the <u>Regular Revolving Credit Plan</u>, your minimum payment will be 5% of the balance owing on your Credit Plan as of the close of the most recent billing cycle, or \$10, whichever is greater.</p> <p>For the <u>Free Financing Credit Plan</u>, your minimum payment will be the amount of the purchase divided by the number of months in the Promotional Period.</p> <p>For the <u>Equal Payments with interest Credit Plan</u>, your minimum payment will be the amount of the purchase plus applicable interest charges, divided by the number of months in the Promotional Period.</p> <p>For the <u>Same as Cash Credit Plan</u>, your minimum payment will be 5% of the balance owing on your Credit Plan as of the close of the most recent billing cycle, or \$10, whichever is greater.</p> <p>For the <u>No Interest/No Payment Credit Plan</u>, your minimum payment is \$0 until the end of the Promotional Period. After the end of the Promotional Period, your minimum payment will be 5% of the balance of the Credit Plan as of the close of the most recent billing cycle, or \$10, whichever is greater.</p> <p>For the <u>Special Promo Credit Plan</u>, your minimum payment will be 5% of the balance owing on your Credit Plan as of the close of the most recent billing cycle, or \$10, whichever is greater.</p>
Foreign Currency Conversion	Not offered
Annual Fees	<p>\$35</p> <p>To be charged on your first statement and annually on your account opening anniversary date if your balance is at least \$450 and if you have taken a free financing credit plan with a term higher than 12 months.</p>
Other Fees	<p>To be charged on the day the transaction occurs:</p> <p>Statement Copy Fee: \$3 for a copy of an Account Statement and/or \$25 per hour to retrieve statement of Account(s) greater than 12 months.</p> <p>Credit Balance Cheque Charge: \$25 will be charged for any cheque issued to refund a credit balance on your Account (any refund issued will be net of this charge).</p> <p>Administration Fee: From time to time, Retailers may charge an administration fee in connection with a Special Credit Plan, as permitted by law. In such cases the administration fee will be disclosed in the related advertising material.</p>

INFORMATION BOX — OPEN CREDIT CONTRACT FOR USING A CREDIT CARD (BMTC)

(Consumer Protection Act, section 125)

Credit Rate	<p>The annual Credit Rate is 31.99%.</p> <p>The <u>Regular Revolving Credit Plan</u> and <u>Same as Cash Credit Plan</u> are the only plans on which interest accrues and/or is charged at this rate of 31.99%.</p> <p>For the <u>Equal Payments with Interest Credit Plan</u>, the annual credit rate (lower than 31.99%) will be disclosed to you at point of sale.</p>
Grace period	<p>21 days or the duration of the Promotional Period, as applicable.</p> <p>If you have a <u>Regular Revolving Credit Plan</u>, an <u>Equal Payments with interest Credit Plan</u>, or a <u>Special Promo Credit Plan</u>, you will benefit from an interest-free grace period of at least 21 days on new purchases made on the particular credit plan.</p> <p>If you have a <u>Free Financing Credit Plan</u>, you will benefit from an interest-free grace period for the duration of the Promotional Period, provided you pay the full amount due by the expiration of the Promotional Period and pay all required minimum payments due during the Promotional Period.</p> <p>If you have a <u>Same as Cash Credit Plan</u>, all accrued interest will be waived if you pay the full amount due by the expiration of the Promotional Period.</p> <p>If you have a <u>No Interest/No Payment Credit Plan</u>, no interest will accrue during the Promotional Period.</p> <p>If a Promotional Period applies, the length of the Promotional Period will be communicated to you at the time of enrollment in the Plan.</p> <p>See Section 7 of the Retail Credit Agreement for more information on the credit plans.</p>
Credit limit granted	<p>This information will be provided at the point of sales when making your credit card request. It will also show on your first monthly statement.</p>

<p>Minimum Periodic Payment</p>	<p>Your minimum payment depends on the type of Credit Plan you have. Your minimum payment is the sum of the minimum payment for each outstanding Credit Plan, plus any amounts past due, plus premiums for creditor insurance, plus any fees we have charged to your account during the statement period, plus any overlimit amounts.</p> <p>For the <u>Regular Revolving Credit Plan</u>, your minimum payment will be 5% of the balance owing on your Credit Plan as of the close of the most recent billing cycle, or \$10, whichever is greater.</p> <p>For the <u>Free Financing Credit Plan</u>, your minimum payment will be the amount of the purchase divided by the number of months in the Promotional Period.</p> <p>For the <u>Equal Payments with interest Credit Plan</u>, your minimum payment will be the amount of the purchase plus applicable interest charges, divided by the number of months in the Promotional Period.</p> <p>For the <u>Same as Cash Credit Plan</u>, your minimum payment will be 5% of the balance owing on your Credit Plan as of the close of the most recent billing cycle, or \$10, whichever is greater.</p> <p>For the <u>No Interest/No Payment Credit Plan</u>, your minimum payment is \$0 until the end of the Promotional Period. After the end of the Promotional Period, your minimum payment will be 5% of the balance of the Credit Plan as of the close of the most recent billing cycle, or \$10, whichever is greater.</p> <p>For the <u>Special Promo Credit Plan</u>, your minimum payment will be 5% of the balance owing on your Credit Plan as of the close of the most recent billing cycle, or \$10, whichever is greater.</p>
<p>Other Charges</p>	<p>Annual Fee: \$35.00 for your Account. This fee is invoiced on your first statement, and annually on the anniversary date of your account opening if your balance is at least \$450 and if you have taken a free financing credit plan with a term higher than 12 months. We may change such fee or add other fees upon written notice and as permitted by law.</p> <p>Payment Protection Plan: As shown in insurance certificate provided to you by Fairstone Financial Inc. or by BMTC (if purchased by you).</p> <p>Statement Copy Fee: \$3.00 for a copy of an Account Statement and/or \$25.00 per hour to retrieve statement of Account(s) greater than 12 months.</p>

	Credit Balance Cheque Charge: \$25.00 will be charged for any cheque issued to refund a credit balance on your Account (any refund will net of this charge)
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1. **GENERAL:** Information Box applies to the Account and each Card we have issued on the Account.
2. We will provide you with a monthly statement of Account. The billing period covered by each statement of Account is approximately **30 days**.
3. **EFFECTIVE DATE OF THIS STATEMENT:** The information contained in this Agreement is current as of **June 28, 2022**.

4. **EFFECTIVE JUNE 30, 2022 - Balance Alerts:** Federal legislation requires that we send you/the primary cardholder an alert (the "Balance Alert") by electronic means (including email, text, or other electronic means that we may make available from time to time) when the available credit on your account falls below \$100 (the "Threshold Amount"). For example, if your credit limit is \$1,000, then you/the primary cardholder will receive a Balance Alert when your outstanding balance is at \$900 or more.

Each Balance Alert that you receive will include actions you can take to help you avoid any charges or penalties that may be imposed by us on your account (as set out in this Disclosure Statement and as further described in your Retail Credit Agreement) for your most recent transaction(s) or subsequent transaction(s) made on your account, and the time within which such actions should be taken.

5. **PRIOR TO JUNE 30, 2022 – Lost or Stolen Cards:** If the Card, your Account information or personal authentication information in relation to your Card is used in an unauthorized manner, the maximum liability to you will be \$50 unless you have demonstrated gross negligence in safeguarding the Card, Account information or personal authentication information for your Card or Account has been lost or stolen or is otherwise at risk of being used in an unauthorized manner, you will not be liable for any unauthorized use following our receipt of that report.

EFFECTIVE JUNE 30, 2022 -Lost or Stolen Cards: If the Card, your Account information or personal authentication information. in relation to your Card has been lost or stolen or is otherwise used in an unauthorized manner, the maximum liability to you will be \$50 unless you have demonstrated gross negligence or, in Quebec, gross fault in safeguarding the Card, Account information or personal authentication information. If you report to us that your Card, account information for your Card or the personal authentication information for your Card or Account has been lost or stolen or is otherwise at risk of being used in an unauthorized manner, you will not be liable for any unauthorized use following our receipt of that report.

6. **FOR FURTHER INFORMATION:** For further information on your Account, or for an update, you may call us at **1-844-807-1301**.

HIGH COST OPEN CREDIT CONTRACT FOR THE USE OF A CREDIT CARD (CONSUMER PROTECTION ACT, S. 125)

You agree that the terms and conditions in this Agreement will apply to your Account.

Date:

Location:

Name of Merchant: Fairstone Financial Inc.

Address of Merchant: 630 Rene Levesque, Suite 1400, Montréal QC H3B 4Z9.

Technological Address of Merchant: CustomerCare@Fairstone.ca

Merchant Permit Number: 17008-2

High- Cost Credit Merchant Number 17008-3

Name of the Consumer:

Address of the Consumer:

The length of each period for which a statement of account is provided – approximately every 30 days

Credit Charges Example: If your previous month's balance or average daily balance is:	Your monthly Credit Charge is
\$2000	\$52.58
\$1400	\$36.81
\$800	\$21.03
\$100	\$2.62

1. **ACCOUNT:** Fairstone Financial Inc., (referred to in this Agreement as “we”, “our”, “us”, or “Fairstone”) will create an open credit account for an individual (s) who applies for credit (“Applicant” and, if applicable, for “Co-Applicant” (the individual who applies for credit as co-applicant) and who is approved for an Account (as defined below). The Applicant and Co-Applicant are referred to in the Agreement individually and together as “you”, “your”, “borrower”, “customer” or “consumer”. We will open an Account in your name. If the Account is used, it will mean that you have read and understand all the terms of this Agreement and you agree that this Agreement will apply to all the purchases and all other charges to your Account. If more than one applicant has completed and submitted the Account application and/or Agreement, we may enforce this Agreement against all or any applicant(s) jointly and individually (solidarily, in Quebec), for the entire amount owed and for meeting your obligations under this Agreement.

2. **CARD:** We may issue you an electronic or digital credit card, a physical credit card, and/or any other form or method to access or use your Account (“Card”) which you may use to make purchases from Fairstone retailer partners or as Fairstone may otherwise allow from time to time (your “Account”). The form of the Card we may provide is at our sole discretion. We may issue you replacement Cards from time to time.

3. **PAYMENT:** You promise to pay the amount you owe to us, which is the unpaid amount of all your purchases and all other fees and charges (“Principal Balance”) plus Credit Charges (as described in Section 6) (Principal Balance and Credit Charges are together defined as your “Debt”). You agree that all your Debt to us shall bear interest before and after maturity and before and after default and judgment at the nominal annual interest rate as set out in the Information Box, as permitted by law. You shall pay each month at least the Minimum Payment Due (as described in Section 5) shown on each statement of Account, which includes the Minimum Payment Due, plus the past due amount of any prior Minimum Payment Due(s) and, at our sole option, the full amount of any balance on your Account above your Credit Limit (as defined below in Section 4). You may prepay all or part of your Account balance at any time, but any partial prepayment will not affect your obligation to make subsequent Minimum Payments, and

Credit Charges will continue to accrue on any remaining unpaid Debt including unpaid balances of Credit Plans (as described in Section 7). Payments may be mailed to us at the address shown on your statement of Account, made at any Fairstone branch, or by any other method allowed by Fairstone from time to time. All payments must be made in Canadian currency and in a form that can be legally accepted by Fairstone at the time of payment.

Occasionally, and where not prohibited by law, we may offer you the opportunity to skip the entire Minimum Payment Due in a given month. This opportunity will be available only on the terms offered by us. If you use one of these opportunities to skip all a Minimum Payment Due, Credit Charges will continue to be charged on your Debt owing, on all plan(s) that charge interest.

If you pay more than the Minimum Payment Due, then the overage will be applied in the following order: (1) interest; (2) late charges; (3) NSF fees; (4) insurance premiums; (5) annual fees; (6) principal, and (7) any other fees, to the extent that any of the above are then due and payable.

4. CREDIT LIMIT: We will set, from time to time, a credit limit for the Account ("Credit Limit") and we may change it periodically. We will tell you what your current Credit Limit is on each statement of Account. You will not allow your Debt at any time to exceed your Credit Limit. However, we may (but are not required to, even if we have done so before) permit that Debt to exceed your Credit Limit. You understand that the use of your Card and Account may be suspended, at our discretion, if your Credit Limit is exceeded.

5. MINIMUM PAYMENT: You agree to pay us at least the Minimum Payment Due shown on your statement of Account by your payment due date shown on your statement of Account ("Payment Due Date"). If you wish, you may at any time and without penalty, pay more than the Minimum Payment Due, including the entire amount due. The Minimum Payment Due will be the: (i) total of the minimum payments required for each Credit Plan as described below, plus (ii) any amount past due, plus (iii) the minimum payments required for all fees, (iv) the minimum on creditor insurance premiums and other charges and (v) any overlimit amounts.

If your Account has a balance under a "Special Credit Plan" (as defined in section 7) that defers all the minimum payment for that Special Credit Plan, during the Promotional Period of that Special Credit Plan, the Minimum Payment Due will not include the creditor insurance premiums or taxes on the creditor insurance that result from that balance. (In Quebec, neither creditor insurance premiums, nor taxes on the creditor insurance will be charged during the duration of a No Interest/No Payment plan.) Upon the expiration or termination of the Special Credit Plan Promotional Period, the creditor insurance premiums and taxes on the creditor insurance that resulted from that balance will be added to the balance of that Credit Plan and a new minimum payment for that Credit Plan will apply thereafter as described below in this section 5. (In Quebec, creditor insurance premiums and taxes on the creditors insurance will be charged commencing upon expiration or termination of the No Interest/No Payment plan.) The Minimum Payment Due will also include all creditor insurance premiums and taxes on the creditor insurance that result from the balance of that Special Credit Plan after the expiration or termination of its Promotional Period and from the balance of any other Credit Plan that requires a minimum payment.

The Minimum Payment Due shall always be at least **\$10** plus any amount past due unless the balance due on the Account is less than **\$10** as of the close of the billing cycle. In that case, the Minimum Payment Due shall be that sum less than **\$10** plus any amount past due.

Calculation of Minimum Payment Due: Each purchase or advance is considered a separate Credit Plan except that each purchase or each advance made under the Regular Revolving Credit Plan that is charged the same credit rate is considered the same Credit Plan. The minimum payment for each Credit Plan is added together in calculating the Minimum Payment Due. For all purchases except those made under the Free Financing Special Credit Plan and the Equal Payments with Interest Special Credit Plan, the minimum payment for each Credit Plan that requires payments is **5.0%** of the balance of the Credit Plan as of the close of the most recent billing cycle or **\$10**, whichever is greater. The minimum payment for the Regular Revolving Credit Plan and for the Same As Cash Special Credit Plan is **5.0%** of the balance of the Credit Plan as of the close of the most recent billing cycle or **\$10**, whichever is greater. The minimum payment for the Free Financing Special Credit Plan and for the Equal Payments with Interest special Credit Plan is determined by dividing the balance of the Credit Plan as of the close of the billing cycle in which the purchase is posted to your Account by the number of months of the Promotional Period to provide equal monthly payments. For the Equal Payments with Interest special Credit Plan, interest is precalculated and included in each monthly payment. The minimum payment for each Credit Plan (including expired and terminated Special Credit Plans) is rounded up to the next higher dollar.

For the No Interest/No Payment, Same As Cash, Free Financing, Equal Payments with Interest Special Credit Plans, if you do not pay in full the balance of the Credit Plan by the expiration date of the Promotional Period or if we terminate the Promotional Period of the Credit Plan because you default, a new minimum payment for the Credit Plan will apply thereafter, equal to **5.0%** of the balance of that Credit Plan as of the close of the most recent billing cycle or **\$10**, whichever is greater.

To determine a balance of a Credit Plan, we include all Credit Charges, creditor insurance premiums and taxes on the creditor insurance that result from that balance. You will pay within **21** days of the Account statement date, the new balance owing ("New Balance") or the Minimum Payment Due.

6. CREDIT CHARGES: Subject to the terms of any Credit Plan, Credit Charges are calculated monthly at a nominal annual interest rate ("APR") as set out in the Information Box and as shown on each statement of Account. Credit Charges are paid monthly unless otherwise specified in section **7** herein. The grace period during which you may pay the New Balance without being required to pay Credit Charges is **21** days from the last day of your billing cycle. If you do not pay the New Balance in full on or before the Payment Due Date and pay only the Minimum Payment Due on or before the Payment Due Date, there will be a Credit Charge calculated on the New Balance on all annual interest-bearing Credit Plans based on the average daily balance or based on the previous month's balance where required by law. If you pay less than the Minimum Payment Due by the Payment Due Date, Credit Charges will be calculated on your Debt, at our option, either from the date you failed to make your Minimum Payment Due or from the original date of your purchase under the Credit Plan and, at our option, all or any part of your entire Debt shall immediately become due and payable, as permitted by law.

Credit Charges and other charges shall become principal, for the purposes of calculating Credit Charges in the next billing cycle, if not paid in full by the Payment Due Date. The deemed reinvestment principle shall not be applied in this calculation.

7. CREDIT PLANS: As used in this Agreement, "Credit Plan" includes the Regular Revolving Credit Plan (described below), any Special credit plan established under this agreement (described in more detail below), and any other open Credit Plan established under this Agreement and "Special Credit Plan" means any Credit Plan that is not the Regular Revolving Credit Plan. We may offer one or more Credit Plans from time to time. Your sales slip or other documentation provided by the Retailer (as defined in Section **13**) will show the Credit Plan for each purchase from the Retailer charged to your Account, and in the case of a Special Credit Plan, the length or expiration date of the Special Credit Plan. A Credit Plan begins (and advances under the Credit Plan will be added to your Account balance) on the date you or anyone authorized to use your Account, or the Card request a charge under the Credit Plan, even if delivery has not been made or services have not been performed. At our sole discretion, we may select a later date as the date the Credit Plan begins. If we select a later date, the Credit Plan will begin (and advances under the Credit Plan will be added to your Account balance) on the date we select. We will show the date a Credit Plan begins on your first statement of Account sent after that date. We will identify the expiration date of a Special Credit Plan on your statement of Account until it is paid in full. As used in this Agreement, "Promotional Period" means the period beginning on the date a Special Credit Plan begins and ending on that Special Credit Plan's expiration date.

Under the **Regular Revolving Credit Plan**, Credit Charges will be charged on the purchase from the date the Credit Plan begins, and minimum payments will be due each billing cycle. If the sales slip honoring your Account or the Card does not specify that the purchase is subject to a Special Credit Plan, then the purchase is subject to the Regular Revolving Credit Plan.

The following **Special Credit Plans** (and others for which you may be provided additional disclosures) may be offered by us from time to time individually or in combination with others:

No Interest/No Payment (Waived Credit Charges/Delayed Payment) - No Credit Charges will accrue on the purchase during the Promotional Period, and no minimum payments will be due on the purchase during that period.

Same As Cash - Credit Charges will accrue on the purchase from the beginning of the Promotional Period, and minimum payments will be due each billing cycle. However, if you pay the full amount due in respect of the purchase by the expiration date of the Promotional Period, all of the accrued Credit Charges will be waived, and no Credit Charges will be assessed on the purchase. If you do not pay the purchase price in full by the expiration date of the Promotional Period, all of the accrued Credit Charges will be assessed to your Account.

Free Financing (Waived Credit Charges/Payment Required) - Credit Charges will not accrue on the purchase during the Promotional Period if the required minimum payment is made each billing cycle during the Promotional Period.

when due. If the minimum payment is not made when due or if a balance remains after the Promotional Period expires, Credit Charges will be assessed at the APR disclosed in the Information Box.

Special Promo - We waive a portion of your Credit Charge for a specified Promotional Period provided you are not in default under this Agreement.

Equal Payments with Interest - A Credit Charge will be charged on the purchase. The amount financed (including Credit Charges) is divided by the term to arrive at equal monthly payments which will be due each billing cycle. Interest is precalculated and included in each monthly payment. Terms will be disclosed to you at the point of sale. If the minimum payment is not made when due or if a balance remains after the Promotional Period expires, Credit Charges will be assessed at the AIR as shown in the Information Box.

Unless provided otherwise in this Agreement, beginning the day after the expiration date of the Promotional Period of a Special Credit Plan and until that Special Credit Plan is paid in full, that Special Credit Plan shall be subject to the terms of the Regular Revolving Credit Plan. However, an expired Special Credit Plan that is not paid in full will continue to be considered a separate Credit Plan apart from other Credit Plans and will be shown as such on your statement of Account. Please note that the expiration date of the Promotional Period of a Special Credit Plan is not necessarily the same date as a Payment Due Date for your Account.

Subject to this Agreement, the credit terms in a transaction slip or other document you may receive at point of sale apply only to the purchase made at that time. We may cancel the availability of any of the Credit Plans at any time at our sole discretion. We are not bound by any credit terms in a transaction slip or other document if it was not authorized by Fairstone.

8. CHANGE OF TERMS: We may, at any time and to the extent permitted by law: (1) terminate this Agreement; or (2) change any of the terms and/or conditions of this Agreement (including the Credit Rate) by sending written notice to you at your last known billing address or other coordinates as it or they appear in our records, at least **30** days before the beginning of the billing cycle in which such change(s) will become effective. You are entitled to terminate this Agreement without penalty, cost or cancellation indemnity, by sending us a notice of termination within **30** days of the change referred to above entering into effect should the change in question result in an increase in your obligations or decrease in ours, in which case you must pay your Debt due in accordance with the terms of this Agreement.

9. TREATMENT OF PAYMENTS: If you have more than one Credit Plan, we shall apportion your payment to the Credit Plan that will expire first, followed by any Credit Plan that will expire later.

10. FAILURE TO PAY: If you do not fully pay any payment when it is due, then you shall be in default under this Agreement.

11. DEFAULT: You shall also be in default under this Agreement if: (a) you violate any other term of this Agreement, (b) you die, (c) you file for bankruptcy or insolvency, (d) garnishment proceedings are commenced against you, (e) you supply us with misleading, false, incomplete, or incorrect information or (f) we receive information that you are unable or unwilling to perform the terms or conditions of this Agreement. Upon any default by you described in section **10** or in this section **11**, to the extent permitted by applicable law, we may immediately and/or from time to time do any one or more of the following at any times chosen by us in our sole discretion: (a) cancel the terms of all Special Credit Plans (including, if applicable, cancelling the waiver of any Credit Charges by us) and require you to pay all of your Debt according to the terms of this Agreement applicable to the Regular Revolving Credit Plan, including, if applicable, increasing the rate at which Credit Charges accrue on all of your Debt to the highest credit rate then set forth in this Agreement, (b) require you to pay all of your Debt including all Regular Revolving Credit Plan balances, all Special Credit Plan balances, all accrued but unpaid Credit Charges and all other charges and fees provided for in this Agreement, immediately, (c) cancel any creditor insurance applicable to your Account, (d) bring an action or proceeding to collect all amounts owed and (e) exercise any other rights or remedies we may have at law, in equity or under this Agreement.

CLAUSE REQUIRED UNDER THE CONSUMER PROTECTION ACT

(Quebec)

(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.

It is in the consumer's interest to refer to Sections **104 to 110** of the *Consumer Protection Act* (R.S.Q., c.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.

12. ACCOUNT STATEMENTS AND ACCOUNT VERIFICATION: You agree that we will provide the Applicant only with a statement of Account, and that we will make such statements available on our website through the customer portal. You will be notified by email (at the email address you have provided to us) when your statement is ready. The billing period covered by each statement of Account is approximately **30** days.

Co-Applicants who require a copy of the statement of account may obtain a copy from the Applicant or by contacting us at the number indicated in the Information Box. You must promptly examine all statements of Account including all balances shown on them. You must notify us in writing of any errors, omissions, or objections to a statement of Account, or an entry or balance shown on it, within **30** days from the statement date recorded on the statement of Account.

If you do not notify us as required, we are entitled to treat the statements of Account and entries and balances therein as complete and correct. We may also use an electronic or other reproduction of any purchase or other entry on your Account or other document evidencing Debt to establish your liability for that Debt.

13. DISPUTES; LOYALTY PROGRAMS: We will not be responsible for any problem you may have with any purchase on your Account. If you have a problem or dispute with a Retailer ("Retailer" shall mean a retailer which honors the Card or Account as a means of payment for goods and/or services that are purchased from it) regarding a purchase on your Account, you must still pay all Debt as required by this Agreement and settle the problem or dispute directly with the Retailer. We will not be responsible if your Card is not honored by a Retailer at any time and for any problem or dispute you may have with the Retailer. If your Card allows you to earn loyalty rewards with a loyalty program operated by the Retailer or a third party entity (the "Loyalty Program Operator"), you acknowledge that: (i) if you do not have an account with the Loyalty Program Operator we may, but are not obliged to, ask the Loyalty Program Operator to open an account in the name of the Applicant only and not in the name of any Co-Applicant; (ii) loyalty rewards will only be awarded to the Applicant and not any Co-Applicant; (iii) the Loyalty Program Operator is not our agent and we are not responsible for the loyalty program or its administration, including your ability or inability to redeem loyalty rewards; (iv) the rules of the loyalty program may be changed or terminated at any time by the Loyalty Program Operator; (v) the Loyalty Program Operator is not responsible for your Card, Account or its administration; and (vi) any arrangement we may have with a Loyalty Program Operator may be changed or terminated at any time.

14. INTEREST RATE: If any term of this Agreement would require you to pay interest or other amount to us in an amount or calculated at a rate which would be prohibited by law or would result in us receiving "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in us receiving "interest" at a "criminal rate". Any amount previously paid by you which is included in such reduction shall be returned to you.

15. SEVERABILITY: If any term of this Agreement is held to be invalid, void, or unenforceable in accordance with the laws of the jurisdiction applicable to you, all other terms shall remain valid and be enforced and interpreted as if such invalid provisions were never a part of this Agreement.

16. WAIVER: Notwithstanding anything herein, we will not be deemed to have waived any of our rights, either at common law or equity, under this Agreement unless such waiver is made in writing. No waiver made with respect to any instance involving the exercise of such right(s) will be deemed to be a waiver with respect to any other instance involving the exercise of the right(s) or with respect to any other such right(s).

17. ASSIGNMENT: We may, from time to time, without prior notice to you or your consent, sell or assign all or any

part of the entire New Balance, Debt, and/or any other obligation(s) under this Agreement.

18. CLOSING ACCOUNT: Whether or not you are in default under this Agreement, we may at any time close or block your Account, and you may at any time close your Account by giving notice to us. If this Agreement is terminated by us or if your Account is closed by you or us or blocked by us: (a) you will still be obligated for all amounts owed us according to the terms of this Agreement (including but not limited to fees or other amounts incurred thereafter); (b) Credit Charges will continue to accrue as provided in this Agreement until your Account is paid in full; (c) insurance premiums plus applicable taxes will continue to be charged to your Account.

19. LIMITATIONS ON OUR LIABILITY: We make every effort to ensure that your Card and Account are accepted by Retailers when presented. However, we will not be liable to you for damages (including damages which are special, indirect, or consequential) that you may incur if your Card and Account are not accepted.

20. ACCEPTANCE OF THIS AGREEMENT: Your taking any action to confirm acceptance of this Agreement means that you are legally bound by this Agreement. You have read and understand the Information Box and the terms and conditions in this Agreement and have received a copy of this Agreement (which may be provided electronically) before submitting the Account application and before making a purchase.

21. APPLICABLE LAW: This Agreement is governed by the laws of the province of Quebec. Regardless of the place of your permanent residence, you consent to the non-exclusive personal jurisdiction of the courts of any province or territory from where you applied for your Account, without any regard for conflict of law legislation.

The parties have asked to have this Agreement and all related documents drawn up in English.

22. NOTICE TO APPLICANT: Do not use the Card or the Account before you read this Agreement. You are entitled to a copy of this Agreement and agree that this copy may be provided electronically.

Clause required under the Consumer Protection Act.

(Quebec)

(High-cost Open credit contract for the use of a credit card)

(0.1) A consumer may resolve, free of cost, this contract within **10** days after the date on which each party takes possession of a duplicate of the contract. To resolve the contract, the consumer must

(a) remit the part of the granted credit that the consumer used to the merchant or the merchant's representative if the credit has been granted at the time each party took possession of a duplicate of the contract.

(b) send a written notice to that effect or remit the part of the granted credit that the consumer used to the merchant or the merchant's representative if the credit has not been granted at the time each party takes possession of a duplicate of the contract. The contract is resolved, without other formality as soon as the consumer remits the part of the credit that the consumer used or sends the notice."

(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 defense 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 **73, 74, 76, 103.1, 122.1, 123, 123.1, 124, 126, 126.2, 126.3, 127 and 127.1** of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur.

PRIVACY OF PERSONAL INFORMATION

Use of information

We use your personal information to assist us in the following areas:

1. **Decision-making:** About the Account application, including verifying your identity. Your awarding of our product or service is based exclusively on the automated processing of such information. To submit observations to us about such information, contact us at Fairstone Bank, 33 Yonge Street, Suite 810, Attn: Privacy Officer, Toronto, Ont., M5E 1G4
2. **Accounts:** Monitoring, evaluating, servicing, and collecting on the Account; responding to your inquiries about the Account application, the Account or your file
3. **Marketing:** Providing Account-related and other programs offered by us or a third-party provider approved by us; allowing our affiliates and select companies to promote their products and services to you; providing you with relevant/targeted advertising; profiling to better understand your needs and improve our products and services
4. **Research:** Producing statistics, research and analytics in an anonymized form
5. **Legal:** Meeting legal and regulatory requirements, including Canadian federal and provincial requirements and foreign requirements applicable to us or any of our affiliates or service providers

How we share your information

We share your information with the following categories of third parties:

1. **Co-applicant:** We may provide an Account Statement and other Account information to a co-Applicant at their request.
2. **Services providers and affiliates:** We may disclose your personal information (including Account information) to Account program partners or their agents as is reasonably required for those Account program partners to provide services and/or benefits to you under those Account programs. We will share all information about you (including credit information) with our branches, affiliates, merchants, and agents and with any credit reporting agency, credit bureau, person, or corporation with whom we have or may have financial relations, or supplier of services or benefits related to the Account. Such persons or corporations include collection agencies, bailiffs, marketing and advertising agencies, or any other party whom we deem necessary regarding the servicing of the Account.

Consents for sharing your information

1. **Profiling:** You consent to us establishing and maintaining a file of personal information provided about you. You also acknowledge receipt of notice that, from time to time, we may obtain consumer reports containing credit information about you from credit-reporting agencies.
2. **Marketing:** You consent to us disclosing general and non-sensitive information about you—through marketing lists—to select companies or organizations so they can directly offer you goods and services that may be of interest to you. These select companies and organizations will be formally prohibited from disclosing the information to third parties or using it for another purpose without obtaining your explicit consent before doing so.
3. **Sharing:** You understand that we, as well as our affiliates and third parties with whom we share your personal information in accordance with the Privacy of Personal Information Statement (defined below), may contact you by telephone or via other methods, using the telephone number or other contact information you've provided us.
4. **Communications:** You consent to our monitoring and/or recording of your communications—via telephone or other media—with our representatives and Account program partners for quality control, internal training and record-keeping purposes. You also consent to the use of automatic dialing and announcing devices for telemarketing and other purposes relating to the administration of the Account by our Account program partners and/or their agents, our affiliates, services providers and/or their agents, select companies, and other organizations.
5. **Assignments:** You consent to the use and disclosure of your personal information related to the assignment of the Account or amounts owing under the Account; other business transactions from time to time; and to our use of service providers (including those located outside of Canada) to process and handle personal information on our behalf, as outlined in the Privacy Statement.

6. Privacy notice: You consent to the collection, use and disclosure of your personal information as described in the Account application and Privacy Statement, which can be amended from time to time, and as permitted or required by law.

Your Rights to Rectification, Access or Withdrawal

You have the right to access your file and correct any personal information in the file that may be obsolete, incomplete, or incorrect by contacting Fairstone Bank at 33 Yonge Street, Suite 810, Toronto, Ont., M5E 1G4, Attention: Privacy Officer, or by calling us toll free at 1-866-915-9423. We'll use your personal information to render a decision on your application that's based exclusively on the automated processing of such information. To submit observations about our decision, you can reach us at the abovementioned mailing address.

You may view a copy of the Privacy Statement on Fairstone.ca. If you prefer to be removed from our marketing lists or lists we may share with other parties, you're free to opt-out at any time by contacting us at the abovementioned telephone number. Please allow for a reasonable time for your withdrawal request to become effective.