National Bank of Canada® Credit Card Agreement

Credit cards for businesses

NATIONAL BANK

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1. How to contact us

For more information, you can visit our website at nbc.ca, use our online banking services or contact us at **514-394-4494** or toll-free at **1-844-394-4494**.

2. What is your available credit

We provide you with a credit card account. All transactions you make are charged to this account. You are responsible for repaying any amounts charged to your account.

2.1. Credit limit

You can use your account up to the credit limit. Your credit limit can be found:

a. initially, on the card carrier when the credit card is issued; and

b. subsequently, on your latest statement.

This is the maximum amount that can be charged to your account.

2.2. Over limits

We may refuse any transaction without prior notice if the transaction results in the credit limit being exceeded.

We may authorize an over limit, but this authorization does not constitute an increase of your credit limit. You have to pay back this amount no later than the due date shown on your monthly statement.

Charges may apply if the credit limit is exceeded (see section 5 and the card carrier).

Over-limit charges will only be charged once per statement period if your balance exceeds your limit on the billing day.

3. How to use your credit card account (transactions)

You can use your account for the following transactions:

3.1. Purchases of goods or services from merchants

You can make purchases from merchants affiliated to the Mastercard® network who accept your card.

You can make purchases:

a. in person;

b. by telephone;

c. on the Internet;

d. by Mastercard cheque, if applicable; or

e. by preauthorized payments, for example recurring bill payments, subscriptions, etc. (see section **13.1** for additional details).

We are not responsible if a merchant refuses your card as a method of payment.

3.2 Cash advances and balance transfers

You can get a cash advance:

a. through our automated banking machines (ABM);

b. in a branch or at an ABM of another financial institution;

c. by performing quasi-cash transactions (purchases made that can be converted directly into cash, for example, the purchase of cryptocurrency or casino chips);

d. by using overdraft protection from any type of account held with us, if you have overdraft protection on your credit card account; or

e. by transferring funds from your account in any other authorized manner.

3.3. Refunds on purchases from merchants

Any purchase refunded by a merchant is posted to your account on the date it is received.

4. What are the conditions for using your credit card account

4.1. Your consent to transactions

You can accept a transaction:

a. by presenting your card and providing:

— a signature on paper;

— an electronic signature;

— a personal identification number (PIN); or

— another password;

b. by presenting your card on a merchant terminal supporting contactless payment technology;

c. by providing your card number for remote transactions (mail, telephone, online); or

d. by using any other payment technology we offer.

4.2. Prohibited transactions

You may not make transactions:

a. if you are not authorized to use the card (however, note that we are not required to check whether a user is authorized or not);

b. for purposes other than your business purposes; or

c. for illegal purposes.

You may not make a cash advance by Mastercard cheque to:

a. pay your credit card account balance or another loan you have with us;

b. make a payment or transfer funds to yourself or another user; or

c. obtain cash or another of our products.

Mastercard cheques cannot be used as void cheques, nor can they be the subject of a stop payment order.

4.3. Maximum credit balance

You have a credit balance if we owe you an amount on your account, for example, if you pay an amount higher than the total balance on your account.

A credit balance may be subject to regulatory limits. If the credit balance exceeds an applicable limit, the excess will be refunded to you within **60** days to a deposit account designated by you or by cheque.

4.4. Your card's expiration date

Your card has an expiration date, which is shown on the card. We will replace your card upon expiration. We may also not replace your card. For example, we will not replace it if you have not used it for an extended period of time. You cannot make transactions with an expired card.

This agreement will continue to apply after the card expires and you remain responsible for paying us the total balance of your account, including transactions made after the card's expiration date.

4.5. Your obligation to protect your passwords

You must always protect the confidentiality of your PIN and other passwords. You must notify us immediately in the event of a breach of confidentiality, for example, if you suspect that someone else knows them.

4.6. Loss, theft or unauthorized use of the credit card account

You must notify us immediately in the event:

a. of the loss or theft of a card, PIN, Mastercard cheque or information related to your account; or

b. that you suspect that your account is being used without your authorization.

To notify us, you can contact us at the telephone number indicated in section **1** of this agreement.

4.7. Payment of amounts charged to the credit card account

All amounts charged to the account must be paid, even if the use of the account is not in keeping with your instructions or a usage policy.

However, amounts charged to the account resulting from unauthorized use do not have to be paid from the moment we receive notice to that effect.

Amounts charged to the account resulting from unauthorized use before we are notified of such an event do not have to be paid if:

a. all the conditions of the agreement have been met (the account is in good standing);

b. the users and the authorized signatories have taken the necessary measures to protect the cards, PINs, Mastercard cheques and information related to your account; and

c. you have not reported two or more unauthorized events in the past **12** months.

4.8. Compensation plan for fraud by users who are not authorized signatories

Some accounts offer a compensation plan in the event of fraud by a user who is not also an authorized signatory.

This compensation plan entitles you to reimbursement limited to the actual loss resulting from fraudulent use of the account by the user. The maximum compensation is **$10,000** per account per **12**-month period. The plan does not cover cases where, through negligence or fault, the user contributed to unauthorized or fraudulent use of the account by another person.

4.9. Your obligation to cooperate with an investigation

You must cooperate in any investigation of unauthorized or fraudulent use of your account and, as applicable, file a complaint with the police. You authorize us to take the measures that we deem necessary to recover the card and report the loss or theft of the card to the appropriate authorities.

4.10. Overdraft protection

If you have overdraft protection, cash advances used to cover the overdraft will be rounded up to the next multiple of **$100**.

5. What are the applicable fees

You agree to pay the following applicable fees:

a. annual fees;

b. fees for each additional card;

c. over-limit fees, if your balance exceeds your limit on the billing day

d. inactive card fees; and

e. foreign currency conversion fees.

The amount of the fees is indicated on the card carrier or in a notice about changes to these fees.

5.1. When these fees are charged to your credit card account

Annual fees are charged to your statement when due. Other fees are charged when indicated on the card carrier. All fees are non-refundable.

6. Interest rates applicable to the credit card account

6.1. Regular rates

Transactions that appear in your account bear interest at the annual rates shown:

a. initially, on the card carrier; and

b. subsequently, on your latest statement

These interest rates may be modified according to the terms and conditions set out in section **15**.

No interest is payable on a credit balance.

6.2. Promotional or reduced rate

If you have a promotional or reduced rate, it is shown on the card carrier or on your latest statement.

The promotional or reduced rate expires:

a. on the expiration date of the promotion (for the promotional rate only);

b. if you fail to pay your minimum payment **twice** within any **12**-month period (see section **11**); or

c. if you fail to comply with any other conditions of this agreement (for example, if you do not pay the annual fees).

7. How interest is calculated

7.1. Interest calculation method

Interest is calculated on the daily balance of your account and is charged to the account once a month. The daily balance is multiplied by the daily interest rate applicable to each type of transaction (for example, purchases, cash advances or balance transfers).

The daily interest rate is the annual interest rate divided by **365** (or by **366** in leap years).

7.2. Grace period

7.2.1. For new purchases

You have a grace period (i.e., a period to repay the amounts due) after the end of each statement period. The length of the grace period is indicated on the card carrier. The end of the grace period corresponds to the due date indicated on each statement.

You pay no interest on the amount of new purchases charged to your account for the statement period if you pay your balance in full before the due date. The balance amount and due date are indicated on each statement.

If you do not pay the balance in full before the due date, the interest on those purchases will be charged to your account on the next statement. Interest is calculated from the date on which the purchases were charged to the account until payment is received for the purchases. Interest is then calculated as set out in section **7.1**.

7.2.2. For cash advances and balance transfers

There is no grace period for cash advances and balance transfers. Interest accrues from the date of the transaction until payment in full is received.

8. Credit card statements

8.1. Frequency and content of statements

We will send you a statement once a month, except in certain specific situations set out in section **8.2**.

Each statement contains information on, among other things:

a. purchases, cash advances and balance transfers charged to the account during the statement period;

b. payments we have received during the period;

c. the minimum payment due and the due date for making that payment (see section **9**); and

d. an estimate on how long it will take you to pay off the entire unpaid balance of your account if you make only the minimum payment each month.

8.2. Specific conditions impacting the frequency of statements

You do not receive a statement on a monthly basis if the account is not used during the month and no balance is due.

You will receive a statement every **3** months when:

— you have not made any purchases, cash advances, balance transfers or payments;

— no interest or fees were charged to the account; and

— the total balance in your account is less than **$10**.

8.3. Your duty to check your statements

You must check each statement within **60** days of its date of issuance and notify us of any irregularities by contacting us at the telephone number indicated in section **1** of this agreement. After this 60-day period, you will no longer be able to contest the content of your statement. The balance of your account will then be considered as final and accurate.

You must notify us immediately if you have not received a statement within **10** days of the date you normally receive it.

8.4. Your duty to update your information

You must notify us immediately if there is any change in your information, particularly with regard to the information provided when applying for the credit card, including the address of the company, its directors and officers (first and last name, profession and function). You must also notify us of a change in authorized signatories and any changes to their personal information.

We will send you statements and notices based on the latest information in our records.

9. How to pay your credit card account

You must pay the minimum payment amount shown on each statement. **You can pay more than your minimum payment at any time and pay off your balance sooner or pay it off in full**.

9.1. Making the minimum payment

9.1.1. Calculation of the minimum payment

The minimum payment amount is a percentage of your account balance for each statement period, unless a specific condition under section **9.1.2** applies. The percentage is **2.5%**.

9.1.2. Specific conditions for the calculation of the minimum payment

a. If you have **late payments**, they are added to the minimum payment amount.

b. If the minimum payment is less than **$10**, the minimum payment will be **$10**.

c. If the total balance of your account is **less than $10**, the total balance is the minimum payment.

d. A merchant refund is not considered to be a payment and does not reduce your minimum payment.

9.2. How we apply the minimum payment

9.2.1. Allocation of the minimum payment

The amount of your minimum payment is applied (or allocated) in the following order:

a. interest;

b. fees;

c. cash advances and balance transfers outstanding from the previous total balance;

d. purchases outstanding from the previous total balance; and

e. cash advances, balance transfers and purchases appearing on your latest statement.

If you benefit from a promotional rate, the amount of your minimum payment is applied in the following order:

a. interest;

b. fees; and

c. purchases, balance transfers or cash advances bearing interest from the lowest rate to the highest rate, regardless of the date they appear on your statement.

9.2.2. Allocation of the portion of the payment exceeding the minimum payment

The portion of your payment exceeding the minimum payment amount will be allocated in the same order as set out in section **9.2.1**.

If different interest rates apply to your transactions, the portion of your payment exceeding the minimum payment amount is allocated as follows:

a. transactions with the same interest rate are grouped together; and

b. the payment amount is allocated between the groups of transactions on a pro rata basis.

10. How to make your payments

You can make your payments:

a. through the payment solutions available to you (for example, through our online banking services);

b. by preauthorized debits (payments are debited each month from the bank account of your choice. To sign up for preauthorized debits, you can contact us at the telephone number indicated in section **1** of this agreement or consent to preauthorized debits by filling in a separate form.); or

c. at an ABM.

There may be processing delays that apply to your payment. You must allow sufficient time before the due date for us to apply the amount to your account.

11. What is the consequence of not making your minimum payments

11.1. Interest rate increase

Your interest rates increase at the increased rates if you do not make your minimum payment by the due date **twice** in any **12-month** period.

The increased rates are indicated on the card carrier or in any subsequent notice to that effect.

11.2. Duration of the increase at the increased rates

The increased rates will apply to the account balance until you make your minimum payment by the due date for **9** consecutive months. After this period, the regular interest rates will apply, regardless of whether a promotional or reduced rate was in effect prior to the rate increase. Regular rates take effect at the beginning of the first statement period following the **9th** consecutive month in which minimum payments have been made by the due date.

Any missed payment is taken into consideration. A missed payment that has already resulted in an increase in your rates may therefore be considered twice if another missed payment occurs in the next **12** months.

12. The type of liability applicable to your credit card account

Depending on what is indicated on the credit card application, either the company and the authorized signatories are liable (or responsible) for the obligations set out in this agreement (solidary liability) or the company alone is liable (corporate liability).

12.1. Solidary liability

In this case, the company and the authorized signatories are jointly and severally (solidarily in Quebec) liable for all the obligations set out in this agreement. Everyone is liable for paying for all purchases, cash advances, balance transfers, interest and fees related to a card charged to the account.

12.2. Corporate liability

In this case, only the company is liable for all obligations set out in this agreement, including all purchases, cash advances, balance transfers, interest and fees related to a card charged to the account.

12.3. Non-liability of users

For greater certainty, card users who are not authorized signatories are not liable to us for the payment of transactions charged to the account. Depending on the type of liability applicable to the account (solidary or corporate), you are solely liable to us for those transactions and any other obligations set out in this agreement.

13. Specific conditions for certain transactions

13.1. Preauthorized payments of purchases

You must provide the merchant with the necessary information to have preauthorized bill payments charged to your account. In particular, you must:

a. inform the merchant of any change in the card number or expiration date; and

b. contact the merchant in writing to stop preauthorized payments on your bills.

We are not responsible if a preauthorized payment cannot be charged to your account.

If the card is lost or stolen, you will be issued a new card with a new number and expiration date. We provide this information to Mastercard, who may then provide it to certain merchants with whom you have preauthorized payment agreements. Not all merchants can receive this information. You remain responsible for providing your information to merchants.

13.2. Foreign currency transactions and deposits

A foreign currency transaction will appear on your statement in Canadian dollars.

To convert the amount of a foreign currency transaction into Canadian dollars, we use the daily exchange rate from Mastercard Worldwide. The conversion takes place on the date the transaction is carried out or no later than the date we post the transaction to your account. Fees are then applied to the amount in Canadian dollars. These fees are indicated on the card carrier.

Please note that a transaction includes a debit or credit to your account and the applicable exchange rate may therefore differ depending on the date and time the transaction was carried out.

13.3. Our right to refuse a transaction

We may refuse a transaction without prior notice, if, among other reasons:

a. you have reached your credit limit; or

b. you fail to comply with the conditions of this agreement.

14. How your credit may end

14.1. Our right to terminate your credit agreement

Credit is offered to you at our discretion. This means that we can terminate your agreement and the right to use the account at any time.

If we terminate this agreement, we will send you a written notice and a statement. We will then be entitled to exercise all our other remedies, including those arising from a security interest.

On receiving the notice, you must:

a. pay the balance of your account in full within **30** days of receiving this notice; and

b. remedy any default, if applicable.

14.2. Your right to terminate this agreement

You may terminate this agreement at any time by contacting us at the telephone number indicated in section **1** of this agreement. This agreement will continue to apply and you will remain liable until the amounts due are paid in full. We will close your account and cancel any cards and cheques associated with the account.

14.3. What happens when the agreement is terminated

You must return or destroy the cards and cheques associated with your account at the time the account is closed.

15. How we can modify this agreement

We may at any time replace this agreement with another or amend its terms and conditions. We will notify you as applicable. A change to the agreement does not create a new agreement, and the unchanged terms and conditions continue to apply.

We may, without sending you a notice:

a. decrease or increase your credit limit, for example, if there are changes to your financial situation and credit report;

b. set withdrawal limits for cash advances; and

c. change the amount allocated for cash advances and balance transfers.

16. Loyalty programs

Many of our accounts are linked to a loyalty program. If your account is linked to a loyalty program, you received the terms and conditions of the loyalty program with your card.

You agree to these terms and conditions on the day you use your account for the first time.

17. Legal clauses

17.1. Parties to this agreement

In this agreement, “we,” “our,” and “us” mean National Bank of Canada and “you,” “your,” and “yourself” mean the company that holds the credit card account, or the authorized signatory(ies) of the account, as well as one or more of them, depending on the context.

“Authorized signatory(ies)” mean the person(s) mandated by the company to act on its behalf and bind it, particularly in the context of this agreement.

17.2. Assignment of this agreement

We may transfer to a third party any amounts owed to us under this agreement. This transfer may be made without your consent, with or without the benefit of the rights provided for under this agreement or under any security interest, if applicable.

You may not assign your rights under this agreement to a third party without our written consent.

This agreement is binding upon our respective successors and assigns.

17.3. If we do not exercise any of our rights

Any omission on our part to exercise one of our rights does not prevent us from exercising that right in the future.

17.4. Insolvency (bankruptcy)

All amounts due under this agreement become payable immediately when one of the following situations occurs:

a. an assignment of your property for the benefit of your creditors;

b. the filing of a proposal to creditors; or

c. an application for protection from creditors under insolvency law.

17.5. You may not deduct amounts from your payments (no offsetting)

Even if we owe you an amount, you may not reduce your payments or ask that this amount owed be used to pay off your account.

Any amount you owe under this agreement must be paid in full. In other words, no offsetting or deductions are allowed.

17.6. Our right to use amounts in your accounts to pay your debt (offsetting)

We may use the amounts in any account you hold with us (for example, a deposit account) to pay the amounts that you owe us on your credit card account. We may exercise this right without sending you any notice. We may withdraw any amounts due when:

a. you fail to pay your minimum payment by the due date; or

b. you fail to comply with any condition of this agreement (for example, you do not pay the annual fees).

17.7. Ownership of the physical card

The physical card is our property. You cannot transfer it to a third party. We may issue, renew, replace or cancel a card at our discretion.

You must return all cards to us at our request, for example, when we ask you to do so because you are in breach of an obligation under this agreement.

17.8. Merchants' liability for goods and services purchased

The merchants you choose to do business with are responsible for the quality of the goods and services purchased using your account. We are not responsible for any problems associated with these purchases. You must attempt to settle any dispute directly with the merchant, and you remain responsible for payment of the entire balance of your account.

17.9. Complaint settlement

You have our full attention.

If you wish to make a complaint, you can contact us in writing or by telephone as indicated in section **1** of this agreement.

Your satisfaction matters.

If we are unable to resolve your complaint within **14** days, it will automatically be escalated to our Client Complaint Appeal Office. If you have received a response within the prescribed timeframe but your complaint was not resolved to your satisfaction, please contact the Client Complaint Appeal Office:

Phone: **1-888-300-9004** or **514-394-8655**

Website: nbc.ca

Courriel: complaintappeal@nbc.ca

For additional information on the way we process complaints, please visit nbc.ca. Go to the "About Us" section at the bottom of the page and select "Complaint settlement."

Other recourse

Financial Consumer Agency of Canada (FCAC)

The Financial Consumer Agency of Canada supervises all federally regulated financial institutions, which includes banks (financial institutions) for compliance with federal consumer protection laws.

Financial institutions are legally required to have a complaint-handling process in place.

If you have a problem with a financial product or service, you may file a complaint directly with the financial institution responsible.

If you are not satisfied with how your complaint has been handled or **56** days has passed since you made your complaint, you can escalate the complaint to the following External Complaints Body:

Ombudsman for Banking Services and Investments (OBSI)

20 Queen Street West, Suite 2400, P.O. Box 8
Toronto, ON M5H 3R3
Toll-free telephone: **1-888-451-4519**
TTY telephone: **1-844-358-3442**
Fax: **1-888-422-2865**
Email: ombudsman@obsi.ca
Website: obsi.ca

If you want to know your rights or need information about the complaint-handling process of a financial institution, you may contact FCAC by online form, mail, or telephone. FCAC uses information from consumer enquiries to support its mandate.

Web site: www.canada.ca/fcac

Online form: https://www.canada.ca/en/financial-consumer-agency/corporate/contact-us.html

Phone:

For service in English: **1-866-461-FCAC (3222)**
For service in French: **1-866-461-ACFC (2232)**
For calls from outside Canada: **613-960-4666**

Teletypewriter (TTY): 1-866-914-6097 / 613-947-7771

Video Relay Service: FCAC welcomes Video Relay Service (VRS) calls. You do not need to authorize the relay service operator to communicate with FCAC. Visit https://srvcanadavrs.ca/en/ to learn more.

Mailing address

Financial Consumer Agency of Canada
427 Laurier Avenue West, 5th Floor
Ottawa, ON K1R 7Y2

17.10. Applicable law

This agreement will be governed by and construed in accordance with the laws of the province or territory where your head office is located. If your head office is outside Canada, the laws in effect in the province of Quebec will govern this agreement.

You irrevocably acknowledge the exclusive jurisdiction of the courts of that province or territory with respect to the application and interpretation of this agreement.

17.11. Conditions that apply if your company's head office changes province or territory

If the head office of your business moves to another province or territory, you agree that the conditions of your account may change according to the new province or territory of the head office. If your head office moves outside Canada, you agree that the conditions of your account may change in accordance with the laws in effect in Quebec. No notice will be given to you of these changes.

17.12. Conflict between agreements

Other agreements entered into with us may also apply to your account, in particular, the agreements regarding our online banking solutions and fees applicable to our banking services.

In the event of conflict between the provisions of this agreement and a security interest or any other agreement relating to the account and our banking services, the provisions of this agreement will prevail.

17.13. Protection of Personal Information

You undertake to ensure that authorized signatories and users consent to their personal information being collected, used and disclosed in connection with the issuance of cards and to enable us to provide ongoing service. You also undertake to inform them of our Privacy Policy available at nbc.ca.

17.14. Language

You confirm it is your wish that this agreement and all related documents be drawn up in English. *Vous confirmez votre volonté que cette convention et tous les documents s'y rattachant soient rédigés en anglais*.

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