



HABIB CANADIAN BANK

Client Agreement – Personal Deposit Accounts

This Agreement provides details about the terms & conditions (“**Terms**”) that form part of your agreement with Habib Canadian Bank (“**HCB**”). These Terms govern your use of and access to our Personal Deposit Accounts and related products and services, including features, policies and fees, as well as our Debit Card Agreement.

Notification for Changes

There may be changes in the Terms and this Agreement and the charges for use of the Services, including use of the Card, from time to time. We will notify you, or at least any one of you if you have a joint account, that we are making changes to the Terms by including a message on any statement that we mail you, by posting a notice on our web-site, in our branches, or by otherwise sending you notice (written or electronic). You agree to be bound by such revised Terms, which shall be effective once we have provided such notice. Continuing to use or access your Account, including making a transaction on an Account, after you have received notice of such Terms, will be deemed to constitute your acceptance of such revised Terms. The revised Terms will also be posted online at www.habibcanadian.com. You also agree to check www.habibcanadian.com from time to time for revisions to these Terms.

Disclosures and Agreement

Terms You Need to Know

“**You**” or “**your**” means each person who has agreed to the terms and conditions governing the Account, referring to the customer and to all of the customers on a joint account.

“**We, us or our**” means Habib Canadian Bank (HCB or the Bank)

“**Account**” means any personal deposit account in your name with us.

“**Agreement**” means this Personal Deposit Account Client Agreement, as amended from time to time, governing your Account;

“**Application Form**” means the form that you signed when opening your account;

“**ATM**” means Automated Teller Machine;

“**Bank**” means Habib Canadian Bank;

“**Branch**” means the branch where the Account is opened;

“**Business Day**” refers to regular weekdays only and excludes Saturdays, Sundays, bank holidays and federal or provincial statutory holidays;

“**Disclosures**” or “**Schedule of Charges**” means any statement of the interest rates, fees and other terms and conditions governing the Account, as applicable;

“**Card**” means a debit card issued to you by the Bank under the Debit Card Agreement;

“**Debit Card Agreement**” means the agreement, as amended from time to time, that governs the use of your Debit Card;

“**Electronic Communication**” means any communication by an Electronic Access Device;

“**Electronic Access Device**” means a personal computer, telephone, cell phone, smart phone, mobile device, wireless device, tablet device or any other electronic device that we allow you to access the Services;

“**Expenses**” means all costs, charges, fees, legal expenses and out-of-pocket expenses (together with any goods and services tax or other applicable taxes) incurred from time to time in relation to the Account;

“**HCB Online Banking Terms of Use**” means the terms of use governing your use and access to the HCB online banking services available at <http://www.habibcanadian.com/home/eBanking.html>

“**Instrument**” means a bill of exchange (including a cheque, draft or money order), promissory note or other order for the payment. (whether negotiable or non-negotiable), including pre-authorized deposits or debit payments, presented or made in any of our banking channels. Any such item will be considered an Instrument whether or not you are a party to it and whether it is in Canadian or another currency; Instruments are subject to applicable laws of each jurisdiction and you are responsible to ensure all instruments comply with

the applicable laws. We are not responsible for any losses relating to an instrument which contravenes the applicable laws.

“**Monthly Statement Period**” means the monthly period we assign to your Account.

“**Online Banking**” means the HCB banking services available by Internet.

“**Overdraft Limit**” means the maximum amount that we have set for you to overdraw your Account, if your application for Overdraft Protection has been approved;

“**Overdraft Interest Rate**” is the interest rate we apply to an overdraft balance if we allow you to overdraw your Account balance.

“**Overdraft Protection**” is an optional service available that allows you to overdraw your Account balance for a monthly fee. This fee may be waived or included in the Monthly Fee for some Accounts.

“**Primary Owner**” means the person we consider to be the main owner of the Account, if this is a joint account;

“**PIN**” means your Personal Identification Number;

“**Services**” means the services and features that we offer that may be accessed by certain Electronic Access Devices; and may be accessible with or without your PIN or Password, including cash advances from, withdrawals, deposits or transfers between your accounts; or any other transaction or service (deposit, investment, loan, securities, trust, insurance)

“**Signature Card**” means the Account signature card you signed when opening each Account, or when requesting that you be added as a joint account holder of the Account, as applicable;

“**Statement**” means the monthly statement that shows the transactions and balances during the Monthly Statement Period of an Account, which we deliver or made available to you, whether by mail or electronically, if you have chosen this record keeping option; and

“**Transaction**” means a financial or other arrangement or exchange performed using an Account or any Service, and includes a request for information about any Account.

Compliance With the Law

You are responsible for complying with all laws and regulations applicable to you. This also includes your obligation to declare and pay taxes.

1. General Terms

This Agreement applies to each Account and replaces all prior agreements between you and us for an Account. If you sign an Application Form or make a transaction on an Account, you acknowledge and agree that you have received and read this Agreement and the Disclosures and that you have understood and expressly agreed to everything written here, in the Disclosures and on the Application Form.

Unless we agree otherwise, you must make all payments under this Agreement in Canadian dollars.

If you are opening a joint Account, you must sign additional forms setting out the signing authorities for the Account (Signing Authorities for Joint Personal Deposit Accounts). If you wish to add an owner to an Account, you must sign a form (Authorization to Add a Joint Owner to an Existing Personal Deposit Account) authorizing the addition of a co-owner to the Account. If this Account is an estate account with more than one testamentary executor or liquidator, you must also sign forms setting out the signing authorities

for the Account, in which case the provisions governing joint account owners will be adapted to the extent required to multiple testamentary executors or liquidators, but the provisions on survivorship upon the death of any joint owner will not apply (See Section 9(vi)).

2. Use of Account

You agree to take all reasonable precautions to maintain the security and integrity of your Account and to prevent fraudulent transactions in your Account. You agree to immediately advise us of any suspicious circumstances that you are aware of surrounding an item for deposit or other transaction in your Account at the time of your instruction to us.

This Account is for your personal banking needs only. We can close the Account, in our sole discretion, if the Account is used for business purposes. You acknowledge that nothing in this Agreement, the Disclosures, or any other agreement between you and us, will prevent us from restricting access to an Account, refusing to release funds in an Account (if we are required to do so or if, in our opinion, there is unusual, improper or suspicious activity in an Account), or closing an Account for any reason, in our complete discretion.

You acknowledge that you are not carrying on or associated with activities that are improper, illegal or unlawful or that you are connected with a business that we may determine, in our sole discretion, is a restricted business. You acknowledge that the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and Regulations, as they may be amended from time to time, apply to the operation of your Accounts and that we will, from time to time, adopt policies and procedures to address the reporting, client identification and record keeping requirements of this legislation. You agree to abide by and comply with all such policies and procedures, as

applicable, and recognize that such policies and procedures may be more rigorous than the statutory or regulatory requirements. You agree that the Account is not to be used by, or on behalf of, a third party or parties without our prior written permission.

We reserve the right to prevent your Account from being used for certain types of transactions as determined by us.

3. Fee and Expenses

You agree to pay all fees applicable to an Account, as set out in the Disclosures. We will charge such fees to the Account at the time you incur them or as otherwise outlined in the Disclosures. You agree to fully indemnify us for any Expenses we incur in collecting or attempting to collect amounts you owe us, including Expenses related to the use of a collection agency.

If there is a dispute about the funds in an Account or the ownership of an Account, we may freeze the funds in the Account until such time as the dispute is resolved, apply to the court for directions or pay the funds into court (for which payment shall be in Canadian dollars with the conversion occurring on the date of payment at a currency conversion rate established by us). In any case, we shall fully recover any Expenses incurred by us from the funds in the Account.

In the event of any executions of third party demands or claims against or related to the Account, we may fully recover any Expenses incurred by us, and all such payments made under this subsection shall be in Canadian dollars, with the conversion to occur on the date of payment at a currency conversion rate established by us.

4. Access to Your Account

We will determine how you may access your Account, including ways to identify you when you require our services. We may issue you a Card and require it to be used in certain channels to gain access to your Account. If we do, we will provide you with the rules governing its use in the Debit Card Agreement. Your Card is a separate product from your Account. We may require you to come to the Branch to do any transaction. We may permit you to access an Account and conduct transactions through other channels, such as through Online Banking or by telephone, subject to the following:

- (i) If the Account is accessed via Card at an ATM, merchant location or other designated debit card terminals, your transactions will also be governed by the terms of the Debit Card Agreement.
- (ii) If an Account is accessed via Electronic Access Device, your transactions will also be governed by the terms of the HCB Online Banking Terms of Use.
- (iii) You may arrange with another party to have pre-authorized payments withdrawn from an Account on a regular basis. You must contact the other party directly to cancel any such arrangements.
- (iv) Access to an Account and transactions may be subject to daily limits or other limits set by us, as communicated to you from time to time.
- (v) You acknowledge that nothing in this Agreement, the Disclosures or any other agreement between you and us, will prevent us from restricting access to an Account, refusing to release funds in an Account if we are required to do so or if, in our opinion, there is unusual, improper or suspicious activity in an Account, or closing an Account for any reason, in our complete discretion.

- (vi) We can refuse a deposit to an Account or refuse to accept any Instrument.
- (vii) We otherwise have any grounds to restrict your ability to withdraw or transfer in your account, or to freeze your account.

5. Overdraft

Overdrafts (not covered by overdraft protection) Unless we agree, you may not overdraw your Account. Service charges and costs may be charged by us to your Account even if such charging creates or increases an overdraft in your Account. If you create or increase an overdraft, you must promptly repay the amount you overdraw, without notice from us. We will charge you interest at the Overdraft Rate on any amount overdrawn until you have repaid it.

- (i) Overdraft services are provided at our complete discretion and control. We may refuse to pay a cheque or payment item, or honour a withdrawal request made against an Account at any time, if there are insufficient available funds.
- (ii) We may allow you to overdraw an Account from time to time at our complete discretion. But if we do, we may stop allowing you to do so at any time, without notice to you. We will not be liable for any loss, damage or inconvenience suffered by you if we stop allowing you to overdraw an Account. If we allow you to overdraw your Account, that must not be considered permission to do it again.
- (iii) If an Account is overdrawn, you will make a deposit at least once each month, in an amount that will cover the monthly overdraft interest. You will also pay us interest on the overdraft at the interest rate set out in the Disclosures. We will post that interest to the Account on a monthly basis at the time(s) stated in the Disclosures. Interest will compound monthly

until the amount of overdraft plus accumulated interest and charges has been repaid.

- (iv) If we have allowed you to overdraw your Account you agree to repay the overdrawn amount within 90 days or on demand from us, which may be issued at any time. If we ask for payment, you will pay us the amount of any overdraft(s) in an Account, together with interest on the amount of the overdraft(s). You will pay these amounts even if you have been paying interest and making monthly deposits to the Account as required above.

6. Instruments

(a) General:

- (i) All Instruments must comply with applicable laws and any other specifications we may provide from time to time. We may accept and deliver any form of settlement or payment for any Instrument as we deem appropriate. We may also present and deliver Instruments for payment, clearing, collection, acceptance or otherwise through any financial or other institution, and in any manner, as we deem appropriate. Instruments are subject to the applicable laws of each jurisdiction in which they are processed, including any intermediary jurisdiction in which they are processed through, and you are responsible to ensure all Instruments comply with such applicable laws. We are not responsible for any losses relating to an Instrument which contravenes applicable laws.
- (ii) All deposited Instruments must be payable to you or to bearer. You authorize us to endorse in your name any Instrument that has been deposited without endorsement. That endorsement shall have the same validity as if made by you. We may, in our discretion, not accept third-party Instruments which bear a prior endorsement for deposit (because we may be unable to verify that endorsement).

- (iii) We, or our agent, may capture digital images or other electronic representations of cheques and other Instruments in connection with the exchange and clearing of Instruments and the settlement of payments, and other financial institutions may rely on those captured representations to process such Instruments. We are entitled to treat such images for all purposes as if they were paper items and, in some cases, the original paper item may be destroyed and not returned to you.
- (b) **Other Financial Institutions and Beneficiaries:** You acknowledge that the beneficiary of an Instrument may not receive the funds on the date the funds are debited from your Account. We are not responsible for the actions or omissions of any third parties, including beneficiaries or other financial institutions sending, receiving, or processing Instruments in connection with our Services, or for any losses arising out of, or incidental to, any of the foregoing. You are responsible for notifying applicable persons when an Instrument is sent, and of the delivery methods used to send the Instrument. You are responsible for confirming each Instrument is accessed, sent, received, accepted, and processed as intended. Other institutions or persons may set limits, requirements, and restrictions on the sending, receiving, or processing of the Instrument, including on the amount, currency, or legitimacy of the Instrument, and you are responsible for adherence to such limits, requirements, and restrictions.
- (c) **U.S. and Other Foreign Currency Instruments:** You will ensure that before you negotiate an Instrument drawn on a financial institution from the United States or other foreign country, such Instrument will bear your name (as it appears on the Account) and you will write the Account number at the back of the Instrument. Such Instruments are treated as a collection item (depending on the dollar value and drawn on) which will be subject to collection charges. If the required information is not present, the Instrument will be returned and we will debit your Account for the amount of such Instrument.
- (d) **Stop Payments:** If it has not already been paid or processed, you may ask us to stop payment of a cheque or pre-authorized payment drawn on any of your accounts for the fee set out in the Schedule of Charges. The following information must be provided to us for each cheque or debit to be stopped: (i) amount; (ii) date; (iii) payee name; (iv) serial number (including the MICR encoded serial number, which is required in order for the system to capture it); (v) name of the company or person (in case of pre-authorized payment); and (vi) reason for the stop payment. If the information you give us is not correct, if you do not give us other reasonable information requested about the item, or if the payment was final and irrevocable, we will not be responsible if we are not able to effect the stop payment. Any stop payment instruction will remain in place for only one (1) year from the date we accept the instruction. It is your responsibility to follow up on all stop payment instructions, and to ensure the payee has been notified that a stop payment instruction has been given. The issuance and processing of a stop payment instruction may not affect the legal obligation to the payee or any other person. The payee must be contacted directly to cancel any contract with the payee as required. We will process all stop payment instructions on a best effort basis, but we do not guarantee a cheque or debit will be stopped even if a stop payment instruction has been processed. We are not responsible for any losses or damages arising as a result of a stop payment instruction.
- (e) **Returned Instruments:** If an Instrument is returned unpaid, we may reverse the credit (and any interest paid on that credit) to your account. If the reversal of this credit involves a currency exchange, you agree that you will be responsible

for any cost or loss associated with the currency exchange and we may charge this cost or loss to your account. You acknowledge that the exchange rate used may result in revenue being earned by us on the conversion. We may send you either notice of or the returned Instrument the same way that we send your statements of account. Anyone we hire (such as a financial institution or courier) to effect the collection of the Instrument will be deemed your agent, not our sub agent.

7. Hold on Items

You acknowledge that we have the right to hold the proceeds of any Instrument deposited to an Account, and to defer your right to withdraw funds represented by such a deposit. If we decide to hold the proceeds of a deposit, those funds will be released to you after the following number of Business Days:

- (i) Four (4) Business Days after the day of deposit for Instruments in Canadian dollars not exceeding \$1,500.00 and deposited to a personal deposit account in person with an employee at one of our branches or points of service and drawn on a Canadian branch of a Canadian financial institution;
- (ii) Five (5) Business Days after the day of deposit for Instruments in Canadian dollars not exceeding \$1,500.00 deposited in any other manner (such as at an ATM) drawn on a Canadian branch of a Canadian financial institution;
- (iii) Seven (7) Business Days for Instruments deposited to New accounts (opened for 90 days or less)

- (iv) Seven (7) Business Days for encoded cheques and other Instruments in United States dollars drawn on a financial institution located in Canada;
- (v) Fifteen (15) Business Days for unencoded or partially encoded cheques and other Instruments (US or CDN dollar) drawn on a financial institution located in Canada;
- (vi) Thirty (30) Business Days for encoded cheques and other Instruments drawn on a financial institution located outside Canada or in a currency other than Canadian or United States Dollars drawn on a financial institution located in Canada;
- (vii) Upon realization of proceeds for any instrument drawn on foreign banks (other than U.S. Banks) and that has been sent on collection.

If the item deposited is returned for any reason after the hold period expires, we will charge the amount of the item to your Account. We also have the option to send any negotiable item on collection rather than hold the proceeds as set out above.

8. Adjustments

We may adjust a deposit to an Account at any time (even if the adjustment creates an overdraft or results in an Account being overdrawn in excess of your Overdraft Limit) if an Instrument is dishonoured, not paid or paid but subsequently returned for any reason whatsoever. We may also adjust an Account to correct amounts that we believe were credited to an Account by mistake or that we suspect could be the result of any fraudulent, unlawful or improper activity or to correct amounts paid to you in cash for an item that was subsequently returned to us as unpaid. You waive presentment for payment, notice of dishonour, protest and notice of protest on all Instruments requiring such action.

9. Joint Accounts

If more than one person signs (on the Signature Card or elsewhere) that an account is a joint account, the following terms apply collectively and individually to each of you and to any renewals of any such accounts.

- (i) **Joint account Authorization:** You may choose to set up the signing authorities for your joint account to be any one of you / all of you / any number of you, as designated by you on the Signature Card. That designation means that the designated account holder or combination of Account holders:
 - (A) authorizes us to pay and charge against the Account any Instrument signed by the designated account holder or combination of Account holders, even if the effect is to create or increase an overdraft in the Account. If you do not complete this designation, Instruments must be signed by all of you;
 - (B) may provide instructions to us to close the Account; and
 - (C) may provide instructions to us regarding the Account and the funds in the account (except as otherwise provided in this Part). Notwithstanding the signing authorities for the Account:
 - (D) at our discretion, we may require all of you to confirm the instructions regarding the Account or the funds in the Account;
 - (E) any one of you may make deposits - including cash and the proceeds of any Instrument payable to all or any of you to the Account;
 - (F) any one of you may provide instructions to stop payment of any Instrument, which act will terminate our authority to pay the Instrument
 - (G) any one of you may sign receipts for vouchers, sign releases of us with respect to the Account, confirm that the account is correct, and validate vouchers;
 - (H) any one of you may obtain information about the Account, including information about the Account prior to it becoming a joint account and any joint account holder;
 - (I) you may not appoint an attorney for the Account without the consent of all of you.
- (ii) **Adding a Co-Owner:** you agree that by adding one or a number of co-owner(s) to the joint Account, the added co-owner(s) will also have access to the complete previous Account history and transaction details for the Account, and you agree to this access being provided.
- (iii) **Removing a Co-Owner:** you agree that it may be necessary to close the joint account if one or a number of co-owners are removed from the joint Account.
- (iv) **Liabilities:** You each jointly and severally agree with the other account holder(s) to pay any overdraft or other liability arising out the operation of your joint Account. You each agree that we are not liable for any actions we take in following the instructions provided by one of you.
- (v) **Bankruptcy/Incompetency:** We will not allow any of you to withdraw money from the account or deal with the account in any way if:
 - (A) we discover that any one of you has declared bankruptcy or become the subject of bankruptcy proceedings; or
 - (B) we are given notice that any one of you has been declared mentally incompetent or incapable of managing your own affairs, subject to you having appointed an attorney

whose capacity survives your mental incompetency, or a legal guardian being appointed to manage your affairs.

- (vi) **Survivorship:** You may designate an Account with right of survivorship, which means it is your intention that, on your death, all your debts owing to us incurred prior to your death be paid first and the balance of your joint Account shall not be treated as an estate asset and this shall constitute your irrevocable direction to us, upon receipt of a demand from the surviving joint account holder(s) requesting the balance of the account to be paid to the surviving account holder(s), to act in accordance with such request. We shall be entitled to pay the joint Account holder(s) as requested without inquiring whether the surviving joint Account holder(s) has, as between the surviving joint Account holder(s) and your heirs, executors, administrators, assigns or any third party (hereinafter "third parties") the beneficial right to the monies so directed, and without recognizing any claim of any third parties. On the death of a joint account holder, we may release any information regarding the joint Account up to the date of death to the estate representative of the deceased.

10. Appointing an Attorney

You may appoint one or more attorneys to act for you in respect of an Account (an "Attorney"). However, we may refuse to accept the appointment in our sole discretion if it is not satisfactory to us, or we may refuse to honour any Account transaction made by such Attorney (or by any committee, property guardian or similar representative appointed by a court to act for you in respect of an Account). If an Account is a joint Account, we may also refuse to honour any Account transaction made by an Attorney (or by any committee, property guardian or similar representative appointed by a court to act for you

in respect of an Account) unless their appointment in respect of the joint Account has been agreed upon (in writing) by all Account owners. An Attorney will have access to the previous Account history and transaction details for the Account, and you agree to this access being provided.

11. Payment Instructions:

- (a) You will give us payment instructions in person at the branch, by telephone, through Online Banking or in any other way we may authorize. We may allow you to give payment instructions by mail, provided you accept any additional terms and conditions which we may impose.
- (b) If you give us instructions to make payments or transfer funds to payees, including instructions to pay any bill or invoice, you acknowledge that the instructions will result in funds being withdrawn from your Account on the date the instructions are given or, in the case of post-dated payments, at a later date. You acknowledge that payees may not treat payments as being received as of the date the instructions are given or, in the case of post-dated payments, on the later date. We will not be responsible for any losses resulting from disputes with the payee, such as a payee not crediting you for a payment for any reason (even if that payee is no longer included on your payee list), charging you late fees or interest penalties or not supplying goods or services purchased or the goods or services not being suitable. You agree to settle your dispute directly with that payee.
- (c) You are responsible for ensuring that all payee information (including account numbers, payee names or email addresses) required by us to complete your payment instructions to a payee is accurate at all times.
- (d) We may, without notice, update your payee information, including account numbers, payee

names or email addresses, if informed of a change by that payee or if we think it necessary. We may in our discretion, and without notice to you, remove a payee from the list of payees to whom you may make a payment through us.

- (e) We may, in our complete discretion, and without notice to you, decline or refuse to act on an instruction that appears to be given by you, including instructions relating to post-dated payments, or if we believe that you, the recipient of any payment or any other party standing to benefit, is engaging in fraudulent, unlawful or improper activity or that an error or mistake has occurred.

12. Processing of Transactions

- (a) You acknowledge that any transaction you make on a Business Day, such as a deposit, withdrawal, payment, stop payment or transfer, may not be processed by us on the same Business Day. If you are making payments or transferring funds to another party or to another account held with us, or another institution, you acknowledge that there may be processing delays that apply to the payment or transfer. You are responsible for finding out what processing delays apply to any transaction and for allowing enough time prior to the transaction. We are not responsible for any losses, damages or inconvenience suffered by you resulting from a delay in the transaction, whether such delay is caused by systems or human error or failure or for any other reason, subject to the liability for damages provision in section below – Liability for damages.
- (b) Our transaction records will be conclusive proof of use of the Service and will be considered your written request to perform the transaction. You acknowledge and agree that use of your Card by you or anyone authorized by you binds you legally and makes you responsible to the same extent and effect as if you had given signed, written instructions to us. Our verification and

acceptance of all transactions will be considered correct and binding unless there is an obvious error.

13. Account Verification

You must regularly examine all Account transaction information in your Statements. If you opted to receive electronic Statements, you agree to go online and to check your Statements regularly and at least once each month and, if this is a joint Account, to deliver copies of the Statements to any co-owner who does not have access to Online Banking. You will notify us in writing of any errors, irregularities, omissions, unauthorized transactions or forgeries related to or in the Account transaction information within 15 days from the date of your Statement. If you do not notify us as required, you will have accepted the Account transaction information and Statements as complete, correct and binding on you, and we will be released from all claims by you in respect of the Account transaction information and Statements, including any transaction and balance errors.

14. Recordkeeping Options

- (a) You may select only one of the following recordkeeping options for each Account. Please refer to your specific Account features and services for details:
 - (i) **eStatements:** An electronic Statement (eStatement) that are delivered to you in Online Banking. This option requires you, or if this is a joint Account at least one co-owner, to be enrolled and stay enrolled in Online Banking and includes free viewing of transaction images in Online Banking; or
 - (ii) A paper statement (without cheque images) mailed to the address requested by you.

- (b) All Statements are produced on a monthly basis and are issued after the Monthly Statement Period ends. If you choose to receive Statements and the Account is a joint Account, only one Account statement will be mailed to the address of the Primary Owner, unless you have told us otherwise. Any notifications telling you of upcoming changes to your Account will also be mailed to the address.

15. Record keeping for Joint Accounts

(a) Paper Records:

- (i) If your record keeping option for the Account is paper (Statements), the first co-owner entered in our records will be the Primary Owner of the Account
- (ii) If you have chosen paper Account Statements and Notifications as your record keeping option, we will mail one copy of the paper Statements and Notifications to the mailing address of the Primary Owner of the Account, unless you have given us other instructions.
- (iii) Any co-owner who receives the paper Statements and Notifications for the Account is charged with the duty of making copies available to the other co-owners;
- (iv) If any co-owner changes the mailing address of the Account to that of another co-owner, they are bound to notify their co-owners of the change.
- (v) Any delivery of paper Statements or Notifications made to the last address designated to receive paper Statements and Notifications for the Account is considered a delivery to each co-owner. It is the duty of each co-owner to keep the mailing address of the Account current.

(b) Electronic Records:

- (i) If your recordkeeping option for the Account is electronic, a copy of the electronic Statements will be made available to all co-owners who have access to Online Banking for that Account.
- (ii) The requester is charged with the duty of advising the other co-owner(s) of the change to electronic documents. Similarly, the requester is charged with the duty of advising the other co-owners, in the event they opt for paper Statements and Notifications.
- (iii) If any co-owner does not have access to Online Banking, then the co-owner who initiated the change to electronic Account Statements and Notifications is charged with the duty of delivering copies of any Statements and Notifications to the co-owner(s) who do not have access to Online Banking.
- (iv) If you have chosen to receive electronic Statements and Notifications for the Account, then at least one co-owner will enroll in Online Banking and at least one co-owner will stay enrolled in Online Banking during the time that your Statement or Notification delivery option is electronic.

16. Dormant or Inactive Accounts

You acknowledge and agree that your Account will be designated as inactive if you have not initiated activity for at least one consecutive calendar year. We will notify you in writing in January after each the first two-year, five-year and nine-year period of inactivity. If you do not initiate a transaction or communicate with us, an inactive fee will be charged to your Account each year the Account remains inactive. If there are insufficient funds in your Account to cover the service charges, you authorize us to close your Account without notice to you. If your Account remains inactive and the balance is still

unclaimed after the nine-year inactive notice is sent; or if the balance is nil after inactivity fees is recovered, we will close your Account. Interest, if applicable to your Account, will be paid until the Account is closed. After 10 years of inactivity, your Account balance becomes unclaimed under federal law and will be transferred to the Bank of Canada. To claim Account balances transferred to the Bank of Canada, you must file a claim with the Bank of Canada.

17. Application of Funds

We may apply the funds on deposit in an Account against any debt or obligation you (or any one of you, if this is a joint Account) owe to the Bank, without notice to any of you. We may also apply the funds in any account you may have with us or with any of our subsidiaries against a debt or obligation you owe related to an Account. If such debt or obligation is in a currency other than the currency of the Account, we may use all or part of such credit balance to buy any currencies that may be necessary to pay the debt or obligation.

18. Safety Deposit Box

- (a) Opening a safety deposit box - By signing a Signature Card, you agree that:
- (i) You have rented a safety deposit box from us (a “**Box**”); and
 - (ii) You will be charged an annual rental fee at the time you sign the agreement; and
 - (iii) the lease will be renewed annually and you will pay annual rental fee until the lease has been terminated, subject to the termination clause below.
- (b) **Our obligations:** We will take all reasonable steps to ensure your Box is opened only by you, your deputy designated in writing and approved

by us, or your legal representative. We will be responsible for any loss which results from our failure to exercise such ordinary due diligence.

- (c) Unauthorized opening cannot be inferred from the loss of any of the contents of your Box. We will take reasonable care in operating the vaults and safes. Notwithstanding the foregoing, we will not be liable for any delay, damage or inconvenience caused to or suffered by you or others as a result of your inability to access your Box for any reason, including any accident to, or failure in the working of, the safes, vaults, or the mechanism or locks thereof or for loss or damage occasioned by fire, theft or any other cause.
- (d) **Keys:** You acknowledge receipt of two keys and agree to immediately notify us of the loss of a key.
- (e) **Costs:** In addition to the annual rental fee, you agree to pay on demand the following :
 - (i) the cost of a new key and our service fees in the event that you lose one key.
 - (ii) the cost of a new lock and keys, locksmith charges and our service fees in the event that you lose both keys.
 - (iii) our service fees in the event an inventory of your Box is required by law.
 - (iv) the replacement cost of your Box in the event that you damage it, in each case as further set out in the Schedule of Charges.
- (f) **Termination:** The lease to the Box may be terminated
 - (i) at any time by you removing the contents of your Box, surrendering the keys to us and paying all accrued rental fees up to the time the keys are returned, or

- (ii) by us 30 days after mailing a written notice to you at the address shown in our records and you will then immediately remove the contents of your Box, surrender the keys to us and pay rental up to the time the keys are returned. If you do not remove the contents of your Box before the expiry of the termination notice, we may then forcibly open your Box, remove and hold its contents until all unpaid rent, the costs of changing the lock and keys and any other expenses are paid.
- (g) **Relocation:** In the event of relocation of the branch, we will have the right to move the safe deposit boxes (including your Box) to the new location.
- (h) **Contents:** Your Box is for the deposit of valuables, papers, or other property. You will not use your Box for the storage of any liquid, anything of an explosive, dangerous, illegal or offensive nature, or an item which may become a nuisance. Upon our request, you will permit us to inspect the contents of your Box in your presence to enforce this condition.
- (i) **Access:** We may restrict access to your Box if we deem it necessary to do so. We may also restrict access to your Box if we are served with a court order or other legal process dealing with access to your Box.
- (j) **Assignment, Sublease:** None of your rights under this lease may be assigned or sublet.
- (k) **Liability:** Our liability shall be limited to the exercise of ordinary diligence to prevent unauthorized access to the box. Damage to or loss of contents of your Box shall not constitute any proof or presumption that your Box has been opened without authority. We shall not be liable for any delay, damage or inconvenience caused by an accident or failure in the working of your Box, the vault or the mechanism of any lock or caused by fire, theft, or act of God.
- (l) **Indemnity:** You agree to indemnify and hold us harmless from and against any unauthorized or wrongful act on the part of you or your agent(s) and for all costs, loss, expense or liability incurred by us by reason of any proceeding relating to your Box or its contents.
- (m) **Non-Payment of Rental:** If you do not pay your rent when due, we may, 30 days after mailing a notice to you, forcibly open your Box, remove and hold its contents until all unpaid rent, the costs of changing the lock and keys and any other expenses are paid. If you fail to pay what you owe us, we may, 30 days after mailing a notice of sale to you, sell the contents of your Box by public or private sale or otherwise dispose of its contents as we may see fit. We will use the proceeds of the sale to pay our expenses of sale, rental and any other amounts owed to us. Any balance remaining, if any, is yours.
- (n) **Notice:** Notice of non-payment, notice of termination, notice of sale, or any other under this agreement will be sufficiently given to you if mailed by ordinary mail to your address as shown in our records.
- (o) **Insurance:** Our duties as lessor under this lease shall not be affected or modified in any way whether or not you have insurance coverage. You might consider insuring the contents of your Box against the loss of your property through burglary, robbery, damage or destruction.
- (p) **Legal Representatives and Successors:** You acknowledge that this agreement binds your legal representatives and successors.

19. Notification of Change in Terms

We may change the interest rates, fees and other operating conditions for an Account periodically as set out below:

- (i) You will be given at least 30 days' prior notice of each change to this Agreement
- (ii) We will notify you of changes in the interest rate(s) applicable to funds on deposit in an Account (and the manner of calculating the amount of interest we will pay you on those funds) by statements displayed in the Branch and on our website.
- (iii) We will notify you of any new fees or increases to fees applicable to an Account:
 - (A) by statements displayed in the Branch at least 60 days before the effective date of the changes, or
 - (B) by notice included with any Account Statements (if you receive them) or separately at least 30 days before the effective date of the changes.
- (iv) We will notify you of changes to the interest rate we apply to Account overdrafts in the way set out in (i) or (ii) above.
- (v) If you use an Account or have funds on deposit in the Account after the effective date of a change, it will mean that you have agreed to the change.

20. Communications

We will communicate with you about Account activity in the manner you have requested.

- (i) If you have requested communication by ordinary mail, we will send you mail to the last

address provided. If any communication is returned as undelivered, we will not mail anything further to that address again. The onus is on you to tell us if you have not received an Account Statement or Notification. It is your responsibility to keep your address with us current.

- (ii) If you have requested to receive electronic Account Statements and Notifications, you must fulfill any applicable eligibility criteria and provide any proper authorizations we may require from time to time and acknowledge that paper Account Statements and Notifications will be replaced with electronic Account Statements and Notifications.
- (iii) Any Electronic Communication that we receive from you or in your name will be considered duly authorized and binding upon you, and we will be authorized to rely and act upon any such communication. In this connection:
 - (A) we will be entitled to rely upon any signature appearing on a facsimile transmission that purports to be your signature or the signature of your representative; and
 - (B) you recognize that possession or use of a security device (including a security card, a security code or a PIN (personal identification number)) by any other person may result in that person having access to and being able to use the relevant means of Electronic Communication, and we will not be liable for any loss, damage, expense or inconvenience that results.

- (iv) You acknowledge and agree that if you choose to use, or instruct us to use, any means of any unsecure communication, such as by mail, or by Electronic Communication that is not encrypted, including without limitation, non-secure dedicated or internet connections,

or any fax or unencrypted email communication, that

- (A) security, privacy and confidentiality cannot be ensured;
- (B) such communication is not reliable and may not be received by the intended recipient in a timely manner or at all;
- (C) such communication could be subject to interception, loss or alteration; and
- (D) you assume full responsibility for the risks in connection with such communication, and we will not be responsible or liable in any way in connection with such communication, including without limitation any unauthorized access to, or interception, loss or alteration of, such communication.

If you communicate with us using an unsecure channel of communication, we may at our complete discretion choose not to act upon the content if we have doubts as to its authenticity.

- (v) If you asked to communicate with us in an unsecure channel and we choose to act on an unsecure communication that we receive from you or in your name, it will be considered duly authorized and binding upon you, and we will be authorized to rely and act upon any such communication. In this connection we will be entitled to rely upon any signature appearing on a paper document or on a facsimile transmission that purports to be your signature, or that of your representative, and we will not be liable for any loss, damage, expense or inconvenience that results.
- (vi) You will keep the originals of all Electronic Communications and produce them to us on request.

- (vii) You acknowledge that we do not need to constantly monitor our facsimile machines or other electronic channels and will only be required to use reasonable efforts to determine if an Electronic Communication has been received.

21. Release of Funds on Death

We will require estate documentation to release funds from any Account upon death of an Account owner. Estate documentation means any document that may be required by us in our absolute discretion, and may include a death certificate, probated will or notarial will (in Quebec). In the event of any dispute regarding the release of funds upon your death, we may pay the amounts held in any Account into court and recover any Expenses, including legal fees, incurred by us from the funds in an Account. For further clarity, we may fully recover from the Account any Expenses for the translation of any documentation provided in connection with the release of the funds. With respect to joint Accounts, we are authorized to release any information about the Account to the estate representative of the deceased Account co-owner up to the date of the death, except in Quebec where the liquidator is entitled to all Account information up to or after the death of a co-owner.

22. Currency of Payment and Conversion

You are solely responsible for any losses related to foreign currency conversions in connection with our services, including those resulting from a change to our currency conversion rates and any loss in the value or amount of an Instrument due to an adverse change to such rates. Unless otherwise stated in the Disclosures, the fees and interest are charged and payable in the currency in which the Account is maintained without conversion. We are not responsible for any increase or reduction in the value of your

Account due to changes in foreign currency exchange rates. If an Instrument is in a currency other than the currency of the Account, and the Instrument is to be credited to or debited from the Account, you agree that we may convert the Instrument at the applicable currency conversion rate established by us in our discretion for such purpose. We are not responsible for any losses related to foreign currency conversions, including those resulting from a change to our currency conversion rates between the date an Instrument is converted by us and the date the Instrument is processed or returned. The conversion rate in effect at the time you request a service may be different from the rate in effect at the time your transaction takes place that we apply.

You acknowledge and agree that any amounts withdrawn from an Account may be paid by us in Canadian dollars, in our discretion, regardless of the currency of the Account, with the conversion occurring on the date of payment at a currency conversion rate established by us.

23. Account Closure

Any funds on deposit in a joint Account you close may only be withdrawn by a cheque or other withdrawal signed as required by subsection 9 of this Agreement. Payment of any funds on deposit in a joint Account we close will be made to all of you jointly. We may close or suspend an Account for any reason in our absolute discretion and without notice, including if you do not conduct it in accordance with this Agreement, the Disclosures and the law, or if, in our opinion, there is unusual, improper or suspicious activity in the Account. If we close an Account, we will issue a cheque or draft in the amount of any net balance in the Account at the date of closure payable to all Account holders and deliver it at your risk to the last known address for the Account.

24. Liability for damages

We will not be liable for any damages (including special, indirect, consequential or punitive damages) resulting from:

- i. any failure, error, malfunction or inaccessibility of any Machine, system or equipment
- ii. any failure, error or delay by any third party;
- iii. any failure, error or delay in any Service, even if
 - (A) we knew that damage was likely; or
 - (B) the damage was a result of our negligence or the negligence of our employees, agents or representatives;
- (iv) Payment of funds to the surviving joint account holder(s) where your account is designated with right of survivorship; or our decision to freeze an account, or to hold funds, provided it is on one or more of the grounds described in this Agreement.

25. Collateral and Right of set-off

All security now or hereafter held by the Bank, in respect of any of your indebtedness to the Bank, will also be security for any and all of your indebtedness arising from the use of your Debit Card or any Service, and the Bank can at any time, apply the security to any indebtedness. You may not give anyone other than the Bank a security interest in any funds in an Account, whether by assignment, hypothec, transfer or otherwise. We may also apply the funds on deposit in an Account against any debt or obligation you owe to the Bank without any notice to you.

26. Language

You have expressly requested that this Agreement and all related documents, including

notices, be drawn up in the English language. Vous avons expressément demandé que ce contrat et tout document y afférent, y compris tout avis, soient rédigés en langue anglaise.

27. Governing Law

This Agreement and the Signature Card shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as Ontario contracts and both parties hereby submit to and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

28. Resolving Disputes

If you have a dispute with HCB regarding any matter affecting your Account or your use of a Card or Service, You will bring it to the attention of the Branch. Full details of the process for resolving disputes are set out in a brochure "Complaint Handling Procedures", a copy of which has been provided to you. During the process of resolving a dispute concerning a Card, you will not be unreasonably restricted from the use of the funds, which are the subject of the dispute. If you purchase goods or services from a merchant using a Service, you must settle any dispute regarding the goods or services directly with the merchant. HCB is not responsible for any problems with such goods or services. If you have a dispute with a person to whom you send money (for example, a dispute regarding a bill payment, late fees or interest penalties), you must settle the dispute directly with that person.

29. Collection and Use of Personal Information

When you open an Account or apply for, or provide a guarantee in respect of, any of HCB's products or services and while you are a customer of HCB, you agree that we may collect, use and disclose personal information from you and

about you in accordance with our Habib Canadian Bank Privacy Agreement available by calling us at the toll-free number +1 855 82 HABIB (+1 855 82 42242) or by visiting our website at www.habibcanadian.com.

30. Your obligations with respect to Common Reporting Standards (CRS) and Foreign Account Tax Compliance Act (FATCA)

You understand and acknowledge that:

- i. HCB is required to report CRS and FATCA reportable accounts to the CRA;
- ii. For the duration of the contractual relationship with HCB, you will advise the Bank of any changes in circumstances that affect your tax residency status within 30 days of such changes in circumstances;
- iii. All statements made by you in relation to your tax residency status are, to the best of your knowledge and belief, true, correct and complete;
- iv. You will review the CRA's Self-Certification Form covering the data fields necessary under the CRS and FATCA sections and you further undertake to complete, sign and return this form to HCB as soon as possible.
- v. The self-certification form is issued by the Canada Revenue Agency and is used by HCB and that other financial institutions are also required to fill out this or a similar form; and
- vi. The requirement that if HCB does not receive a valid Self-Certification Form from you, it may need to treat your account as "reportable" (a "reportable" account means an account subject to automatic exchange of information under the CRS) to your country of residence based on information already available on file.

31. Your obligations specifically with respect to FATCA

- (i) By completing the relevant section of the CRA's Self-Certification Form, you confirm that you are the beneficial owner according to the U.S. tax principles of the assets and income related to your Account, or, if there is another beneficial owner, that such beneficial owner is not a U.S. person under U.S. tax principles; and
- (ii) You undertake to notify us within 30 business days, if there is any change to your status (or that of another beneficial owner) as a non U.S. person under U.S. tax principles.