

CARD PROGRAM MANAGEMENT AGREEMENT

THIS AGREEMENT is dated for reference the 12th day of July, 2018 (the "Effective Date")

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED, a credit union incorporated under the provisions of the *Credit Union and Caisses Populaires Act* (Ontario) (the "Issuer")

AND:

XTM INC., incorporated under the *Business Corporations Act* (Ontario) (the "Program Manager")

WHEREAS:

A. The Issuer is engaged in the business of issuing prepaid cards and is a member of the payment networks.

B. The Program Manager is in the business of marketing prepaid cards and implementing programs that include the distribution and usage of prepaid cards and can provide services to support the program.

C. The Issuer desires to retain the Program Manager to offer prepaid cards pursuant to one or more card programs;

NOW THEREFORE in consideration of the mutual promises set out in this Agreement, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "Activate" means (i) enabled and capable of being used for purchases from merchants who accept Network card transactions in accordance with a Cardholder Agreement and/or (ii) Loading funds onto a Prepaid Card, and "Activated" and "Activation" shall have corresponding meanings;
- (b) "Affiliate" has the meaning set out in the *Bank Act* (Canada);
- (c) "Affinity Agreement" means an affinity agreement to be entered into between the Issuer and each Client to address, among other things, the requirements of the Network Rules in respect of prepaid card programs;

- (d) **“AML Policy”** means the Issuer’s policy that addresses legal and regulatory requirements relating to anti-money laundering and terrorist financing in relation to Prepaid Cards, including under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*;
- (e) **“Applicable Laws”** means all federal, provincial, municipal, territorial and foreign laws, treaties, rules, regulations, statutes, acts and regulatory guidance binding on any Party and includes the Rules;
- (f) **“BIN”** means a Bank Identification Number assigned by Visa and/or MasterCard;
- (g) **“Business Day”** means a day, other than a Saturday, Sunday or statutory holiday, on which banks in Toronto, Ontario are open to conduct banking business;
- (h) **“Card Income”** means all revenue received from a Cardholder, including, but not limited to, Transaction fees, balance inquiry fees (if any), fees for Loading funds onto a reloadable Prepaid Card and other Prepaid Card fees that may be specified in a Cardholder Agreement from time to time;
- (i) **“Card Proceeds”** means an amount Loaded onto a Prepaid Card (excluding Card Income);
- (j) **“Card Services”** means the services to be provided by the Issuer under this Agreement, which are:
 - (i) BIN/ICA provisioning, operating and maintenance;
 - (ii) Funds Settlement with the Network in accordance with the Rules;
 - (iii) Other services that may be described in this Agreement, the Program Letters and as amended from time to time based on mutual agreement and Programs pursued.
- (k) **“Cardholder”** means an individual who activates or otherwise uses a Prepaid Card to originate a Transaction;
- (l) **“Cardholder Agreement”** means the agreement between the Issuer and a Cardholder containing the terms and conditions governing the use of a Prepaid Card;
- (m) **“Cardholder Data”** has the meaning set out in Section 12.1;
- (n) **“CASL”** means Canada’s Anti-Spam Law;
- (o) **“Claims”** means an action, allegation, cause of action, cease and desist letter, charge, citation, claim, demand, directive, lawsuit or other litigation or proceeding or notice;
- (p) **“Client”** means a customer of the Program Manager or of a Distributor that either
 - (i) Distributes (but does itself not Load or Activate) Prepaid Cards under a Program; and/or

- (ii) has its Marks on a Prepaid Card in connection with a Program offered to customers of the Client.
- (q) **“Collateral Material”** means any printed, electronic, broadcasted, or other material in any form used to solicit applications or define use of Prepaid Cards or to communicate with customers regarding the Prepaid Cards;
- (r) **“Confidential Information”** means all information in the possession or control of any Party or owned by any Party, or its affiliates, that is not generally known to the public and which relates, directly or indirectly, to the business or operations of such Party, including, without limitation, the terms of this Agreement and all Program Letters, trade secrets, and all legal, sales, volume, marketing, technical, financial, statistical, strategic, personnel, member, customer and supplier information;
- (s) **“CRS Certification”** means the certification in the form of Schedule 14.2 where the Cardholder of a Regulated Prepaid Card provides a residency certification as required by the Common Reporting Standards;
- (t) **“Daily Balance Report”** means the report generated by the Processor and issued daily which sets out the amount of Card Proceeds each day as well as the amount of all Card Income generated on Prepaid Cards on each day;
- (u) **“DICO”** means Deposit Insurance Corporation of Ontario, or any successor thereof;
- (v) **“Distribution Agreement”** means an agreement between the Program Manager and a Distributor, and preapproved by Issuer, that governs the distribution and/or sale of Cards in connection with a Program;
- (w) **“Distributor”** means a person who has contracted with the Program Manager who distributes and/or arranges for the distribution or sale of Prepaid Cards pursuant to a Distribution Agreement;
- (x) **“Event of Insolvency”** means, with respect to any Party, the occurrence of any one of the following events:
 - (i) if such Party makes a proposal under insolvency legislation or is adjudged bankrupt or insolvent or proposes a compromise or arrangement under insolvency legislation or files any petition seeking any relief under any present or future law relating to bankruptcy, insolvency, or other relief for or against debtors generally; or
 - (ii) if a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against such Party seeking any reorganization, arrangement, composition, readjustment, liquidation, winding up, dissolution, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors generally.

- (y) **"FISCO"** means the Financial Services Commission of Ontario and any successor thereof;
- (z) **"Gross Interchange Fee"** means the fee payable to an issuer of a Prepaid Card by an acquiring financial institution for a Transaction, as established by the Network (after deduction of charge backs and merchant credits);
- (aa) **"ICA"** means the Interbank Card Association number assigned by MasterCard Incorporated;
- (bb) **"IVR"** means an interactive pre-recorded voice response system offering self-service Cardholder care by telephone;
- (cc) **"Letter of Credit"** has the meaning set out in Section 2.12;
- (dd) **"Load"** and **"Loading"** means the loading of funds or value to a Prepaid Card at the time such Prepaid Card is Activated or subsequent thereto by any means;
- (ee) **"Marks"** means the logos, trademarks, and trade names of the Issuer, the Program Manager, a Client, a Distributor or a Network as the case may be, including but not limited to the names and other distinctive marks or logos, which identify a Network, the Program Manager, the Issuer, a Distributor or a Client;
- (ff) **"MasterCard"** means MasterCard Incorporated;
- (gg) **"Material Adverse Effect"** means any effect upon the business, operations, property or financial or other condition of the Program Manager, which could reasonably be expected to materially adversely affect the ability of the Program Manager to perform its obligations under this Agreement or under any Program Letter;
- (hh) **"Merchant"** means a retailer of goods and services or any person authorized to accept a Prepaid Card for the purchase of goods and services;
- (ii) **"Network"** means Visa, MasterCard, Cirrus, Plus, and/or any other electronic payment network for transmitting items and the settlement thereof;
- (ij) **"Party"** means the Issuer or Program Manager, as the case may be; and **"Parties"** means both of them;
- (kk) **"PCI DSS"** means PCI's Data Security Standards, a multifaceted security standard defined by PCI and includes requirements for security management, policies, procedures, network architecture, software design and other critical protective measures;
- (ll) **"Person"** means an individual, corporation, credit union, body corporate, partnership, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative;

- (mm) **“Personal Information”** means information in respect of an identifiable individual that constitutes “personal information” under Privacy Laws;
- (nn) **“Prepaid Card”** means a stored value prepaid card bearing the name and Marks of the Issuer, and the Marks of either Program Manager or of the applicable Client, or both, and with the product specifications outlined in the applicable Program Letter and Appendices;
- (oo) **“Prepaid Card Program”** or **“Program”** means each program for the issuance of Prepaid Cards by the Issuer at the request of Program Manager for and on behalf of Clients, Distributors or Retailers governed by this Agreement, and the Program Letters;
- (pp) **“Privacy Laws”** means the *Personal Information Protection and Electronic Documents Act* (Canada), as amended or supplemented from time to time, and any other applicable federal or provincial legislation now in force or that may in the future come into force governing the collection, use, disclosure and protection of Personal Information in the private sector and any Applicable Laws in the provinces of Canada relating to the collection, use, disclosure and protection of Personal Information in the private sector;
- (qq) **“Processing Agreement”** means the agreement between the Processor and the Program Manager that provides for the provision of Processing Services for the Prepaid Cards;
- (rr) **“Processing Services”** means those services which are necessary to issue and service a Prepaid Card and process a Prepaid Card Transaction in accordance with Applicable Laws, including the provision of IVR for Cardholder care;
- (ss) **“Processor”** means the Prepaid Card processor of record for the Program as set out in the Program Letter;
- (tt) **“Program Account(s)”** means the bank account(s) opened in the Issuer’s name or as it directs, at an institution prescribed by the Issuer into which the Program Manager will transfer and deposit Card Proceeds and the Required Reserves, and includes any other Proceeds Accounts established as such under any Program in other currencies as outlined in the applicable Program Letter;
- (uu) **“Program Database”** has the meaning set forth in Section 4.8;
- (vv) **“Programs”** means collectively all Programs governed by this Agreement. The specific details in respect of each Program offered under this Agreement will be set out in each Program Letter in respect of each such Program;
- (ww) **“Program Expenses”** means all amounts payable to third party vendors and service providers providing services in relation to a Program including, without limitation (x) all expenses relating to Processing Services payable to the Processor in respect of a Program; and (y) all expenses relating to the design, manufacture, set-up, packaging, fulfillment, storage and shipment of card plastic and related Collateral Materials;

- (xx) **“Program Letter”** means each letter between the Issuer and Program Manager entered into for each Program substantially in the form of Schedule 1 that sets out, among other matters, a description of each Prepaid Card Program, the compensation payable to the Program Manager under the Program including the distribution between the Parties of Program Revenues, the provinces where the Program may be provided, the characteristics of the Prepaid Cards to be offered under the Program (i.e. reloadable or non-reloadable), the currency of the Cards, the Processor for the Program, the required insurance coverage for each Program, the mechanics of how Loads will be processed, any required Velocity Parameters, whether the Prepaid Card is a Regulated Prepaid Card, whether a Letter of Credit is required in connection with the Program, and the form of Cardholder Agreement used for the Program. Each Program Letter, once executed, will form part of this Agreement;
- (yy) **“Program Letter Effective Date”** means the effective date of a Program Letter, as set out in each Program Letter;
- (zz) **“Program Revenues”** means all income derived from a Cardholder’s use of a Card or participation in a Program, including, without limitation, Card Income and Gross Interchange Fee and any other revenues generated by or accruing under a Program, but excluding, for clarity, any amounts that constitute unclaimed personal property or any interest accruing on any Program Accounts;
- (aaa) **“Regulated Prepaid Card”** means a reloadable Prepaid Card that entitles the holder to Load and reload funds or value to the Prepaid Card and use the Prepaid Card for ATM withdrawals, after the Cardholder has registered their Prepaid Card in accordance with the Rules. For the purposes of this Agreement, a Prepaid Card that is reloadable will not be considered a Regulated Prepaid Card until such time as the Cardholder registers their Prepaid Card in accordance with the Rules;
- (bbb) **“Regulatory Authority”** means, as the context requires, the Financial Transactions and Reports Analysis Centre of Canada, FISCO, DICO, and any federal or provincial agency authority having jurisdiction over the Issuer, or the Program Manager pertaining to the Prepaid Cards or the Program;
- (ccc) **“Required Reserves”** has the meaning set out in Section 2.10;
- (ddd) **“Retail Agreement”** means an agreement between the Program Manager and a Retailer governing the distribution and sale of Prepaid Cards by a Retailer;
- (eee) **“Retailer”** means a Person that is supplied with Prepaid Cards for the purpose of making them available for sale to customers pursuant to a Retail Agreement;
- (fff) **“Rules”** means the by-laws and operating rules of any Network;
- (ggg) **“Sanctioned Person”** means:

- (i) a person that is designated under, listed on, or owned or controlled by a person designated under or listed on, or acting on behalf of a person designated under or listed on, any Sanctions List;
 - (ii) a person that is located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions;
 - (iii) a person that is otherwise a target of Sanctions ("target of Sanctions" signifying a person with whom a person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities); or
 - (iv) any other person to which the Issuer would not be permitted to provide a Prepaid card to in accordance with the Sanctions, or otherwise deal with pursuant to the Sanctions.
- (hhh) "**Sanctions**" means the economic sanctions laws, regulations, orders, embargoes or restrictive measures administered, enacted or enforced by the Canadian Government, including Global Affairs Canada and Public Safety Canada (and any successors thereto) (such parties, "**Sanctions Authorities**") including any sanctions or requirements imposed by, or based upon the obligations or authorities set forth in, the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Criminal Code* (Canada), the *Freezing of Assets of Corrupt Foreign Officials Act* (Canada), the *Foreign Extraterritorial Measures Act* (Canada), the *Export and Import Permits Act* (Canada);
- (iii) "**Sanctions List**" means persons or entities that are listed or designated in any Sanctions;
- (ijj) "**Settlement**" means the movement and reconciliation of funds between the Issuer and the Networks in accordance with the Rules in respect of Prepaid Card Transactions;
- (kkk) "**Term**" has the meaning set forth in Section 17.1;
- (lll) "**Transaction**" means a Prepaid Card transaction that is processed through the Networks and its members or through the Issuer including (if applicable) Loads, purchases and cash withdrawals;
- (mmm) "**Tri Party Agreement**" means the agreement between the Issuer, the Program Manager and the Processor, substantially in the form of Schedule 3.1;
- (nnn) "**Velocity Parameters**" are the parameters specified by Issuer from time to time with respect to a Cardholder's use of a Pre-Paid Card and may include:
- Maximum balance on a Prepaid Card;
 - Maximum number of Loads allowed per calendar day per Prepaid Card;
 - Maximum number of Loads per calendar month per Prepaid Card;
 - Minimum amount per Load;

Maximum amount per Load;
Maximum daily cumulative amount of all Load transactions per Prepaid Card;
Maximum monthly cumulative amount of all Load transactions per Prepaid Card;
Maximum lifetime cumulative amount of all Load transactions per Prepaid Card;
Maximum number of POS transactions per calendar day per Prepaid Card;
Maximum amount per POS transaction;
Maximum daily cumulative amount of all POS transactions per Prepaid Card;
Maximum monthly cumulative amount of all POS transactions per Prepaid Card;
Maximum number of ATM transactions per calendar day per Prepaid Card;
Maximum amount per ATM transaction;
Maximum daily cumulative amount of all ATM transactions per Prepaid Card;
Maximum monthly cumulative amount of all ATM transactions per Prepaid Card.

(ooo) "Visa" means collectively, Visa Inc. and Visa Canada Corporation.

1.2 Section and Schedule References

Unless the context otherwise requires, references in this Agreement to Sections, Exhibits or Schedules are to Sections, Exhibits or Schedules of this Agreement. For greater certainty, any references to "this Agreement" includes the Schedules and Exhibits hereto and shall also include each Program Letter entered into by the Parties in respect of Programs offered under this Agreement. The Exhibits and Schedules to this Agreement as at the date of this Agreement are as follows:

Exhibit A	Identification Verification Procedures
Exhibit B	Suspicious Transaction Procedures
Schedule 1	Form of Program Letter
Schedule 3.1	Principles of Tri Party Agreement
Schedule 4	Due Diligence Requirements (Distributors and Retailers)
Schedule 6.5	Flow of Funds; Card Proceeds and Card Income
Schedule 14.2	Form of CRS Certification
Schedule 14.3	Compliance Attestation
Schedule 14.7	Subcontractor Requirements

1.3 Reliance

All covenants, agreements, indemnities, warranties and representations set forth herein or in any certificate or other instrument or document required to be delivered by or on behalf of either Party

hereto (except if subsequently replaced, amended or withdrawn prior to any detrimental reliance thereon) shall be deemed to have been relied upon notwithstanding investigations heretofore or hereafter made by the other Party.

1.4 Headings and Table of Contents

The division of this Agreement into Articles and Sections, the insertion of headings, and the provision of any table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day.

1.7 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in Canadian Dollars and any payment contemplated by this Agreement, unless otherwise specified, shall be made by cash, certified cheque or any other method that provides immediately available funds. Unless otherwise stated, all payments due on a particular day must be received and available not later than 10:00 a.m. (Eastern Time) on the due date and any payment made after that time shall be deemed to have been made and received on the next Business Day.

**ARTICLE 2
PREPAID CARD PROGRAM**

2.1 The Program

The purpose of this Agreement is to describe the terms and conditions under which the Parties will operate Prepaid Card Programs and to define the distribution of Program Revenues in respect of such Programs. Specifically:

- (a) Program Manager will act as program manager for all of the Programs and will promote and market the Programs to Clients, Retailers and/or Distributors. For each Program the Program Manager wishes to implement, it will communicate the details of such Program to the Issuer for approval. The Issuer will have sole discretion, acting reasonably, to accept or reject any Program proposed. All Programs must comply with Applicable Laws or will not be approved by the Issuer.

Program in order that the Networks may determine whether the Issuer has sufficient ownership and control of the Prepaid Card Program.

2.5 Marks

Program Manager acknowledges and covenants with the Issuer that in respect of the Marks of any Network:

- (a) the Networks own such Marks;
- (b) it will not challenge such ownership or do anything inconsistent with such ownership;
- (c) its license to use such Marks is governed by the Rules and, with respect to its use of the Marks, Program Manager will comply with and will cause each Client, Distributor or Retailer to comply with the terms and conditions of such regulations as they may be amended or replaced from time to time;
- (d) it will ensure that use of such Marks will be for the benefit of and on behalf of the applicable Network;
- (e) it will complete and cause each Client, Retailer and Distributor to complete any documentation or execute any agreements required by the Networks in respect of the such Marks, in the form provided to Program Manager;
- (f) it will and it will ensure that each Client, Retailer and Distributor limits its use and display of such Marks to the Prepaid Card and the Collateral Material;
- (g) if it or any Client, Distributor or Retailer prepares material to promote the Prepaid Card Program that contains any such Marks, it will do so only pursuant to direct instructions from the Issuer, if any, and it will provide to the Issuer, for its review and prior approval, all proposed uses of such Marks;
- (h) it will provide samples of a Prepaid Card or any related Collateral Material or any Program materials produced or used by Program Manager or any Client, Distributor or Retailer upon request to the applicable Network(s) or its representatives as appropriate.

2.6 Networks – Withdrawal of Consent

The Parties acknowledge that a Network may withdraw its consent to the Prepaid Card Program if either

- (a) the Issuer or the Program Manager or any Distributor or Client violates the Rules, any Affinity Agreement, or the terms of this Agreement; or
- (b) Program Manager (or any Client or Distributor) does not meet the conditions of the Rules for approval of the use of its name or Marks on the Prepaid Cards and on any related Collateral Material.

The Parties agree to advise each other promptly of any notice of default received from any Network and to cooperate on any remedy required by a Network.

2.7 Violation of Prepaid Card Program Regulations

The Parties acknowledge that if a Network determines that any applicable provisions of the Rules have been violated by either of the Parties or by a Client or a Distributor the Network(s) may:

- (a) require modification of any Prepaid Card Program, including:
 - (i) assignment of the Prepaid Card Program to a third party; or
 - (ii) suspension or termination of the Prepaid Card Program;
- (b) impose fines or terminate the Prepaid Card Program on 30 days written notice; or
- (c) terminate the Prepaid Card Program, with at least 60 calendar days prior written notice to the Issuer and Program Manager.

If a Network provides notice that it intends to terminate a Prepaid Card Program, the Parties will use commercially reasonable efforts to have the notice of termination withdrawn, but if such termination becomes effective then this Agreement will automatically terminate on the effective date, subject to Article 17 of this Agreement.

2.8 Establishment of Program Account

Issuer shall set up a Program Account for facilitating the flow of funds, receiving Cardholder Loads, making payment of Settlement to the Network and holding the Required Reserves. A separate Program Account shall be established for each Network in respect of which Prepaid Cards are issued under the Program.

2.9 Collection of Card Proceeds

Program Manager will be responsible for the daily collection of all Card Proceeds from Clients, Distributors and Retailers and otherwise from Prepaid Card sales, Loads and Activations and for the remittance of such Card Proceeds to the Program Account for Settlement by the Issuer. For clarity, 100% of all Card Proceeds must be deposited by Program Manager into the Program Account. Program Manager will be responsible for any shortfall in the amount of Card Proceeds required to be deposited into the Program Account.

2.10 Required Reserves

Program Manager agrees that it shall at all times during the term of the Agreement maintain in the Program Account, an amount equal to the greater of (i) the aggregate value of all Card Proceeds for all amounts anticipated to be Loaded on Prepaid Cards under all Programs under this Agreement for any three day period, determined by the Issuer in its sole discretion; and (ii) an amount equal to the aggregate value of 1% of the balance of all Prepaid Cards in circulation issued under this Agreement (such amount, the "Required Reserves"). At the end of every month after the Effective Date or after implementation of a new Program and whenever a new Client,

Distributor or Retailer is added to a Program, the Issuer shall re-examine and reassess the Required Reserves based on the daily Card Proceeds received or anticipated to be received under the Programs at such time and may make adjustments to the Required Reserves as it deems appropriate. For clarity, any adjustments to the Required Reserves are meant to ensure that the Issuer has sufficient reserves to cover a three day period in the event that Program Manager does not transfer funds to the Program Account for 100% of the Card Proceeds as contemplated in this Agreement and that in all circumstances it maintains cash collateral of at least 1% of the aggregate value of the balance of all Prepaid Cards issued under this Agreement as required by the Rules. Program Manager shall deposit the Required Reserves into the Program Account prior to the commencement of the Program and whenever the Required Reserves are adjusted.

The Issuer shall use its best efforts to advise Program Manager of the Required Reserves 30 days before the anticipated commencement of a new Program or the addition of a new Client, Distributor or Retailer.

On each Business Day, if the Program Manager fails to deposit the Card Proceeds in the Proceeds Account, the Issuer shall have the right to transfer an amount equal to the amount required by the Issuer to effect Settlement from the Program Account. The amount transferred shall be replenished by the Program Manager the same Business Day.

Any and all interest which accrues on the funds maintained in the Program Account is for the benefit of the Issuer and shall not be counted as part of the Required Reserves. The Issuer shall be entitled to withdraw all interest accumulated on the Program Account at any time at its discretion. All account maintenance and other fees or charges assessed by the bank managing the Program Account shall be paid by the Program Manager. If any account maintenance or other fees or charges are withdrawn from the balance maintained in the Program Account by the managing bank, the Program Manager shall within one (1) Business Day deposit an amount into the Program Account equal to such fees or charges.

Upon termination or expiry of this Agreement and after all obligations of the Program Manager have been fulfilled hereunder, any amounts remaining on account of the Required Reserves shall be promptly returned to the Program Manager.

The Issuer is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply amounts on deposit in the Program Account to satisfy the obligations of the Program Manager under this Agreement and under any Program Letter.

2.11 Security

As security for the obligations of the Program Manager hereunder and under all Program Letters, the Program Manager hereby assigns, mortgages, charges and pledges to and otherwise grants to the Issuer a security interest in the Required Reserves in the Program Account.

2.12 Letter of Credit Security

The Program Manager shall, if provided in a Program Letter, provide to the Issuer an irrevocable standby letter of credit drawn upon one of Canada's six largest Canadian Schedule I chartered banks in form and substance satisfactory to the Issuer in the amount set out in the Program Letter

providing for a term expiring six months after the end of the initial Term (the "Letter of Credit"). The Letter of Credit shall be held by the Issuer as security for the payment and performance of the obligations of the Program Manager under this Agreement and under each Program Letter including, for certainty, the obligation to deposit the Card Proceeds to the Program Account as set out in section 2.10. In the event that this Agreement is renewed, the Program Manager will, if requested by the Issuer, arrange to have a new Letter of Credit issued or have the existing Letter of Credit renewed, in both cases, with a maturity date of at least six months after the end of any renewal term.

2.13 Non-exclusive Agreement

Nothing in this Agreement shall create or shall be construed as creating an exclusive relationship between the Program Manager and the Issuer. For greater certainty, and without limiting the foregoing, during the Term of this Agreement: (i) the Program Manager shall have the right to perform program management and any other services for or on behalf of any sponsoring or issuing financial institution for any purpose including in connection with any prepaid card programs; and (ii) Issuer shall have the right to engage any other Person to manage prepaid card programs.

2.14 Suspended Cards/Card Balances

Program Manager agrees that is shall not be entitled to remove any Cards with balances from the database of the Processor or refund any Card balances to any Cardholder, Distributor, Retailer or otherwise without the express written consent of the Issuer.

ARTICLE 3 THE PROCESSOR

3.1 The Processor

The parties agree that the Processor of record for the Program shall be set out in the Program Letter. The Program Manager shall (i) retain and be responsible for the relationship with the Processor, (ii) enter into the Processing Agreement directly with the Processor; and (iii) be responsible for all costs of the Processor for the Program. As a condition precedent to issuing any Prepaid Cards under this Agreement, the Processor must, prior to or concurrent with the execution of this Agreement, enter into a Tri-Party Agreement with the Issuer and the Program Manager based on the principles set out in Schedule 3.1 to this Agreement.

3.2 The Processing Agreement

The Program Manager shall ensure that the Processing Agreement requires that the Processor:

- (a) backs-up the Program Database, and all other information it maintains in connection with the Program on a commercially reasonable basis and stores such back-up materials in a safe and secure environment that is fit for the back-up media;
- (b) maintains and monitors the Program Database, telephone voice response systems, and all other repositories used in connection with each Program through qualified personnel using security measures no less than current industry standards to prevent loss, alteration

or unauthorized access to data hosted or transmitted in connection with web sites and the databases;

- (c) maintains a tested business disaster recovery plan to provide contingency backup of the Program Database, telephone voice response systems, reporting services, all other repositories of information relating to the Program and related services and processes in order to maintain program integrity in the event of a business interruption; and
- (d) maintains a PCI DSS certification with the Network and as may be demonstrated annually through a Qualified Security Assessor attestation.

3.3 ICA/BIN Liability

The Program Manager shall also ensure that the Processing Agreement expressly requires that the Processor: (i) perform real-time daily and periodic review of each Program and the Prepaid Card activity of each Program for potential misuse and discrepancies of the Program, including reviews of negative balances, excessive usage, refunds, consecutive transactions, unauthorized transactions, foreign transactions, and immediate Cardholder use; (ii) deliver to the Program Manager a copy of its fraud monitoring report upon request from the Program Manager and (iii) provide and maintain all software, services, supporting interfaces, and any modifications, new releases, updates and enhancements which are used in connection with processing Prepaid Card transactions as contemplated in this Agreement.

3.4 Change of Processor

The Program Manager must obtain the consent of the Issuer to change the Processor. Any consent provided by the Issuer will be subject to the new processor executing an agreement, in substance similar to the Tri-Party Agreement and providing the Issuer with similar rights thereunder. Any Processing Agreement will be subject to the provisions of this Article 3.

3.5 Issuer Access

The Processing Agreement shall provide the Issuer with immediate electronic access to the Cardholder Data and Prepaid Card Transaction data and any other data relating to the Issuer in respect of the Program residing on the system of the Processor.

ARTICLE 4 DUTIES OF PROGRAM MANAGER

4.1 Program Marketing

The Program Manager will develop new Programs and promote and market such Programs to prospective Clients, Distributors and Retailers. The Program Manager shall be responsible for any costs and expenses that it incurs in promoting and marketing the Programs.

4.2 Distributor Approval and Termination

The Program Manager shall not engage a Distributor unless the Distributor has been pre-approved in writing by the Issuer, such approval being at the Issuer's sole discretion acting reasonably and without delay. The Program Manager shall be responsible for its own due diligence process with respect to its approval of new Distributors, including the Distributor's ability to conform to Applicable Laws, the Rules and any other requirements set out in the applicable Program Letter. The minimum due diligence requirements for onboarding Distributors are set out in Schedule 4.

In the event the Issuer determines that a Distributor is not in compliance with the Applicable Laws, the Rules or the applicable Program Letter, then the Program Manager shall terminate the Distributor Agreement it has with that Distributor as soon as reasonably practicable following receipt by the Program Manager of a written Distributor termination notice from the Issuer. In addition, as soon as reasonably practicable following receipt by the Program Manager of a written Distributor termination notice, the Program Manager shall use commercially reasonable efforts to: (i) suspend Distributor's ability to activate, Load or reload Cards; and (ii) no later than twenty (20) Business Days following receipt by the Program Manager of the written Distributor termination notice, remove the Prepaid Cards from the Distributor. The Program Manager shall arrange for the return of all unactivated Prepaid Cards from such Distributor and shall pay all reasonable collection and shipping charges. The Prepaid Cards shall be shipped to the Program Manager in accordance with the Rules.

4.3 Distributor Agreements

The Program Manager shall not implement a Program with a Distributor unless the Program Manager and the Distributor have entered into a Distributor Agreement, in a form pre-approved by the Issuer, governing the implementation and operation of the Program. The Program Manager shall ensure that the terms of the Distributor Agreement comply with the requirements for each Program stated in this Agreement and in the applicable Program Letter and do not contravene any term of this Agreement or the applicable Program Letter.

4.4 Retailer Approval and Termination

The Program Manager shall not enter into a Retailer Agreement with, or distribute Prepaid Cards to, any prospective Retailer that has not been pre-approved in writing by Issuer, such approval being at the Issuer's sole discretion and not to be unreasonably withheld. The Program Manager shall be responsible for its own due diligence process with respect to its approval of new Retailers, including the Retailer's ability to conform to Applicable Laws, the Rules and any other requirements set out in the applicable Program Letter. The Program Manager shall make all information gathered during their due diligence process available to the Issuer upon request. The minimum due diligence requirements for onboarding Retailers are set out in Schedule 4.

In the event the Issuer determines that a Retailer is not in compliance with the Applicable Laws, the Rules or the requirements set out in the applicable Program Letter, then the Program Manager shall terminate the Retail Agreement it has with that Retailer as soon as reasonably practicable following receipt by the Program Manager of a written Retailer termination notice from the Issuer. As soon as reasonably practicable following receipt by the Program Manager of a written Retailer

termination notice, the Program Manager shall use commercially reasonable efforts to: (i) suspend Retailer's ability to Activate and Load Prepaid Cards; and (ii) no later than twenty (20) business days following receipt by the Program Manager of the written Retailer termination notice, remove the Prepaid Cards from display at the participating stores of such Retailer. The Program Manager shall arrange for the return of all unactivated Prepaid Cards and shall pay all reasonable collection and shipping charges. The Prepaid Cards shall be shipped to the Program Manager in accordance with the Rules.

4.5 Retail Agreement

The Program Manager shall not implement a Program with a Retailer unless the Program Manager and the Retailer have entered into a Retail Agreement governing the implementation and operation of the Program. The terms of the Retail Agreement shall comply with all requirements for the Program stated in this Agreement and in any applicable Program Letter and shall not contravene any provision of the Agreement. The Retail Agreement must include sections that cover the secure inventory, storage and distribution of Prepaid Cards as required by the Rules.

4.6 Card Distribution and Inventory Controls

In each Program, the Program Manager shall manage the purchase of Prepaid Card stock and the delivery of Card stock to Distributors, Clients and/or Retailers. The Program Manager shall ensure that Prepaid Cards are manufactured, stored and distributed using a Network approved facility as required by the Rules and Issuer's guidelines. The Program Manager shall be responsible for the costs if any of manufacturing, storage and distribution facility certifications by the Networks as may be required from time to time. The Program Manager shall be responsible for the costs of Prepaid Card stock, shipment of Prepaid Card stock and destruction of Prepaid Card stock. Without limiting the generality of the foregoing, the Program Manager will:

- (a) be responsible for the delivery of Regulated Prepaid Cards to the address specified by Cardholder following successful completion of the Program Manager's Cardholder verification process and compliance with the requirements of Exhibit A and the CRS Certification;
- (b) train and instruct appropriate employees at all Distributors and Retailers in (i) product knowledge and sales processing so that they are able to respond to consumer inquiries in respect of Prepaid Cards, and if contemplated by a Program fulfill a sale or Load of a Prepaid Card; (ii) providing Cardholders with all required disclosures including the Cardholder Agreement and card carrier; and (iii) the requirements set out in Section 14.1, to the extent applicable;
- (c) comply with, and ensure that each Distributor, Client and Retailer complies with, the Rules, including with respect to the physical security standards and shipping and packaging standards set out therein.

4.7 Card Sales

Issuer shall not be responsible for any cost and expenses incurred by the Program Manager in connection with the sale and marketing of Prepaid Cards to Cardholders.

4.8 Database Management

The Program Manager shall, through the Processor, maintain a database (the "Program Database") for the purpose of receiving and storing information received from Merchants, Distributors, Clients and Retailers concerning Prepaid Card activity, including the Prepaid Card purchase date, transaction history, and balance. Unless a longer time period is required by Applicable Law, the Program Manager shall ensure that this information is maintained for a period of seven (7) years after the earlier of (a) the expiration date of the Prepaid Card, if any, or (b) the date the Prepaid Card has a zero balance.

4.9 Cardholder Disputes

The Program Manager shall be responsible for handling Cardholder disputes relating to the Cards and the Program, including receiving, processing, logging and resolving all Cardholder complaints and disputes, on a timely basis and in accordance with the Rules.

4.10 Cardholder Complaints / Litigation

The Program Manager shall promptly report to Issuer any written Cardholder complaint received by the Program Manager relating to any Prepaid Cards or Programs. To the extent that such information is available, such report shall include the name and address of the complaining Cardholder, a brief summary of the Cardholder's complaint, and if resolved, a brief summary of how the complaint was resolved. The Program Manager shall promptly report to Issuer any litigation, court proceedings or regulatory actions filed or taken against the Program Manager, or to the knowledge of the Program Manager, against any other Person, relating to a Prepaid Card or Program.

4.11 Customer Service

The Program Manager shall provide for adequate and professional customer service and administration support for all Prepaid Cards issued under a Program.

4.12 Financial Statements

The Program Manager agrees that it will make available its quarterly and annual audited financial statements to the Issuer no later than fifteen (15) business days after such financial statements are available. The information acquired under this Section shall be considered and treated by Issuer as Confidential Information subject to Section 11.1.

4.13 Relationship with Clients, Distributors and Retailers

Program Manager will be responsible for promoting the Programs to Retailers, Clients and Distributors and for managing the overall relationships with participating Retailers, Clients and Distributors. In that regard, Program Manager shall serve as a first point of contact for all questions or queries of participating Retailers, Clients and Distributors in respect of the sale, Loading or issuance of Prepaid Cards. Program Manager shall ensure that it has sufficient personnel available to assist it in training and responding to questions of Clients, Retailers and Distributors in respect of the Prepaid Cards.

4.14 Set-up

In Programs that use a Distributor or a Retailer, the Program Manager shall make commercially reasonable efforts to ensure proper Distributor and Retailer set-up and training for the sale and Activation of Cards as well as appropriate security and fraud controls.

4.15 Regulated Prepaid Cards

The Program Manager shall be responsible for the registration procedures that enable a Prepaid Card to become a Regulated Prepaid Card in accordance with the Rules. The Program Manager agrees that such procedures shall include compliance with Section 14.1 (b) and 14.2 of this Agreement. The parties agree that any Load processes or mechanisms (including web pages) used to Load reloadable Prepaid Cards for any Program shall be set out in each Program Letter.

4.16 Contingency Plans and Disaster Recovery

Program Manager will establish and have in place a business continuity, disaster recovery plans and procedures intended to ensure continuation of its duties and obligations under this Agreement in the event of problems affecting Program Manager's operation, including systems breakdown, natural disaster and other adverse events, temporary or permanent, where Program Manager fails to continue to perform its duties and obligations under this Agreement ("Contingency Plans"). The Contingency Plans and associated backup systems will be commensurate with the risk of a service disruption, and will provide for provision to the Issuer of all records necessary to allow it to sustain business operations, meet its statutory obligations, and provision of all information in its possession to the Issuer as may be required by FISCO or DICO to meet its legislated mandate, in the event Program Manager is unable to continue to perform its duties and obligations hereunder. Program Manager will notify the Issuer regarding any significant changes to its Contingency Plans or when it encounters other circumstances that may have a serious impact on the information or data processed and maintained by it for the Programs. Program Manager will regularly and no less than once per calendar year, test such Contingency Plans and notify the Issuer regarding the results of such tests (including providing to the Issuer a copy of Program Manager's or its disaster recovery service provider's test simulation results with respect to the processing of relevant records or information or an attestation that the test simulation has been completed successfully).

4.17 Network Rules

Program Manager agrees that it will comply, and will cause each participating Client, Retailer and Distributor to comply, with all Rules in respect of its obligations hereunder (and the obligations of the participating Client, Retailer and Distributor). Program Manager agrees to implement, and shall ensure that each participating Client, Retailer and Distributor implements, all inventory management controls for any and all Prepaid Cards that are maintained in its possession, or in any Client, Retailer or Distributor's possession.

4.18 Requirements For Program Manager

Program Manager acknowledges that as a condition to the offering of Programs under this Agreement, Program Manager will be responsible for:

- (a) taking all steps necessary to register with the Networks (and be approved by the Networks) as a third party agent;
- (b) taking all steps necessary to register each Client and Distributor with the Networks, as required whether as a marketer and distributor or otherwise; and

Program Manager acknowledges that all costs, both one time and annual for registration with the Network, shall be for the sole expense of Program Manager. The Parties acknowledge Program Manager's registration and continuing the Network approved status is required by the Rules and is required for the continuing operation of the Agreement.

4.19 Compliance with Law

Program Manager shall comply with and be responsible for compliance with all Applicable Laws and all Rules which are applicable to Program Manager's provision of program management services under the Program and Program Manager's other responsibilities under this Agreement and under all Program Letters. Program Manager shall retain all required records from Clients, Retailers and Distributors in respect of the Programs. Program Manager shall be responsible for ensuring the Programs are compliant with Applicable Laws. Program Manager shall also ensure that all Clients, Distributors and Retailers comply with and shall be responsible for such Parties compliance with Applicable Laws and all Rules which are applicable to such Parties in respect of the Program.

4.20 Velocity Parameter Requirements

The Program Manager shall ensure that the Processor implement(s) such Velocity Parameters that Issuer requires to be implemented in respect of any particular Program as outlined in each Program Letter.

4.21 Other Responsibilities

Program Manager shall have such other responsibilities in respect of the Programs as set out in each Program Letter.

ARTICLE 5 DUTIES OF THE ISSUER

5.1 Card Services

The Issuer agrees to provide the Card Services in respect of the Prepaid Cards as noted in this Agreement and in any Program Letter.

5.2 Memberships in Payment Network

The Issuer will support the sponsorship and registration of Program Manager as an agent of the Issuer with the Networks. The Issuer will manage the overall relationship with the Networks to ensure Program compliance with the Rules and proper Settlement of Transactions.

5.3 Compliance

The Issuer shall be responsible for ensuring that the Prepaid Cards and the Cardholder Agreements are compliant with Applicable Laws.

5.4 Oversight

At all times, Issuer shall be responsible for supervising and overseeing the Program Manager's performance of services and its obligations hereunder.

5.5 Cardholder Agreement

The Issuer shall be responsible for drafting the Cardholder Agreement for each Program (in consultation with the Program Manager). The Issuer agrees that, subject to Applicable Law, to impose conditions that are commercially reasonable.

**ARTICLE 6
CARDS**

6.1 Card Design

The Prepaid Card design must comply with the requirements specified in the Rules as may be amended from time to time. Program Manager shall facilitate and develop the Prepaid Card design and shall forward such designs to the Issuer for its and Network's approval. The back of every Prepaid Card must identify the Issuer as the issuer of the Card.

6.2 Owner and Issuer of Prepaid Card

The Prepaid Card must clearly disclose the Issuer is issuing and is the owner of the Prepaid Card, and it must be clear from the design of the Prepaid Card that the Prepaid Card is issued by the Issuer and not by Program Manager or any Client.

6.3 Artwork

The costs and expenses in respect of any artwork used as part of the Prepaid Card design shall be for the sole cost and expense of Program Manager.

6.4 Card Terms and Conditions

The Prepaid Cards and all fees charged in connection therewith must be compliant with Applicable Laws. The fees charged in respect of any Program shall be set out in the Program Letter.

6.5 Funding of Prepaid Cards

Program Manager agrees that the Daily Balance Reports of the Processor, which provide the amounts of all Prepaid Card balances Loaded onto Prepaid Cards on any given day, and the monthly reports of the Processor (the "**Monthly Fee Reports**"), which provide the amounts of all fees generated in connection with the Program in any given month shall be evidence of the Card Proceeds and Card Income on any given day, (except in respect of any suspended Cards or Card

balances) or other matters that are not properly reflected on the Monthly Fee Reports. Program Manager agrees to forward to the Issuer, in the manner contemplated by Schedule 6.5 of this Agreement (and each Program Letter), the required Card Proceeds as reflected on the Daily Reports.

6.6 Disclosure

Program Manager agrees with the Issuer that it shall ensure that every Prepaid Card that is delivered to a Cardholder will be accompanied with:

- (a) the card carrier approved by the Issuer, which card carrier sets out all amounts, including without limitation, fees and charges, which are to be paid by a Cardholder with respect to a Prepaid Card and other instructions for the user; and
- (b) the Cardholder Agreement prepared by the Issuer.

Upon receipt of notice in writing from the Issuer, the Program Manager will permit the Issuer to make such reasonable investigations and inspections of Prepaid Program related internal records of Program Manager and each Distributor, Client or Retailer as the Issuer deems necessary or desirable in order to assess the adequacy of Program Manager's compliance with the consumer disclosure requirements described in this section. It is the Issuer's intent that every recipient is provided with a Cardholder Agreement and full and complete information on the Prepaid Card and its terms of use.

6.7 Taxes

All fees and other amounts payable by Program Manager or the Issuer under this Agreement, and under each Program Letter are exclusive of all taxes, duties, levies, or charges of any kind imposed by any federal or provincial or local government entity, including HST/GST.

ARTICLE 7 COLLATERAL MATERIAL AND COMMUNICATION

7.1 Preparation of Collateral Material

Program Manager shall, be responsible for the development and preparation of Collateral Materials (other than the Cardholder Agreement which shall be prepared by the Issuer) in respect of the Program. All Collateral Materials must comply with Applicable Laws and Rules and must be approved in writing by the Issuer, and if required, by the appropriate Network. The Issuer will be responsible for ensuring all Collateral Materials comply with Applicable Law.

7.2 Requirements for Collateral Material

The Parties agree that any Collateral Material will make clear that the Prepaid Cards are issued by the Issuer and not Program Manager nor any Client, Retailer or Distributor and that on all Collateral Material:

- (a) the corporate name or trade name of the Issuer will be clearly disclosed as the owner and the issuer of the Prepaid Card; and
- (b) Program Manager will not state or imply that the Prepaid Card is owned or issued by Program Manager or any Distributor, Client or Retailer.

7.3 Networks

Program Manager acknowledges and agrees that the Issuer may submit any Collateral Material, including solicitations, print advertisements and telemarketing scripts regarding the Prepaid Card Programs to the Networks at their request.

ARTICLE 8 LICENSING OF INTELLECTUAL PROPERTY

8.1 Grant of Limited License to Marks

The Issuer hereby grants to the Program Manager a limited non-exclusive, revocable license to use its Marks and otherwise make use of the Issuer's intellectual property and proprietary information solely for the purposes of carrying out the Program Manager's obligations pursuant to the terms of this Agreement and each Program Letter, when used in the furtherance of the Program.

8.2 Grant of Limited License to Intellectual Property of the Program Manager

The Program Manager hereby grants to the Issuer a non-exclusive, revocable license to use the Program Manager's Marks, intellectual property and proprietary information solely for the purposes of carrying out the Issuer's obligations pursuant to the terms of this Agreement and each Program Letter, when used in furtherance of the Program.

8.3 Acknowledgement of the Issuer's Intellectual Property

The Parties acknowledge and agree that all intellectual property belonging to the Issuer, including but not limited to the Issuer's Marks remain the exclusive property of the Issuer, and may not be used by the Program Manager without the express written consent of the Issuer if such use is not in furtherance of this Agreement as contemplated in Section 8.1 above.

8.4 Acknowledgement of the Program Manager's Intellectual Property

The Parties acknowledge and agree that all intellectual property belonging to the Program Manager, including, but not limited to Program Manager's Marks, shall remain the exclusive property of the Program Manager, and may not be used by the Issuer without the express written consent of the Program Manager if such use is not in furtherance of this Agreement and each Program Letter as contemplated in Section 8.2 above.

8.5 Acknowledgement re: Clients' Intellectual Property

The Program Manager represents to the Issuer that in respect of any Marks of any Distributor, Client or Retailer used in connection with the design or advertisement of a Prepaid Card, it has

obtained the express written consent of the Client, Distributor and/or Retailer, as the case may be, for the use of the Marks in connection with the design of the Prepaid Cards and for all related Collateral Materials. Before the Issuer approves the issuance of any Prepaid Cards where the Marks of a Client, Distributor or Retailer are to be used, the Client, Distributor and/or Retailer, as applicable, must provide the Issuer with a letter or other written acknowledgement approving the design of the Prepaid Cards and allowing the Issuer to display the Marks on the Prepaid Card as contemplated.

8.6 Prior Consent

Notwithstanding anything in this Article 8, neither Party will use the Marks of the other Party in any way without the prior written consent of the other Party on each specific use, which consent will not be unreasonably withheld or delayed.

8.7 Cease to Use Marks

Upon termination of this Agreement, the Parties will use commercially reasonable efforts to immediately cease to display the Marks of the other Party, except with the consent of the Parties in the context of a wind down of any Program or this Agreement as contemplated under Article 17.

ARTICLE 9 ACKNOWLEDGEMENT

9.1 Acknowledgement by Program Manager

Program Manager hereby acknowledges as follows:

- (a) the Issuer's involvement with the Programs is to provide the Card Services with respect to the Prepaid Cards, and in connection therewith, the Issuer is acting solely as the issuer named on the Prepaid Cards and does not in any way endorse or promote any promotion, campaign or other criteria for delivery of the Prepaid Cards to Cardholders, as may be established by Program Manager;
- (b) the Issuer shall have no responsibility to Program Manager for the commercial success or failure of any Prepaid Card Program offered pursuant to this Agreement;
- (c) neither the Issuer nor any of its officers, directors, employees, agents or representatives has made any representation as to any benefits that result from Prepaid Card programs;
- (d) neither Program Manager nor any of its officers, directors, partners, employees, agents or representatives has acted or is acting as the Issuer's agent and none of them has any right or power to bind the Issuer or make any representation or warranty on the Issuer's behalf; and
- (e) Program Manager will assume all responsibility and liability for the Prepaid Card Programs and the Prepaid Cards, except for liabilities or losses resulting from the Issuer's negligence, gross negligence, or wilful misconduct, or breach of this Agreement.

Program Manager will take precautions and will ensure that each Distributor, Retailer or Client, as the case may be, takes precautions to protect the Prepaid Cards from theft, loss or damage at all times, prior to acceptance by Cardholder.

- (f) the Program Manager agrees that (as between the Program Manager and the Issuer) the Program Manager shall be responsible and liable for all expenses associated with any losses for over limit processing. Cardholder or value load fraud, under floor limit processing, or any efforts associated with fraud or unauthorized transactions recovery in connection with same under Applicable Law.

ARTICLE 10 INDEMNIFICATION AND LIMITATION OF LIABILITY

10.1 The Program Manager

The Program Manager shall defend, indemnify and hold harmless Issuer and its Affiliates, officers, directors, agents, employees, parents and subsidiaries, from any and all Claims, including, without limitation, third party Claims costs and damages, arising from or relating to: (i) the Program Manager's and all Clients, Distributors and Retailers or all third party contractors retained by the Program Manager (collectively, the "PM Parties"), gross negligence, willful misconduct or fraud; (ii) any breach or alleged breach by the Program Manager of any of its obligations under this Agreement (including under any Program Letter) or any breach by any PM Parties of their obligations under any Distributor Agreement, Retail Agreement or otherwise; (iii) any breach or alleged breach by the Program Manager of any of its covenants or representations and warranties under this Agreement and under any Program Letter (even if the Program Manager had subcontracted an obligation or service or otherwise); (iv) any act or omission of the Program Manager or any PM Parties that violates Applicable Laws or the Rules; (v) any data privacy breach or related cyber-crime resulting from the Program Manager's breach of its obligations under this Agreement or under any Program Letter or any Distributor's, Retailer's or Client's data breach in respect of their Prepaid Card arrangements with the Program Manager or otherwise; (vi) any failure on the part of the Program Manager or any PM Contractor to comply with or discharge any of their obligations or liabilities due or owing to a third party, including the Program Manager to a PM Party and/or (vi) the Program Manager's infringement of any patent, copyright or trademark or other proprietary right of a third party. The Program Manager will not be liable for any Claim to the extent any such Claim is the direct result of fraud, willful misconduct or gross negligence on the part of the Issuer or by any of Issuer's officers, directors, employees or agents, or the failure of Issuer to comply with, or to perform its obligations under this Agreement or under any Program Letter.

10.2 Issuer

Issuer shall defend, indemnify and hold harmless the Program Manager and its Affiliates, officers, directors, agents, employees, parents and subsidiaries, from any and all Claims, including without limitation, third party Claims, arising from or relating to: (i) Issuer's gross negligence, willful misconduct or fraud; (ii) any material breach or alleged material breach by Issuer of any of its obligations under this Agreement or under any Program Letter; (iii) any breach or alleged breach by Issuer of any of its representations and warranties under this Agreement or under any Program

Letter; (iv) Issuer's violation of Applicable Laws; and/or (v) Issuer's infringement of any patent, copyright or trademark or other proprietary right of a third party. Issuer will not be liable for any Claim to the extent any such Claim is the direct result of fraud, embezzlement, criminal activity, willful misconduct or gross negligence on the part of the Program Manager or by any of the Program Manager's officers, directors, employees or agents or by any of the Program Manager's PM Contractor's, or as a result of the failure of the Program Manager to comply with, or to perform its obligations under this Agreement or under any Program Letter.

10.3 Indemnification Procedures

If an indemnitee intends to seek indemnification under this Article, such indemnitee shall give notice of such claim to the indemnifying Party, including a brief description of the amount and basis therefore, if known. Upon giving such notice, the indemnifying Party shall be obligated to defend the indemnitee against such Claim, and shall be entitled to assume control of the defense of the Claim with counsel chosen by the indemnifying Party, reasonably satisfactory to the indemnitee. Indemnitee shall cooperate fully with, and assist, the indemnifying Party in its defense against such claim in all reasonable respects. The indemnifying Party shall keep the indemnitee fully apprised at all times as to the status of the defense. Notwithstanding the foregoing, the indemnitee shall have the right to employ its own separate counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnitee. Neither the indemnifying Party nor any indemnitee shall be liable for any settlement of an action or Claim that is reached without its consent.

10.4 Limitations of Liability

Except for liabilities arising from confidentiality breaches, data breaches, and breaches of the Rules and Applicable Laws, neither Party shall be liable to the other Party or any of its Affiliates, officers, directors, agents, employees, parents and subsidiaries for: (i) any indirect, incidental, consequential, punitive or exemplary damages; and/or (ii) and that portion of the direct damages arising from or relating to this Agreement that exceeds an amount equal to the aggregate fees actually earned by the Program Manager in the twelve (12) month period prior to the date such claim arose; provided, however, that the limitations set forth in this Section shall not apply to or in any way limit the third party indemnity obligations under Sections 10.1 and 10.2 of this Agreement.

10.5 Disclaimers of Warranties

Each Party specifically disclaims all warranties of any kind, express or implied, arising out of or related to this Agreement, including without limitation, any warranty of marketability, fitness for a particular purpose or non-infringement, each of which is hereby excluded by agreement of the Parties.

10.6 No Special Damages

Except as otherwise expressly provided in this Agreement, in no event will either Party be liable under any theory of tort, contract, strict liability or other legal or equitable theory for any lost profits, exemplary, punitive, special, incidental, indirect or consequential damages, each of which

is hereby excluded by agreement of the Parties regardless whether the Party has been advised of the possibility of such damages, unless these damages are assessed as part of an indemnified claim.

ARTICLE 11 CONFIDENTIALITY

11.1 Disclosure of Confidential Information

Each Party acknowledges that it has, or may become privy to, certain Confidential Information of the other Party. Each Party will, at all times, keep such Confidential Information of the other Party in strict confidence and will not, without the prior written consent of the other Party, directly or indirectly, disclose or make available to any Person for any use whatsoever, any Confidential Information, other than to a Person who:

- (a) is an officer, director, partner, employee, agent or consultant of such Party and who has been placed under an obligation of confidentiality by such Party similar to that contained in this Section 11.1; and
- (b) has a genuine need to know such Confidential Information to facilitate the services to be provided in connection with the Prepaid Cards and Programs.

Notwithstanding the foregoing, to the extent that a Party is advised by legal counsel in a written legal opinion that it is required by law to disclose any Confidential Information to any judicial, administrative, governmental or other authority, such Party will be permitted to do so, provided that notice of the requirement to disclose and a copy of the legal opinion is first delivered to the other Party in a timely manner, so that the other Party may seek a protective order or take any other appropriate action.

11.2 Use of Confidential Information

The Parties will not use any Confidential Information of the other disclosed hereunder for any purpose other than to carry out their respective obligations under this Agreement.

11.3 Return of Materials

Upon the termination or expiration of this Agreement, or at any time upon the request of a Party, the other Party shall return (or destroy if so directed by the other Party) all Confidential Information in the possession of such Party or in the possession of any of its Affiliates or any of its or its Affiliates' directors, officers, employees, agents, consultants or advisors, unless such destruction or return would result in said Party violating Applicable Law or order. If destroyed, such destruction of Confidential Information shall be designated by a certificate executed by an officer of the Party which was responsible for such destruction.

**ARTICLE 12
CUSTOMER INFORMATION**

12.1 Personal Information

The Parties acknowledge that in connection with the Program Manager's provision of Program management and marketing services to Issuer, the Program Manager may, on behalf of Issuer, collect, use, store, disclose and otherwise process Personal Information of Cardholders ("Cardholder Data"). In respect of such Cardholder Data, the Program Manager agrees to:

- (a) not use such Cardholder Data for any purpose other than as necessary to provide the Program management and marketing services and other services provided under this Agreement;
- (b) not disclose such Cardholder Data or otherwise permit access to or make such Cardholder Data available to any person except:
 - (i) as necessary to provide the Program management and marketing services; or
 - (ii) as required by Applicable Laws or a valid court order or other binding requirement of a competent governmental authority, provided that in any such case: (A) Issuer is notified in writing of any such requirement and (B) the Program Manager provides reasonable assistance to Issuer in any attempt by Issuer to limit or prevent the disclosure of the Cardholder Data; and
- (c) so long as the Program Manager remains in possession, custody or control of such Cardholder Data, use reasonable physical, organizational and technological security measures that are appropriate having regard to the sensitivity of the information to protect such Cardholder Data against loss, theft and unauthorized access, disclosure, copying, use, modification or disposal.
- (d) immediately inform the Issuer of (i) any loss, theft or accidental or unauthorized access, disclosure, copying, use, or modification of such Cardholder Data and (ii) any disclosures of such Cardholder Data made or proposed to be made that are required by Applicable Law unless specifically prohibited by Applicable Law or court order not to disclose such information to the Issuer;
- (e) immediately refer to the Issuer any person who contacts the Program Manager seeking access or correction to or with any inquiries or complaints about Cardholder Data, and immediately notify the Issuer regarding any such request, inquiry or complaint;
- (f) without limiting the foregoing, in connection with the activities and duties of the Program Manager under this Agreement, comply at all times with the *Personal Information Protection and Electronic Documents Act* (Canada), as amended from time to time, and any other federal or provincial legislation now in force or that may in the future come into force in Canada governing the protection of Personal Information in the private

sector applicable to the Program Manager or to the activities contemplated under this Agreement.

To the extent of any conflict or inconsistency between this Section 12.1 and Article 11, this Section 12.1 shall prevail.

12.2 Distributors, Clients and Retailers

The Program Manager shall remain responsible for ensuring all Distributors, Clients and Retailers adhere to and comply with all applicable Privacy Laws and CASL. Further, the Program Manager shall indemnify and hold harmless the Issuer from any and all claims arising from or relating to the contravention of said laws by the Distributors, Retailers and Clients as set out in Section 10.1 herein.

ARTICLE 13 COMPENSATION AND EXPENSES

13.1 Compensation

The distribution of Program Revenues for each particular Program shall be set out in each Program Letter. Program Manager shall be required to reimburse the Issuer for the Program Expenses and pay the Issuer for all service fees and other amounts set out in each Program Letter and in this Agreement and shall otherwise be responsible for payment of all amounts payable by it hereunder, and all amounts owed by it to any Clients, Distributors and Retailers regardless of the amount of the Program Revenues.

13.2 Expenses of the Issuer

The Issuer will be solely responsible for the following expenses for all Programs:

- (a) membership fees related to the Issuer's own membership in the Networks;
- (b) any fine or penalty assessed by any Regulatory Authority or the Networks to the extent due to Issuer's actions, inactions or omissions; and
- (c) other expenses in respect of any Program that it has agreed to pay that may be outlined in the applicable Program Letter.

13.3 Expenses of Program Manager

Program Manager will be solely responsible for the following expenses for all Programs:

- (a) any fine or penalty assessed by any Regulatory Authority or a Network to the extent due to Program Manager's or any Distributor, Retailer or Client's actions, inactions, or omissions;

- (b) any fees charged by the Networks in relation to Program Manager's and any Distributor's, Retailer's or Client's registration, as applicable, as a marketing agent or service provider of the Issuer;
- (c) all expenses associated with the performance of its obligations under this Agreement including for greater certainty, all obligations under Article 4;
- (d) all costs (including third party costs and expenses) associated with the advertising and marketing of any Prepaid Card or Program under this Agreement and in connection with the preparation of Collateral Material;
- (e) all other Program Expenses;
- (f) Program Manager's own costs and overhead generated from its participation in the Programs in accordance with the terms of this Agreement and from its supervision and oversight of Clients, Retailers and Distributors;
- (g) the service fees and other fees payable to the Issuer under all Program Letters and this Agreement; and
- (h) any other expenses in respect of any Program for which Program Manager is responsible as may be outlined in this Agreement or in any Program Letter.

ARTICLE 14 COMPLIANCE

14.1 Anti-Money Laundering Compliance

- (a) Program Manager shall, during the term of this Agreement, comply with the Issuer's anti-money laundering procedures set out in Exhibits A and B in connection with the sale and Loading of Prepaid Cards. Furthermore, Program Manager shall comply with all reasonable requests from the Issuer concerning anti-money laundering matters. The Issuer shall be entitled at any time and from time to time to update Exhibits A and B and to impose any additional requirements on the Program Manager that are necessary in order for the Issuer to remain in compliance with the AML Policy and the requirements of Applicable Law, and Program Manager agrees to comply, and, if required, cause the Clients, Retailers or Distributors to comply, with any such amendments or modifications.
- (b) In connection with the sale of Prepaid Cards, Program Manager shall, on behalf of and as agent for the Issuer, subject to the Issuer's reasonable procedures and requests as communicated to Program Manager from time to time:
 - (i) ensure that it (A) collects identifying information (comprising name, address, telephone number, date of birth and occupation of every Cardholder that receives a Regulated Prepaid Card, and (B) complies with the identification verification procedures set out in Exhibit A in respect of every Regulated Prepaid Card; and (C) perform screening under Sanctions

- of all Regulated Prepaid Cardholders to ensure that no Cardholder is listed on any Sanctions List;
- (ii) deliver to the Issuer within ten (10) Business Days all information obtained in respect of identification verification by the Program Manager for a Regulated Prepaid Card in accordance with the foregoing procedures;
 - (iii) provide it with fraud reports of the Processor on a timely basis, and in any event, within 5 Business Days of receipt of same by the Program Manager.
- (c) The Issuer shall be entitled to exercise audit rights according to Article 15 to ensure compliance with this Section 14.1.

14.2 CRS Compliance

As part of the process for the enablement of a Prepaid Card to become a Regulated Prepaid Card, the Program Manager shall ensure that it shall request and obtain the CRS Certification from the Cardholder in the form of Schedule 14.2 and provide a copy of such Certification to the Issuer within 10 Business Days of receiving such Certification.

14.3 Compliance Attestation

In connection with its compliance practices, Program Manager shall deliver to the Issuer within 14 Business Days of the Effective Date of this Agreement and annually thereafter, a completed Compliance Attestation in the form of Schedule 14.3.

14.4 Monitoring

Program Manager agrees that as part of its obligations hereunder it shall be required to monitor, in accordance with Exhibit B, all Transactions (including through arrangements with the Processor) and any and all transactions and dealings with its co-contracting parties (including Distributors, Clients and Retailers) for any activity or Transaction that occurs or is attempted in respect of which there are reasonable grounds to suspect that the transaction or Transaction is related to the commission of a money laundering offence (including fraud) or terrorist financing offence, as both such terms are defined in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

In the event that the Program Manager becomes aware of any such activity it shall report such activity directly to the Issuer within 5 Business Days of becoming aware of same in accordance with Exhibit B and take such further action as may be directed by the Issuer acting reasonably.

Upon receipt of a report of suspicious activity by the Issuer with respect to a Prepaid Card, Program Manager agrees that the Issuer may disallow further activities on the Prepaid Card.

14.5 Performance Measures

Program Manager will perform its duties and obligations hereunder with promptness and diligence and in a professional and workmanlike manner. In the event that the Issuer desires to impose performance standards which are more stringent in nature than these utilized by Program Manager, the Issuer shall communicate such standards to Program Manager. Program Manager will consider the Issuer's additional standards and shall meet with the Issuer so as to determine what additional

standards are to be implemented by Program Manager and a timetable for the implementation of such standards. Program Manager shall implement such additional standards in accordance with the agreed upon timetable.

14.6 Insurance

Program Manager shall maintain in full force and effect for the term of this Agreement, at its sole cost and expense, comprehensive insurance coverage appropriate for its obligations under this Agreement and contract liability coverage for this Agreement, including without limitation:

- (i) commercial general liability, errors and omissions for any one loss or occurrence;
- (ii) employee/contractor bonding (including coverage for employee dishonesty, employee fraud, and computer fraud); with sufficient limits of liability which will respond to losses caused by the dishonest acts of Program Manager or Program Manager's employees;
- (iii) Technology Professional Liability (Errors and Omissions) Coverage. Technology professional liability coverage appropriate to the Program Manager's business and which at a minimum provides coverage for claims arising from:
 - (A) a negligent or wrongful act, breach of duty, error or omission arising out of or made in the rendering or failure to render the services as described in this Agreement; and
 - (B) theft of personally identifiable non-public information that is in the care, custody and control of Program Manager that is related to the Cardholders.

The limits of the coverage shall be not less than \$1,000,000 per occurrence or such amount that may be set out by the Issuer in the Program Letter and subject to an annual aggregate of the amount set out in the Program Letter.

Program Manager shall maintain such insurance without modification at all times during the term of this Agreement and for a period of one (1) year after the effective date of the termination or expiration of this Agreement, and shall be responsible for any deductible and excluded loss under such insurance. The Program Manager shall provide evidence of such insurance coverage to the Issuer from time to time at the request of the Issuer.

14.7 Subcontracting/Resale

Program Manager may not engage any subcontractor (other than individual independent contractors hired by Program Manager from time to time in the ordinary course of business) in the fulfilment of its obligations under this Agreement, without the prior written approval of the Issuer. Any approval of the Issuer will be subject to the conditions of Schedule 14.7.

14.8 General

Each Party covenants and agrees it will comply with all Applicable Laws and Rules that relate to their respective duties and obligations pursuant to this Agreement in their participation in the Program, including the PCI DSS.

14.9 Jurisdictions

For each Program, it may only be offered in the provinces set out in the Program Letter.

**ARTICLE 15
AUDITS/COMPLIANCE**

15.1 Audits/Compliance

- (a) The Issuer and its regulators (including FISCO and DICO) shall be entitled, at the Issuer's cost and upon reasonable notice, to conduct audits of Program Manager in order to confirm Program Manager's compliance with its obligations under this Agreement and under each Program Letter including, without limitation, under Sections 14.1, 14.3, 14.8 and Schedule 4 and with all Applicable Laws (including Privacy Laws and CASL), and of Program Manager's internal control environment as it relates to the performance of Program Manager's duties and obligations hereunder and under each Program Letter including, for clarity, the Program Manager's security measures to protect Cardholder Data. Any such audits shall be performed no more frequently than one time per calendar year, unless otherwise requested in writing by government regulators. In addition to the foregoing, the Issuer shall be entitled to conduct audits of Program Manager upon reasonable notice, upon the occurrence of non-compliance by Program Manager in respect of required funds transfers to the Program Account(s) within 24 hours of the funding requirements (a "Triggering Event"). Any audits performed by the Issuer as a result of a Triggering Event shall be at the cost of Program Manager.
- (b) Regulatory Authorities (including FISCO and DICO) shall be entitled to exercise the audit rights of the Issuer set out in this Section 15.1, and shall be entitled to make copies of any internal audit reports (and associated working papers and recommendations) prepared by or for Program Manager in respect of its and their duties contemplated hereunder, subject to such regulators agreeing to execute appropriate confidentiality documentation in form and content satisfactory to Program Manager.
- (c) Should a Network require it, Program Manager agrees and will permit the Network or its designees to conduct financial and procedural audits and general reviews of Program Manager or its service providers, with respect to Program Manager's performance of its obligations and duties under the Agreement, at any time upon reasonable prior written notice, at Program Manager's costs (or should the Issuer be charged by the Network the costs of such an audit, then Program Manager hereby agrees to reimburse the Issuer).

15.2 Annual Audit

- (a) In addition to the audit rights set out in section 15.1, during the Term of this Agreement the Program Manager shall arrange for an annual audit of its business and practices (the "Annual Audit") to be conducted using a reputable independent third party service provider approved by the Issuer, acting reasonably. The Annual Audit shall verify the Program Manager's compliance with its duties and obligations under this Agreement, including as it relates to privacy and/or other laws in respect of the handling of personal information, compliance with PCI DSS, and its procedures and operations, including procedures and operations relating to the Program Manager's obligations in respect of anti-money laundering pursuant to section 14.1 and the CRS Certification Requirements pursuant to section 14.2. The Annual Audit will be performed one (1) time per calendar year with the first such audit performed to be performed on or before the first anniversary of the Effective Date. The Program Manager is solely responsible for all costs and expenses incurred in respect of the Annual Audit. The Program Manager shall provide the results of the Annual Audit and share the final audit report with the Issuer (including all underlying records and other information respecting such compliance) within 45 days of the completion of the Annual Audit.
- (b) In the event that the Program Manager does not arrange for the Annual Audit within the timelines set out in section 15.2(a), the Issuer shall, at the sole cost and expense of the Program Manager, arrange for an independent third party auditor to conduct the Annual Audit. The Program Manager agrees to provide such auditor with reasonable access to its records and facilities.
- (c) All information acquired by the Issuer from the Annual Audits shall be treated by the Issuer as Confidential Information subject to section 11.1.

**ARTICLE 16
REPRESENTATIONS AND WARRANTIES**

16.1 Representations and warrants of Program Manager

Program Manager represents and warrants to the Issuer as follows as of the Effective Date and each Program Letter Effective Date:

- (a) This Agreement and each Program Letter will be valid, binding and enforceable against Program Manager in accordance with its terms.
- (b) Program Manager is in good standing under its incorporating jurisdiction and is authorized to do business in all jurisdictions in which the nature of Program Manager's activities makes such authorization necessary.
- (c) Program Manager has the full power and authority to execute and deliver this Agreement and each Program Letter and to perform all its obligations under this Agreement and under each Program Letter. The provisions of this Agreement and each Program Letter and the performance by Program Manager of its obligations under this Agreement and under each Program Letter are not and will not be in conflict with Program Manager's

should Issuer determine in its sole discretion and acting reasonably that the continuation of the Agreement or one or more Programs will impose a reputational or financial risk to the Issuer. For further clarity reputational risk would include the Program Manager's failure to comply with Applicable Laws, including but not limited to the failing to comply with the AML Policy, the Rules or the PCI DSS; (B) if the Program Manager enters in a relationship with a Distributor, Retailer or Client for the purpose of distributing the Prepaid Cards or in the event that the Program Manager starts marketing of a Program to its current clients or prospect clients, without prior written approval by the Issuer; and (C) there shall have occurred any change in the business operations, property or financial or other condition of the Program Manager which has or could result in a Material Adverse Effect.

17.4 Survival of Certain Obligations

Termination of this Agreement or of any Prepaid Card Program shall not affect the rights and remedies of each Party accrued to the date of termination, nor will it affect any provision of this Agreement, which by its nature, should apply after termination, including the provisions of Section 2.9, Section 2.10, Section 2.11, Section 2.12, Article 10, Article 11, Article 12, Article 13, Section 14.6, Article 17, Article 18 and Article 19 will survive termination of this Agreement and continue in full force and effect.

17.5 Termination for Convenience

Either Party shall be entitled to terminate this Agreement (or any Prepaid Card Program set out in any Program Letter) if such Party determines in its reasonable discretion that such Program (or any features) may violate Applicable Law or that the costs associated with same have changed in such a manner so that such Party can no longer operate the Programs or such Program in a manner that is compliant with Applicable Laws or in a manner that is substantially in keeping with the intended economics of such Program by providing the other Party with six (6) months prior written notice (the date of such notice, the "Notice Date"). In the event of any such termination under this Section 17.5 (referred to in this Agreement as a "Notified Termination"), then in such circumstances, the Parties agree as follows:

- (a) The Parties shall provide all necessary assistance to each other to ensure a smooth and orderly wind down of the Prepaid Card Programs, or Program, as the case may be.
- (b) The Party who terminates the Agreement or any Program shall provide, at the Notice Date, a detailed business plan to the other Party which provides for the implementation of the wind down of the Prepaid Card Programs or Program. The business plan will set out the allocation of costs between the Parties associated with the wind down of the Programs, or such Program, as the case may be including detailed provisions on the handling of card inventory and other matters relating to the wind down. The Parties agree to cooperate in a reasonable manner to implement the business plan.

17.6 Termination Assistance

- (a) In the event of the expiry or termination of this Agreement, regardless of the cause, the Parties acknowledge that the Issuer remains liable to the Networks in connection with any issued Prepaid Cards which are valid, and therefore, notwithstanding any other

articles of incorporation, bylaws or any other agreement, contract, lease or obligation to which Program Manager is a party or by which it is bound.

- (d) There is no claim, action, suit or proceeding pending, or to the knowledge of Program Manager, contemplated or threatened against Program Manager or any of its affiliates which relates to or affects the transactions contemplated by this Agreement or any Program Letter; nor is there any judgment, decree, injunction, ruling or order of any court, government or any other regulatory authority outstanding against Program Manager which relates to or affects its duties and obligations hereunder or under any Program Letter.
- (e) The Program Manager is in compliance with PCI DSS and will maintain its compliance status during the Term. The Program Manager agrees to provide the Issuer with an Annual Qualified Security Assessor attestation, attesting to the Program Manager's PCI compliance.

16.2 Representations and Warranties of the Issuer

The Issuer represents and warrants to Program Manager as follows as of the Effective Date and each Program Letter Effective Date:

- (a) This Agreement is valid, binding and enforceable against the Issuer in accordance with its terms.
- (b) The Issuer is a credit union duly organized, validly existing and in good standing under the *Credit Union and Caisses Populaires Act* (Ontario).
- (c) The Issuer has the full power and authority to execute and deliver this Agreement and to perform all its obligations under this Agreement and under each Program Letter. The provisions of this Agreement and the performance by the Issuer of its obligations under this Agreement and under each Program Letter are not in and will not be in conflict with the Issuer's Letters Patent or bylaws or any other agreement, contract, lease or obligation to which the Issuer is a party or by which it is bound.
- (d) The Issuer is a member in good standing of the Networks and, to its knowledge, has obtained all necessary consents and approvals to enter into this Agreement and each Program Letter. In the event that any necessary consent or approval has inadvertently not been obtained, the Issuer will endeavour in its best efforts to obtain such consent or approval.

ARTICLE 17 TERM AND TERMINATION

17.1 Term

This Agreement is made as of the Effective Date set out on page one of this Agreement, and, unless earlier terminated in accordance with this Agreement, will have a term of thirty six months from such date and shall automatically be renewed for successive three year periods thereafter (the

“Term”) unless the Issuer or Program Manager terminates this Agreement effective at the conclusion of the initial term or any renewal period by written notice given to the other Party not less than four (4) months prior to the commencement of any such renewal period.

17.2 Termination

This Agreement will terminate:

- (a) upon the expiry of 3 Business Days of receipt by the Program Manager of written notice from the Issuer that the Program Manager is in breach of any of Sections 2.9 (Collection of Card Proceeds), 2.10 (Reserve Account), 2.12 (Letter of Credit Security), and 13.3 (Expenses of Program Manager), provided that the Program Manager has, in the reasonable opinion of the Issuer, failed to take adequate steps to remedy the breach within 2 Business Days of receipt of that notice;
- (b) upon the expiry of 30 days of receipt by Program Manager of written notice from the Issuer that Program Manager is in breach of a material and specified provision of this Agreement or any Program Letter provided that the Program Manager has, in the reasonable opinion of the Issuer, failed to take adequate steps to remedy the breach within 30 days of receipt of that notice;
- (c) upon the expiry of 30 days of receipt by the Issuer of written notice from Program Manager that the Issuer is in breach of a material and specified provision of this Agreement or any Program Letter provided that the Issuer has, in the opinion of Program Manager, failed to take adequate steps to remedy the breach within 30 days of receipt of that notice;
- (d) automatically upon:
 - (i) an Event of Insolvency of either Party; or
 - (ii) request of the Network in accordance with the Rules as described in Section 2.6;
- (e) at the option of either Party, upon termination or expiry of any licence, agreement or right required for the issuance of and provision of services in connection with a Program, provided such Party has provided 30 days prior written notice of termination;
- (f) Upon direction from any Regulatory Authority or a Network to cease or materially limit performance of the rights or obligations under this Agreement upon thirty (30) days' written notice, or sooner if required by Regulatory Authority.
- (g) If Program Manager is no longer approved and registered by the Networks as a third party agent.

17.3 Issuer's right to Terminate

In addition to the provisions of Section 17.2, Issuer shall have the right to terminate this Agreement, in whole or in part in respect of one or more individual Programs, immediately: (A)

provision hereof, the Issuer shall have the right to require Program Manager to perform its obligations hereunder with respect to previously issued Prepaid Cards as long as any Prepaid Cards bearing the Issuer name remain active. For clarity, notwithstanding any expiration or termination of this Agreement, Program Manager's obligations to remit Card Proceeds to the Proceeds Account and to maintain Required Reserves in the Reserve Account and maintain the Letter of Credit as required by this Agreement, or any Program Letter shall continue until all Card Proceeds have been collected and remitted.

- (b) Upon any expiration or termination of this Agreement, Issuer shall immediately cease issuing, and the Program Manager will immediately will cease (and will cause each Distributor, Client and/or Retailer, as the case may be to cease) promoting the sale and Loading of, new Prepaid Cards under this Agreement. The Program Manager shall use commercially reasonable efforts to gather or cause the destruction of all unused inventory of Prepaid Cards that identify Issuer as the Prepaid Card issuer.
- (c) The Parties agree, in the event of termination of this Agreement, regardless of the cause, to cooperate to provide a smooth and orderly wind-down of the Programs. In the event that the Program is terminated for any reason, the Program Manager will terminate its arrangements with Distributors, Clients and Retailers.
- (d) The Parties agree that, depending on the circumstances, and at the Issuer's sole and absolute discretion, only a specific Prepaid Card Program set out in any Program Letter may require termination. Accordingly, in those circumstances, the applicable Program Letter and the arrangements set out therein may be terminated but this Agreement and any other Program Letters not terminated will remain in full force and effect.

ARTICLE 18 DISPUTE RESOLUTION

18.1 General

Any dispute arising out of or in connection with this Agreement will be referred to the senior management of both Parties, who will attempt to resolve such dispute. If the dispute cannot be resolved by senior management, either Party may make a written request to the other Party for the formal resolution of the dispute, specifying the nature of the dispute. Any such written request will be delivered by email, or in person within seven days of the meeting between the senior management of both Parties.

18.2 Mediation

Within 30 days of receipt of a written request pursuant to Section 18.1, the Parties agree to meet, for one day, with an impartial mediator and consider such dispute resolution alternatives other than litigation to resolve the dispute. The impartial mediator will be selected by mutual agreement of the Parties. If the Parties cannot agree to an alternative method of dispute resolution within 30 days of the one day mediation, either Party may commence litigation proceedings. Nothing in this Article 18 will prevent either Party from obtaining injunctive relief of a court of competent jurisdiction to protect its intellectual property rights or its confidentiality or privacy rights under this Agreement.

19.7 Time

Time is of the essence of this Agreement and all matters related to this Agreement.

19.8 Counterparts

This Agreement may be executed in one or more counterparts, each of which so executed will constitute an original and all of which will constitute one and the same agreement.

19.9 Notices

All notices and other communications required or contemplated by this Agreement to be made by either Party to the other must be made in writing and delivered by hand, by pre-paid courier, by registered or certified mail posted in Canada, or by email, as follows:

If to the Issuer, to:

PACE SAVINGS AND CREDIT
UNION LIMITED
8111 JANE STREET,
UNITS 1&2
VAUGHAN, ONTARIO
L4K 4L7

If to Program Manager, to:

XTM INC.
118 EGLINTON AVENUE WEST,
SUITE 340
TORONTO, ONTARIO
M4R 2G4

A notice shall be deemed to have been delivered as of the time when (i) personally delivered or sent by e-mail for courier and e-mail and (ii) three days after the date deposited or mail properly addressed for registered or certified mail.

19.10 Assignment

No right, interest or obligation of any Party as provided in this Agreement may be assigned, transferred or otherwise conveyed, legally or beneficially, without the prior written consent of the other Party, which consent will not be unreasonably withheld.

19.11 Further Assurances

The parties will do, execute, acknowledge and deliver all such further acts, documents and assurances as may be reasonably necessary or desirable to carry out what is contemplated by this Agreement.

19.12 Force Majeure

Neither Party shall be liable for a delay in performance or failure to perform any obligation under this Agreement to the extent such delay is due to causes beyond the control of that Party and is without its fault or negligence, including, but not limited to, acts of God, labor disputes, governmental requests, regulations or orders, utility or communications failure, delays in transportation, national emergency, war, civil commotion or disturbance, war conditions,

terrorism, fires, floods, storms, earthquakes, tidal waves, failure or delay in receiving electronic data, equipment or systems failure or communication failures.

19.13 Waiver

No terms or provisions hereof shall be deemed waived, and no variation of terms or provisions hereof shall be deemed consented to, unless such waiver or consent shall be in writing and signed by the Party against whom such waiver or consent is sought to be enforced. Any delay, waiver or omission by either Party to exercise any right or power arising from any breach or default of the other Party in any of the terms, provisions or covenants of this Agreement shall not be construed to be a waiver by a Party of any subsequent breach or default of the same or other terms, provisions or covenants on the part of the other Party.

19.14 Successors

This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective legal successors and permitted assigns.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

EXECUTED AND DELIVERED in the)	PACE SAVINGS & CREDIT UNION LIMITED
presence of the Witness:)	
M. Alexander)	Per: <u>Sandra Delabbio</u>
_____)	
Name M. Alexander)	Name: SANDRA DELABBIO
_____)	Title: CFO
12/07/18)	
_____)	
Date)	
)	

EXECUTED AND DELIVERED in the)	XTM Inc.
presence of the Witness:)	
_____)	Per: <u>Marilyn Schaffer</u>
Name)	Name: MARILYN SCHAFFER
_____)	Title: President
Date)	
)	

EXHIBIT A

Identification Verification Procedures

Introduction:

These Identification Verification Procedures (“Procedures”) apply to every individual who holds a Regulated Prepaid Card.

For the purposes of these Procedures, a Regulated Prepaid Card means a reloadable prepaid card that is issued by PACE Savings & Credit Union Limited (the “Issuer”) and that has been registered by the cardholder in accordance with the card network rules and entitles the holder to load and reload funds or value to the prepaid card and use the prepaid card for ATM withdrawals.

In accordance with its obligations under subsection 14.1(b) of the Card Program Management Agreement, Program Manager shall, on behalf of and as agent for the Issuer, subject to the Issuer’s reasonable procedures and requests as communicated to Program Manager from time to time:

- (A) collect the name, address, telephone number, date of birth and occupation of every individual that receives a Regulated Prepaid Card;
- (B) verify the identification collected from each individual that receives a Regulated Prepaid Card in accordance with one of the methods set out below; and
- (C) deliver to the Issuer within ten (10) Business Days all information obtained in respect of identification verification by the Program Manager for a Regulated Prepaid Card.

A. CLIENT IDENTIFICATION VERIFICATION METHODS (KNOW YOUR CUSTOMER or KYC)

There are three methods that can be used to verify the identification of cardholders:

- 1) Government-issued photo identification method
- 2) Credit file method
- 3) Dual process method

1) Government-issued photo identification method

To satisfy the Government issued photo identification requirement, one piece of photo identification issued by the federal, provincial or territorial government is required. Foreign government issued photo identification is also acceptable. Note that, municipal government issued identification, Canadian or foreign, is not permitted.

The identification document must be original (not a photocopy or electronic copy), current (not expired), valid (legitimate, authentic, unaltered), must have a unique identifier number and must include the individual’s name and photograph.

List of Acceptable Government issued Photo Identification

The following is a non-exhaustive list of examples of acceptable photo identification documents:

- Canadian or Foreign Driver's Licence
- Canadian or Foreign Government Issued Passport
- Canadian Citizenship Card (issued before February 1, 2012)
- Canadian Firearms Licence
- Canadian Forces Identity Card
- Canadian Permanent Resident Card
- Certificate of Indian Status Card
- British Columbia Services Card
- Provincial or Territorial identification card issued by:
 - Insurance Corporation of British Columbia (BC Identification Card aka BC ID)
 - Alberta Registries (Alberta Identification Card)
 - Saskatchewan Government Insurance (Saskatchewan Identification Card)
 - Manitoba Public Insurance (Manitoba Identification Card or Manitoba Enhanced Identification Card)
 - Ministry of Transportation of Ontario (Ontario Photo Card)
 - Department of Service Nova Scotia and Municipal Relations (Nova Scotia Identification Card)
 - Department of Transportation and Public Works of the Province of Prince Edward Island (Voluntary Identification (ID) Card)
 - Service New Brunswick (Photo Identification Card)
 - Department of Government Services and Lands of the Province of Newfoundland and Labrador (Photo Identification Card)
 - Department of Transportation of the Northwest Territories (Northwest Territories General Identification Card)
 - Department of Community Government and Transportation of the Territory of Nunavut (General Identification Card)
 - Yukon Highways and Public Works (Yukon General Identification Card)
- Health card issued by:
 - Quebec (Can be used only if the cardholder offers it as ID).

The Program Manager must personally view the identification document while in the presence of the cardholder in order to compare the cardholder with their photo. The name and photograph on the identification must match with the cardholder.

The Program Manager must record the following information:

- the individual's name;
- the type of card or document used (for example, driver's license, Canadian passport);
- the unique identifier number of the document or card;
- the issuing jurisdiction and country of the document;
- the expiry date of the document or card, if available (if the information appears on the document or card, it must be recorded); and
- the date on which the information was verified.

All documents must be recorded and attested to by the Program Manager.

2) Credit File Method

A Canadian credit file identification product can be used to confirm the identity of the cardholder provided that it has been in existence for at least three years, and the name, address and date of birth information all match.

Any credit file identification product relied on must be obtained directly from the service provider (i.e. Equifax or TransUnion) and not from the cardholder.

A third party vendor authorized by a Canadian credit bureau to provide Canadian credit information can also be used.

If the credit file method is used to verify the cardholder's identity, the following information must be recorded:

- Cardholder's name
- Name of the Canadian credit bureau holding the client file
- Name of third party vendor (if applicable)
- Reference number of the client file
- Date of verification

3) Dual Process Method

The dual process method involves using current, valid and original documents or information from two independent, reliable and reputable sources such as the government (federal, provincial, territorial or municipal), a Crown Corporation, financial institution or utility provider to verify a cardholder's identity.

Each document or information confirms one of the following (the two documents or information cannot confirm the same items):

- name and date of birth;

- name and address; or
- name and proof of an account in a Canadian financial institution.

Information issued by a single source cannot be relied upon, even if it confirms an account and contains the name, address and date of birth.¹ Therefore, the Program Manager must:

- use one source to verify the cardholder's name and address and a second source to verify name and date of birth;
- use one source to verify the cardholder's name and address and a second source to verify name and confirm a financial account; or
- use one source to verify the cardholder's name and date of birth and a second source to verify name and confirm a financial account.

Emailed originals of electronic documents or information are acceptable; scanned, faxed or photocopy of a paper statement is not acceptable. Further details about acceptable forms of document or information are in the next section, Application of Client Identification Verification Methods.

Please refer to the table below for examples of documentation, information and reliable sources of information that may be used when employing the dual process method.

In addition to keeping records of the individual cardholder's personal information (e.g., name, address, date of birth, etc.), the following information must also be recorded:

- the names of the two sources used
- the type of document/information that was used (e.g. hydro bill)
- the account number or reference number and
- the date of verification.

¹ For instance, a CRA document that contains the cardholder's name and address and a different CRA document that contains the cardholder's name and date of birth cannot be relied upon for the purposes of the dual process method, because the CRA is the same source for both documents.

Table – Examples of reliable sources of information under the dual process method to identify an individual – note that this is a non-exhaustive list

Documents or information to verify name and address Column A	Documents or information to verify name and date of birth Column B	Documents or information to verify name and confirm financial account Column C
<p>Issued by a Canadian government body</p> <ul style="list-style-type: none"> • Any card or statement issued by a Canadian government body (federal, provincial, territorial or municipal) <ul style="list-style-type: none"> ○ Canada Pension Plan (CPP) statement ○ Property tax assessment issued by a municipality ○ Provincially-issued vehicle registration • Benefits statement <ul style="list-style-type: none"> ○ Federal, provincial, territorial, and municipal levels • CRA documents: <ul style="list-style-type: none"> ○ Notice of assessment ○ Requirement to pay notice ○ Installment reminder / receipt ○ GST refund letter ○ Benefits statement <p>Issued by other Canadian sources</p> <ul style="list-style-type: none"> • Utility bill (for example, electricity, water, telecommunications) • Canada 411 • T4 statement • Record of Employment • Investment account statements (for example, RRSP, GIC) • Canadian credit file that has been in existence for at least 6 months • Product from a Canadian credit bureau (containing two trade lines in existence for at least 6 months) <p>Issued by a foreign government</p> <ul style="list-style-type: none"> • Travel visa 	<p>Issued by a Canadian government body</p> <ul style="list-style-type: none"> • Any card or statement issued by a Canadian government body (federal, provincial, territorial or municipal) <ul style="list-style-type: none"> ○ Canada Pension Plan (CPP) statement of contributions ○ Original birth certificate ○ Marriage certificate or government-issued proof of marriage document (long-form which includes date of birth) ○ Divorce documentation ○ A permanent resident card ○ Citizenship certificate ○ Temporary driver's license (non-photo) <p>Issued by other Canadian sources</p> <ul style="list-style-type: none"> • Canadian credit file that has been in existence for at least 6 months • Insurance documents (home, auto, life) • Product from a Canadian credit bureau (containing two trade lines in existence for at least 6 months) 	<p>Confirm that your client has a deposit account, credit card or loan account by means of:</p> <ul style="list-style-type: none"> • Credit card statement • Bank statement • Loan account statement (for example, mortgage) • Cheque that has been processed (cleared, non-sufficient funds) by a financial institution • Telephone call, email or letter from the financial entity holding the deposit account, credit card or loan account. • Identification product from a Canadian credit bureau (containing two trade lines in existence for at least 6 months) • Use of micro-deposits to confirm account

B. APPLICATION OF KYC METHODS

1) Face-to-Face Verification

When the Program Manager is verifying the identity of a cardholder in person (face-to-face) the government issued photo identification method should be the primary verification method used.

The credit file method or dual process method can be used if a cardholder is unable to present any government issued photo ID (such as a senior citizen without a driver's licence or a passport).

Using the dual process method in a face-to-face environment, an original paper or electronic document must be viewed, not a photocopy, faxed or a digitally scanned copy. The cardholder must have obtained or received the document directly from the issuer. The document must also be unaltered and valid in order to be acceptable. Any information on the document that has been redacted cannot be used.

Acceptable examples include:

- A utility bill sent to the cardholder by the utility provider via posted mail.
- A printed mortgage statement or hydro bill that was downloaded from the issuer's website or received by electronic mail from the issuer.
- An electronic document in its original format such as a .pdf (Adobe) or .xps (Microsoft viewer) received or downloaded from the cardholder's electronic device such as a smartphone, table or laptop.

2) Non-Face-to-Face Verification

When the Program Manager is verifying the identity of a cardholder in a non-face-to-face environment, such as online or via regular mail the credit file method or dual process method may be used to verify identity.

Using the dual process method for non-face-to-face applications, an original paper or electronic document must be viewed, not a photocopy, faxed or a digitally scanned copy. The cardholder must have obtained or received the document directly from the issuer. The document must also be unaltered and valid in order to be acceptable. Any information on the document that has been redacted cannot be used.

Acceptable examples include:

- A utility bill sent to the cardholder by the utility provider via posted mail.
- A printed mortgage statement or hydro bill that was downloaded from the issuer's website or received by electronic mail from the issuer.
- An electronic document in its original format such as a .pdf (Adobe) or .xps (Microsoft viewer) received from the issuer or downloaded from the issuer's website.

EXHIBIT B

Suspicious Transaction Procedures

Introduction:

In accordance with its obligations under subsection 14.1(b) of the Card Program Management Agreement, Program Manager shall, on behalf of and as agent for the Issuer, subject to the Issuer's reasonable procedures and requests as communicated to Program Manager from time to time, inform the Issuer in respect of any suspicious transactions or attempted suspicious transactions in accordance with the procedures set out in this Exhibit.

C. SUSPICIOUS TRANSACTIONS

Suspicious transactions are completed or attempted financial transactions that a person has reasonable grounds to suspect are related to the commission of a money laundering or terrorist financing offence.

If Program Manager has reasonable grounds to suspect that a completed or attempted financial transaction is related to the commission of a money laundering or terrorist financing offence, Program Manager will report that fact to Issuer immediately and provide the Issuer with any information that the Issuer needs to complete a suspicious transaction report.

D. SUSPICIOUS ACTIVITY RED FLAGS

There are some key symbols or red flags that could indicate suspicious activity in connection with the sale of prepaid cards. Red flags are certain behaviours or characteristics about a consumer and the transaction that could cause you to be concerned and suspicious about the true nature of the transaction.

The following are some examples of suspicious activity red flags in the retail sector:

- A customer who typically buys small ticket items has an unusually large amount of cash and is purchasing multiple prepaid cards for no apparent legitimate reason.
- Multiple customers seem to be breaking a larger sum of money into smaller amounts in order for each to be able to purchase a smaller number of prepaid cards.
- A customer uses two or more locations or cashiers in the same day in order to break one transaction into smaller ones.
- A customer wants to exceed the velocity parameter limits with one transaction, or attempts to break up the transactions into a number of smaller purchases.
- A customer offers bribes or tips.
- A customer admits to illegal activity.
- A credit card that the customer wants to use to pay for the product is not working through the POS machine. The customer would like you to call into the issuing bank with the phone number that they're providing.

An individual exhibiting one of these behaviours is not automatically considered a money launderer or terrorist, and a transaction that contains one or more of these characteristics is not necessarily an illegal transaction. A hurried or aggressive customer, for example, is not necessarily a criminal trying to launder money. However, a combination of several red flags together or a single red flag should put you on alert for additional indications that there could be something wrong about the transaction. Also, the context in which a transaction occurs is a significant factor in assessing suspicion.

E. SUSPICIOUS ACTIVITY REPORT

In the event that suspicious activity is suspected, complete the Suspicious Activity Report below with as much detail as can be attained. Once the report is completed contact the Issuer's **AML Compliance Officer – Gary Lockwood** at **905-660-2867/glockwood@pacecu.com** to provide details of the report, or fax this report to the attention of the Issuer's **AML Compliance Officer** at **905-738-8265**.

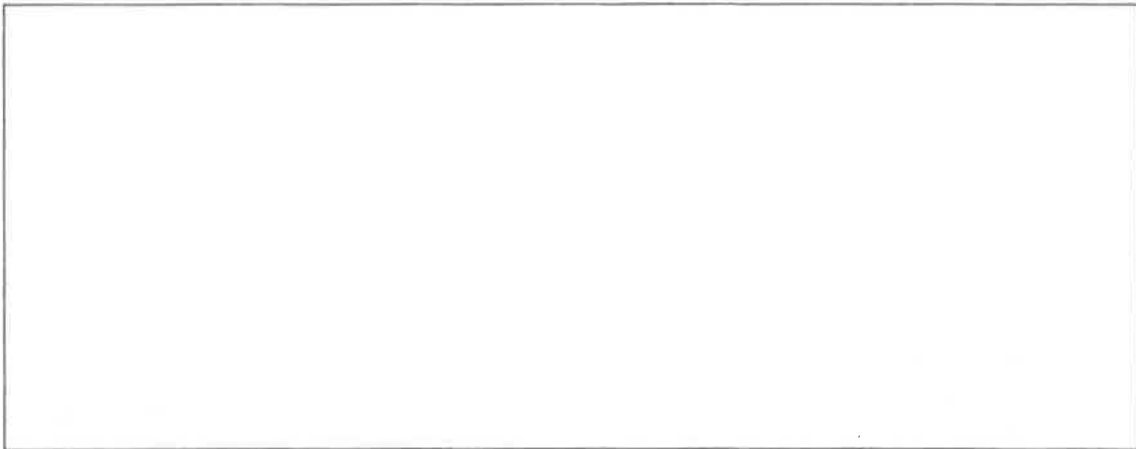
You must complete a Suspicious Activity Report and contact the Issuer within five (5) Business Days from the date of initial detection of the suspicious activity.

Never tell the customer that you suspect they are involved in money laundering or terrorist financing activity, or that you are completing a Suspicious Activity Report.

Suspicious Activity Report

Suspicious Activity Report completed by:	
Position:	
Contact Phone Number:	
Contact E-Mail:	
Report Details	
Date of Report:	
Subject Information (Please note: Provide all information that is regularly obtained from customer in the normal course. Do not ask for any additional information.)	
Subject Name and or relationship: (customer, employee, owner, etc.)	
Prepaid Card Number (if available):	
Amount of transaction:	
Suspicious Activity Information	
Date or date range of suspicious activity:	
Date unusual activity first detected:	
Date investigation completed:	
Total dollar amount involved:	
Summary of suspicious activity (mark ALL that apply):	<input type="checkbox"/> Structuring/Money Laundering ² <input type="checkbox"/> Bribery <input type="checkbox"/> Counterfeit Credit/Debit Card <input type="checkbox"/> Identity Theft <input type="checkbox"/> Other (specify) _____
Detailed Narrative*	

² Structuring is the act of breaking up large transactions into several smaller transactions to avoid providing personally identifying information. Money launderers may also attempt to trick employees into allowing them to structure transactions by splitting up transactions with several accomplices or by trying to “con” employees with a hard luck story. Employees need to be on the lookout for structuring so that they can prevent it from occurring.



*** The narrative should be completed as thoroughly as possible with the information available. It should include the “who, what, why, where and how” details of the activity.**

Be specific. Include all information about the transaction(s) even if they seem minor.

Some questions that you may want to consider are:

- **When did the suspicious activity take place? Did it occur over a period of time? Or, was it just one transaction?**
- **Where did the suspicious activity take place? The narrative should indicate if multiple locations were involved in the suspicious activity and provide the addresses or a description of those locations. The narrative should also specify if the suspected activity or transactions involve a foreign jurisdiction.**
- **Why do you think the activity is suspicious? The narrative should describe, as fully as possible, why the activity or transaction is unusual for the customer(s), considering the types of products and services offered by the agent, and drawing any applicable contrasts with the nature and normally expected activities of similar customers.**
- **How did the suspicious activity occur? The narrative should describe the method of operations of the subject conducting the suspicious activity. In a concise, accurate, and logical manner, the narrative should describe how the suspect transaction or pattern of transactions was committed.**

SCHEDULE 1

Form of Program Letter

This Program Letter forms part of, and is subject to and governed by the terms and conditions of, the Card Program Management Agreement (the "Agreement") between PACE Savings & Credit Union Limited and Program Manager dated as of July 12, 2018, as amended from time to time, and is entered into as of July 12, 2018 (the "Program Letter Effective Date") between the Issuer and Program Manager in respect of the XTM Mastercard Program (name of "Program").

ARTICLE 1

DEFINITIONS AND RELATIONSHIP TO AGREEMENT

1.01 Definitions

All capitalized terms used and not defined herein will have the meaning set out in the Agreement.

1.02 Program Letter

In addition to the terms and conditions in the Agreement that are applicable to each Program offered under the Agreement, the parties acknowledge and agree that this Program Letter sets out the specific terms and conditions that govern the Program and provides the form of Cardholder Agreement to be used for the Program. Except as expressly set forth herein, the Agreement remains in full force and effect in accordance with its terms.

ARTICLE 2

PROGRAM SPECIFICATIONS

2.01 The Program and Prepaid Card specifications are set out in Exhibit 2.01.

2.02 The Program set up details, including duties and costs, as well as the Prepaid Card activation, loading and reloading details and mechanics are set out in Exhibit 2.02.

2.03 Funding of Prepaid Cards

The Program Manager agrees to forward to the Issuer, in the manner contemplated by Schedule 6.5 of the Agreement and as described below, the Card Proceeds as reflected on the Daily Reports:

(1) *See Schedule 6.5*

2.04 Currency of Proceeds Accounts

Initial:

CAD Settlement Account

Additional: As mutually agreed upon.

2.05 Additional Program Accounts

In addition to the Program Account, the Program requires that the following additional deposit accounts be opened:

- (1) *N/A*

2.06 Processor

The Processor of record for the Program shall be *Fidelity Information Systems (FIS)*.

2.07 Velocity Parameters

In respect of the Program, the Program Manager shall ensure that the Processor implement(s) the Velocity Parameters set out in Exhibit 2.07.

2.08 Jurisdictions

This Program may only be offered in the following provinces or territories:

- (1) *All Canadian provinces and territories.*

ARTICLE 3 CARDHOLDER AGREEMENT

3.01 Form of Cardholder Agreement

The form of Cardholder Agreement that shall be used for this Program is set out as Exhibit 3.01.

ARTICLE 4 ADDITIONAL SECURITY

4.01 Letter of Credit

N/A

- (1) The Program Manager shall provide to the Issuer an irrevocable standby letter of credit (the "Letter of Credit") in accordance with Section 2.12 of the Agreement in the amount of \$N/A.
- (2) In the event the Agreement is renewed, the Program Manager will, if requested by the Issuer, arrange to have a new Letter of Credit issued or have the existing Letter of Credit renewed in accordance with Section 2.12 of the Agreement.

ARTICLE 5 FEES, EXPENSES AND COMPENSATION

The Transaction fees, distribution of Program Revenues and additional compensation and expenses payable in respect of the Program are set out in Exhibit 5.0.

**ARTICLE 6
ADDITIONAL OBLIGATIONS AND RESPONSIBILITIES**

6.01 Additional Duties of Issuer

In addition to the Card Services provided by the Issuer under the Agreement, the following additional Card Services shall be provided by the Issuer in respect of the **Program**:

- (1) *N/A*

6.02 Additional Duties of Program Manager

- (1) As part of its due diligence process with respect to its approval of new Distributors, the Program Manager shall be responsible for ensuring the Distributor's ability to conform to the following requirements in respect of the **Program**:

a. N/A

- (2) The Program Manager shall be responsible for ensuring that the Distributor Agreement complies with the following requirements in respect of the **Program**:

a. N/A

- (3) As part of its due diligence process with respect to its approval of new Retailers, the Program Manager shall ensure the Retailer's ability to conform to the following requirements in respect of the **Program**:

a. N/A

- (4) The Program Manager shall be responsible for ensuring that the Retail Agreement complies with the following requirements in respect of the **Program**:

a. N/A

**ARTICLE 7
REPRESENTATION AND WARRANTIES**

7.01 Additional Representations and Warranties of Program Manager

In addition to the representations and warranties given by the Program Manager in the Agreement, in respect of the **Program** and as of the Program Letter Effective Date, the Program Manager hereby represents and warrants to the Issuer as follows:

- (1) *N/A*

7.02 Additional Representation and Warranties of Issuer

In addition to the representations and warranties given by the Issuer in the Agreement, in respect of the **Program** and as of the Program Letter Effective Date, the Issuer hereby represents and warrants to the Program Manager as follows:

- (1) N/A

ARTICLE 8 GENERAL

8.01 Term and Termination

This Program Letter shall remain in full force and effect until terminated in accordance with the Agreement.

8.02 Insurance

In respect of the **Program**, the limits of the insurance coverage maintained by the Program Manager pursuant to Section 14.6 of the Agreement shall be *not less than \$1,000,000 per occurrence. PACE should be a named beneficiary of the policy.*

8.03 Conflict

In case of conflict between the Agreement and this Program Letter, the terms of this Program Letter shall prevail in respect of the **Program**.

IN WITNESS WHEREOF the parties have executed this Program Letter as of the Program Letter Effective Date.

**PACE SAVINGS & CREDIT UNION
LIMITED**

By: Sandra Delabbio

Name: Sandra Delabbio
Title: CFO

XFM INC.

By: Marilyn Schaffer

Name: Marilyn Schaffer
Title: President

EXHIBIT 2.01

SPECIFICATIONS

[Existing programs approved, updated/new programs to be approved at a later date]

Program and Card Details [NTD: Include any other relevant details for Program]	
Program Name	XTM MASTERCARD PROGRAM
Network Brand	MASTERCARD
Reloadable or Single Use	BOTH
Regulated Prepaid Card (Y/N)	YES
Card Currency(ies)	CAD
Card Denominations	TBA
ATM Cash Access (Y/N)	TBA
International Use (Y/N)	TBA
Customer Service Support Included (IVR/Web)	TBA
Card Package Includes	TBA
Card Design(s)	TBA
Association Marks	MASTERCARD, MAESTRO, CIRRUS

EXHIBIT 2.02

PROGRAM SET UP AND CARD MECHANICS

PACE:

- *Act as the issuing financial institution/Association BIN sponsor*
- *Administer Association relationship, accounts, and program approvals*
- *Manage deposit/settlement accounts*
- *Review and approval of program parameters and marketing materials (card artwork, cardholder agreement, digital assets, secure packaging, etc.)*

Program Manager:

- *Program development and strategy*
- *Program administration/operation*
- *Program funding*
- *Marketing and distribution*
- *Cardholder acquisition (including registration procedures to enable a Prepaid Card to become a Regulated Prepaid Card)*
- *Cardholder support (including development/maintenance of website and IVR, API integration; PIN management; chargeback processing; lost/stolen processing)*
- *Distributor/retailer support*
- *Risk & fraud management, AML/KYC compliance*
- *Administer relationship with processor*
- *Back-end infrastructure & networks*
- *Reporting*

EXHIBIT 2.07

VELOCITY PARAMETERS

[New programs to be approved as required]

EXHIBIT 3.01

FORM OF CARDHOLDER AGREEMENT

[New programs to be approved as required]

23173092.1

EXHIBIT 5

FEES AND COMPENSATION

In this Exhibit, all dollar amounts are in CAD dollars, unless specified otherwise.

Transaction Fees

Issuer and Program Manager shall mutually agree on the Transaction fees to be charged to Cardholders in connection with the **Program**. The Transaction fees for the **Program** shall *initially* be as follows. *The parties will review the Transaction fees as required but no less than on an annual basis and shall discuss in good faith whether to make any changes to the Transaction fees.*

[New programs to be approved as required]

Program Revenues

Program Revenues in respect of the **Program** shall be distributed among the Issuer and Program Manager as follows:



Additional Compensation Payable to the Issuer

In addition to the above Program Revenues, the Issuer shall be entitled to the following compensation in respect of the **Program**:

<i>Additional BIN setup</i>	
<i>Additional Program Approval</i>	
<i>Program Modifications</i>	
<i>Each additional card association</i>	

Additional Expenses of the Issuer

In addition to the expenses listed in Article 13 of the Agreement, the Issuer will be solely responsible for the following expenses for the **Program**:

- A. N/A

Additional Expenses of the Program Manager

In addition to the expenses listed in Article 13 of the Agreement, the Program Manager will be solely responsible for the following expenses for the **Program**:

- B.

Network fees

All network fees, including ATM interchange fees, program BIN fees and transaction fees

Third party fees

Bank settlement fees (TD Bank)

Loss expenses

Losses from negative balances, over limit processing, cardholder fraud, value load fraud and under floor limit processing

2. Minimum Monthly Payment

(see schedule 6.5)

Payment Terms

Invoice to be issued on the first of each month for the prior months fees and to be payable within 15 business days of receipt of invoice (schedule 6.5). Fee terms applied to Program effective upon public card issuance.

SCHEDULE 3.1

Principles of Triparty Agreement

1. The Issuer shall be provided with electronic access to the Program Database and Cardholder data and any other data relating to the Program residing on the system of the Processor.
2. Upon the instruction of the Issuer, the Processor shall follow all instructions of the Issuer in the same manner as if such instructions were issued by the Program Manager pursuant to the Processing Agreement.

SCHEDULE 4

Minimum Due Diligence Requirements (Distributors and Retailers)

When onboarding a new Distributor or Retailer:

- A. the Program Manager must keep a record for each Distributor or Retailer which includes the Distributor's or Retailer's name, address and general contact details, e.g., telephone number, fax number and website address, as well as name and specific contact details for the representative of the Distributor or Retailer that is the primary contact for the Program Manager;
- B. in the case of a Distributor or Retailer that is a corporation or other type of entity, the Issuer expects the Program Manager to confirm the existence of the Distributor or Retailer and to verify the beneficial ownership of the Distributor or Retailer;
- C. the Program Manager should review the policies and procedures of the Distributor or Retailer to have a firm understanding of the context in which the Prepaid Cards will be distributed and satisfy itself that no such distribution is made for any alleged improper or fraudulent purposes;
- D. the financial strength (e.g. most recent audited financial statements) of the Distributor/Retailer should be assessed and analyzed to ensure they are solvent and able to meet their liabilities as they fall due;
- E. the business reputation of the Retailer/Distributor must be considered as well as whether there is any pending litigation against them;
- F. the Retailer/Distributor's internal control environment should be assessed to ensure they can comply with their obligations under the arrangements with the Program Manager.

SCHEDULE 6.5

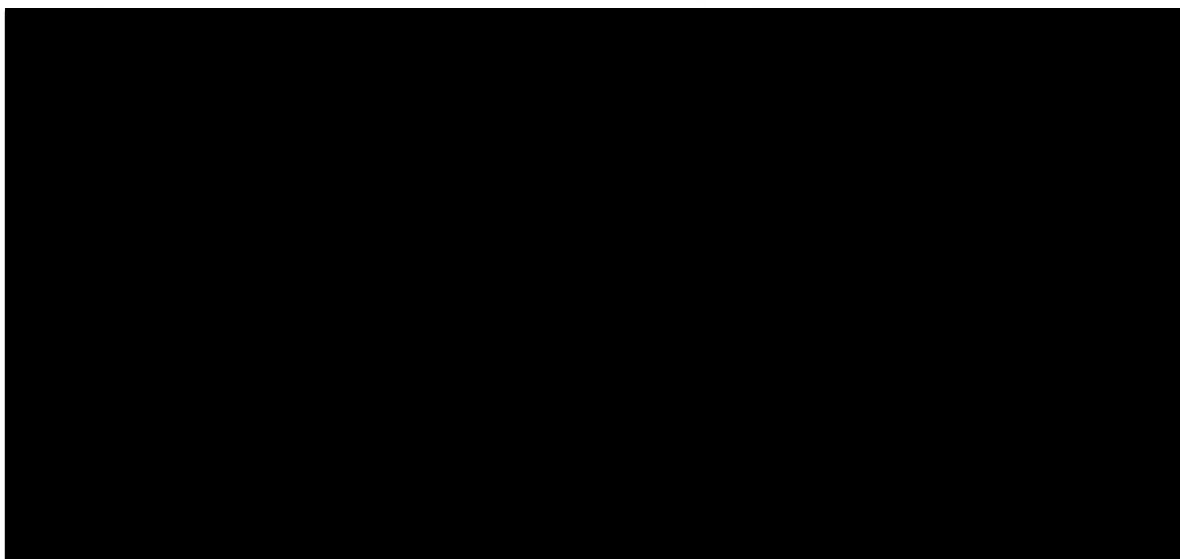
Flow of Funds; Card Proceeds and Card Income

FLOW OF FUNDS/CARD PROCEEDS

- *Card Proceeds will be sent to the Program Account upon clearing and compliance approval*
- *Sufficient funds must be on deposit in Program Accounts before value is loaded onto cards and made available*

FEES PAYABLE TO PACE

Per Transaction fee:



SCHEDULE 14.2

Form of CRS Certification

Part 1

Program Manager must obtain a CRS Certification from each Cardholder that receives a Regulated Prepaid Card. Where Issuer directs Program Manager that Issuer intends to collect and remit information to CRA regarding reportable individuals, Program Manager must insert this form of CRS Certification into an existing application/form where the Cardholder's name, address and date of birth are already being collected, or use Canada Revenue Agency Form RC520: <http://www.cra-arc.gc.ca/E/pbg/t/rc520/rc520-17e.pdf> to collect this information separately.

Declaration of tax residence

PACE Savings & Credit Union Limited ("PACE") is the issuer of your prepaid card and is required by Canadian law to collect this information. The collection of your personal information on this form is subject to Canadian privacy law and PACE's privacy policy.

Check all of the options that apply to you.

- I am a tax resident of Canada or the United States.
- I am a tax resident of a jurisdiction other than Canada or the United States.

If you checked this box, please provide the following information for each jurisdiction (please list all if more than one):

	Name of jurisdiction(s) of tax residence:	Tax Identification Number (TIN, e.g., social insurance number, social security number) or reason for not having a TIN*

*If you do not have a TIN for a specific jurisdiction, please indicate one of the following reasons why:

1. I have applied for a TIN but have not yet received it
2. My jurisdiction of tax residence does not issue TINs
3. Other (in which case please give another specific reason)

If you have any questions about completing this form please contact PACE at prepaidcards@pacecu.com.

Certification

By checking this box, I certify that the declaration of tax residence provided above is correct and complete as of the date of this certification and that I will notify PACE at prepaidcards@pacecu.com within 30 days if there is a change in my tax residency or in any other information given in this certification.

SCHEDULE 14.2

Form of CRS Certification

Part 2

Where Issuer directs Program Manager that Issuer does not intend to collect and remit information to CRA regarding reportable individuals, Cardholders who are tax residents of a jurisdiction other than Canada or the United States will not be eligible to receive a Regulated Prepaid Card. In such case, Program Manager must insert this form of CRS Certification into an existing application/form where the Cardholder's name, address and date of birth are already being collected.

Declaration of tax residence

PACE Savings and Credit Union Limited ("PACE") is the issuer of your prepaid card and is required by Canadian law to collect this information.

Check all of the options that apply to you.

I am a tax resident of Canada or the United States.

Certification

By checking this box, I certify that the declaration of tax residence provided above is correct and complete as of the date of this certification and that I will notify PACE at prepaidcards@pacecu.com within 30 days if there is a change in my tax residency.

I am a tax resident of a jurisdiction other than Canada or the United States.

If you checked this box, please contact PACE at prepaidcards@pacecu.com.

SCHEDULE 14.3

Compliance Attestation

Program Manager Compliance Attestation			
To:	PACE Savings & Credit Union Limited (the "Issuer")		
From:	XTM Inc. (the "Program Manager")		
Date:			
Re:	Card Program Management Agreement entered into between the Issuer and the Program Manager on June 22, 2018 , as amended (the "Agreement")		
<p>Capitalized terms used in this Compliance Attestation but not defined herein have the meaning given to them in the Agreement.</p> <p>Pursuant to the Agreement, the Program Manager is obligated to carry out certain compliance practices on behalf of and as agent for the Issuer in connection with the sale of Prepaid Cards.</p> <p>The Program Manager hereby confirms and attests that it has implemented the necessary practices, procedures and controls to ensure that it is carrying out each of the following obligations in accordance with the Agreement, and that it is in full compliance with each such obligation. Where "No" is checked for any obligation, further details are provide below under "Exceptions".</p>			
		Yes	No
	Collecting identifying information for every Cardholder that receives a Regulated Prepaid Card, as directed by the Issuer		
	Verifying identification of each Cardholder that receives a Regulated Prepaid Card in accordance with the Issuer's AML procedures set out in Exhibit A to the Agreement		
	Obtaining a CRS Certification from each Cardholder that receives a Regulated Prepaid Card		
	Screening the name of each Cardholder that receives a Regulated Prepaid Card against a Sanctions List		
	Monitoring Transactions and dealings with Distributors, Clients, Retailers and any other co-contracting parties for suspicious activity in accordance with the Issuer's AML procedures set out in Exhibit B to the Agreement		
	Providing the Issuer with all information in respect of Cardholder identification verification within 10 Business Days of such information being obtained by the Program Manager		
	Providing the Issuer with a copy of each CRS Certification obtained within 10 Business Days of such certification being obtained by the Program Manager		
	Providing the Issuer with reports of any suspicious Transactions or attempted suspicious Transactions within 5 Business Days of become aware of such suspicious activity, in the form and manner required by the Issuer's AML procedures set out in Exhibit B to the Agreement		

Program Manager Compliance Attestation

Providing the Issuer with fraud reports produced by the Processor within 5 Business Days of such reports being received by the Program Manager		
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Exceptions: *(Where "No" is checked in respect of any of A-I above, Program Manager to indicate here: full details of, and reasons for, the non-compliance, mitigation measures taken to date, if any, and steps taken/plans made to address the Program Manager's procedures to rectify the compliance issue.)*

Completed by:

Name:

Title:

Signed:

SCHEDULE 14.7

Subcontractor Requirements

Any approval provided by the Issuer in accordance with Section 14.7 of the Agreement for Program Manager's engagement of a subcontractor is subject to the following terms and conditions:

- 1) Program Manager remains responsible and liable for the performance of all of its obligations under the Agreement, notwithstanding any subcontracting of such obligations, or any approval of such subcontracting provided by Program Manager.
- 2) Program Manager will remain liable under the Agreement for any acts or omissions of its subcontractors as if such acts or omissions were acts or omissions of the Program Manager.
- 3) Program Manager will ensure that each of its subcontractors complies with all the obligations of and restrictions imposed upon Program Manager, and all other terms and conditions relating thereto, that are applicable to the corresponding subcontracted services or obligations, including, but not limited to: Section 4.16 (Contingency Plans and Disaster Recovery), 4.17 (Network Rules), Section 4.19 (Compliance with Law), Article 11 (Confidentiality), Article 12 (Customer Information), Article 14 (Compliance), and Article 15 (Audits/Compliance) (collectively, the "Relevant Terms"). For further clarity, to the extent that any of the Relevant Terms relate solely to Program Manager, Program Manager will ensure that such subcontractor complies with the Relevant Terms to the same extent as if such subcontractor was substituted for Program Manager as a party to the Agreement.
- 4) Program Manager will enter into a written agreement with each of its subcontractors containing terms that are at least as onerous as the Relevant Terms. Program Manager will enforce such agreement and ensure that each such subcontractor complies with its terms (including in particular the Relevant Terms). Program Manager will provide to Issuer a copy of such agreement with any such subcontractor upon request by Issuer.
- 5) Program Manager will comply with any other terms and conditions provided by Issuer in connection with any subcontracting by Program Manager under this Agreement, whether provided before, at the same as, or following any such approval, including any terms and conditions that may limit the permitted duration of any such subcontracting or that may restrict the activities or obligations that may be subcontracted by Program Manager. Program Manager will not engage in any further subcontracting: (a) of any additional activities or obligations or for a longer duration than what was originally permitted by Issuer; or (b) otherwise outside the scope of any such terms and conditions provided by Issuer, in each case without Issuer's express written approval.
- 6) Program Manager will provide to Issuer any information reasonably requested by Issuer to permit Issuer to verify Program Manager's and any subcontractor's compliance with: (a) this Agreement, and (b) any approval provided by Issuer with respect to such subcontractor. Program Manager represents and warrants to Issuer that all such information is accurate, correct, and complete. If Program Manager becomes aware of any actual or suspected breach of this Agreement or such approval by any subcontractor at any time, Program

Manager will immediately notify Issuer thereof and will cooperate with Issuer to investigate, address, and/or resolve such breach.

- 7) Issuer may, at any time and in its sole discretion, revoke any approval previously provided with respect to one or more subcontractors.