



Desjardins



VARIABLE CREDIT CONTRACT
KUBOTA COMMERCIAL CARD

450 De Maisonneuve Boulevard West Montreal QC H3A 0H2

Effective as of March 15, 2017

FILE OBJECT: Supply Financial Services Related to the Various Payment Services.

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

1. DEFINITIONS

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

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

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

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

2. USE OF CREDIT

The Card can be used to obtain credit:

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

The Cardholder agrees that the Card shall be used exclusively for business or commercial purposes through merchants approved by the Fédération. The Card may not be used for any illicit means. The Fédération reserves the right to suspend use of the Card without notice, including if it suspects any form of illicit, unauthorized or fraudulent use of said Card.

3. MAXIMUM AMOUNT OF CREDIT

Any use of credit established in section 2 is subject to a credit limit, which is established by the Fédération and indicated on the statement of account. The authorized representative of the Cardholder may not exceed the credit limit indicated on the statement of account. Any and all credit limits may be increased, at the Fédération's discretion, upon request from the Cardholder, or decreased if the Fédération deems it appropriate after having analyzed the Cardholder's file. Any purchase which results in the applicable credit limit being exceeded shall be regarded as a request to increase the credit limit to the maximum amount that can then be granted to the Cardholder, taking into consideration the Fédération's applicable credit granting standards. The Fédération has no obligation to allow the Cardholder to exceed its credit limit, even if it has done so in the past. The Cardholder understands that the Fédération may decide not to authorize any transaction that will result in the Cardholder's credit limit being exceeded or that takes place after the credit limit has been exceeded. The Cardholder is liable for the entire balance, whether or not it exceeds the credit limit. The Cardholder agrees to repay forthwith on demand any amount that exceeds the credit limit.

4. ANNUAL FEES

No annual fees are payable by the Cardholder.

5. STATEMENT

The Fédération will send the Cardholder a monthly account statement in paper or electronic format.

6. MINIMUM PAYMENT

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

- a) The monthly instalment(s) payable for the period covered by the statement of account, in respect of purchases made by way of equal instalments financing; and
- b) Any amount payable on the date of the statement of account in respect of deferred payment financing; and

- c) At least **5%** OF THE TOTAL OF: **1)** the balance shown on the statement of account for the previous period, **2)** the regular purchases during the period covered by the statement of account, **3)** the applicable credit charges on purchases that have not been paid by the due date shown on the statement of account for the previous period, **LESS 4)** the payments received since the date of the statement of account for the previous period, and **5)** the amount of any transaction that has led to a credit adjustment during that period; or **\$50**, if **5%** of the previously determined amount is less than **\$50**; and

- d) Any overdue amount on the date of the statement of account; and

- e) Any other amount payable under this agreement and for which the Cardholder was notified.

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

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

7. APPLICATION OF PAYMENTS

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

If the Fédération incurs any legal fees pursuant to this agreement, all payments will be applied to these legal fees, right after credit charges. In such case, the Cardholder agrees to pay to the Fédération all solicitor and client legal costs (on a full indemnity basis) incurred in collecting or attempting to collect a required payment, costs that may be awarded as a result of a court proceeding, as well as the costs incurred by the Fédération because a cheque or other instrument of payment given by the Cardholder has been dishonoured.

8. THE GRACE PERIOD DURING WHICH THE CARDHOLDER MAY SETTLE ON ACCOUNT WITHOUT HAVING TO PAY CREDIT CHARGES

The cardholder has a twenty-one (**21**) day grace period from the date the account statement is mailed or from the date it is made available in electronic format to settle the account without paying credit charges.

9. INTEREST RATES AND CALCULATION OF CREDIT CHARGES

- a) **Regular purchases:** Credit charges shall not apply to regular purchases appearing on the statement of account provided that the balance of all indebtedness and accrued credit charges is paid in full by the due date shown on the statement of account. If the Cardholder makes a partial payment only, then credit charges are applied on regular purchases appearing on the statement of account based on the average daily balance on account of regular purchases from the date of each purchase until the purchases are paid in full, at the annual interest rate in effect for the period covered by the statement of account. However, if the total balance outstanding indicated on a subsequent statement of account is paid in full by the due date shown, purchases not yet paid shall be exempt from credit charges for the period for which full payment has been made.

Annual interest rate: **19.9%**

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

Annual interest rate: in accordance with the financing plan offered by the merchant, up to a maximum of **21.9%**.

SEE REVERSE ⇨

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

Annual interest rate: In accordance with the financing plan offered by the merchant, up to a maximum of **19.9%**.

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

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

10. LATE PAYMENT CHARGES

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

TABLE OF EXAMPLES OF CREDIT CHARGES

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	ANNUAL INTEREST RATE	COST FOR A 30-DAY BILLING CYCLE		ANNUAL COST	
AVERAGE DAILY BALANCE		\$100	\$500	\$100	\$500
Regular Purchase	19.9%	\$1.64	\$8.18	\$19.90	\$99.50
Equal Instalments Financing	19.9%	\$1.64	\$8.18	\$19.90	\$99.50
Deferred payment financing	21.9%	\$1.80	\$9.00	\$21.90	\$109.50

11. CARD VALIDITY

The Cardholder agrees not to use the Card before the validity date or after the expiry date indicated on the Card.

12. CANCELLATION

The Card remains the property of the Fédération, which reserves the right to cancel the currently authorized credit limit, to revoke and take possession of the Card or have it repossessed, and to cancel, in full or in part, one or more services provided by the Card, or to deny access to said service, without prior notice to the cardholder. The Fédération shall not be liable to the Cardholder in this or in any other event and the Cardholder is fully liable and responsible for all amounts due on the statement of account.

13. SURRENDER

Subject to section **15**, in the event that one or more cards held, as the case may be, by an authorized representative carrying a card is/are cancelled, it shall be the Cardholder's responsibility to destroy the cancelled cards. If the Cardholder denies use of the card to one of its authorized representatives carrying a card, it shall be the Cardholder's responsibility to destroy the denied card. The Cardholder shall remain responsible for payment of any debt incurred using the card issued for this authorized representative to whom it has denied use of the card, until the Fédération is informed of this removal.

14. RESPONSIBILITY OF THE FÉDÉRATION

The Fédération may not be held responsible for Kubota Canada Ltd. refusal to honour the card, nor for a supplier's modification, cancellation or replacement of benefits or discounts related to the use of the card.

15. LOSS OR THEFT

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

16. DISPUTES

All disputes (concerning sale drafts, credit vouchers, request for refunds etc.) shall be settled directly between the Cardholder and the merchant who accepted the card. The Cardholder can also communicate with the Fédération to discuss a dispute regarding any transaction appearing on his account statement.

17. CREDIT VOUCHERS

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

18. TERMINATION AND ACCELERATION

In the event that the Cardholder breaches any condition stipulated in this agreement, including without limitation, where the Cardholder fails to make payments by the due date, the Fédération may require immediate repayment of all the amounts owed by the Cardholder, regardless whether they are due and payable.

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

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

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

19. ASSIGNMENT

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

20. AMENDMENTS TO THE TERMS OF THE VARIABLE CREDIT AGREEMENT

With the exception of the interest rates applicable to purchases by equal instalments financing and deferred payment financing the Fédération reserves the right to increase the aforementioned interest rates. The Fédération also reserves the right to amend the terms of this agreement. In either case, the Cardholder will receive **30** days prior written notice. Activation or use of the Card after the expiry of the notice period will constitute acceptance by the Cardholder of the amendments contained in such notice.

21. PROOF

The Cardholder acknowledges that the statement of account constitutes conclusive proof of indebtedness and agrees to pay the indebtedness shown on his monthly statement of account in accordance with the terms of this agreement.

The Cardholder agrees to review each monthly statement and if an error is found, the Cardholder must notify the Fédération within **15** days of the issuance of the statement. If the Cardholder does not do so, the statement will be regarded as final. However, the Fédération may at any time remove from the Cardholder's account any credits that have been posted in error.

22. CONSENT

The Cardholder authorizes the Fédération to obtain from any person the information necessary for the provision of all financial services that are the object of this file. This authorization applies to the updating of information that will allow the Fédération to re-analyse the Cardholder's commitments to it, specifically with regard to a renewal, amendment or any other change in the business relationship.

The Cardholder authorizes any person to communicate such information to the Fédération, even if it relates to a closed or inactive file. The Cardholder authorizes the Fédération to communicate information about it to any financial institution, personal information agency, Kubota Canada Ltd. or any other person with whom the Fédération or the Cardholder have a business relationship, within the framework of the provision of the financial services that are the object of this file.

23. TOLL-FREE INFORMATION LINE

For information about your account, including information about current rates, you may contact us toll-free during our normal business hours at **1-800-266-5662** or in the Montreal area at **514-397-4600**.

24. LOYALTY PROGRAM

The loyalty program is offered by Kubota Canada Ltd. The Fédération assumes no responsibility for this program and is not responsible for managing this program.