



CREDIT CARD AGREEMENT AND DISCLOSURE STATEMENT FOR YOUR ONYX MASTERCARD® ACCOUNT

Notice: Read and retain this copy of your Credit Card Agreement and Disclosure Statement for future reference.

TERMS USED IN THIS AGREEMENT: This Agreement and Disclosure Statement (“Agreement”) covers your MasterCard® Account (“Account”). In this Agreement “You” and “Your” mean any person who applies for or uses the Card. “We,” “our,” “us” and “Credit Union” mean Texas Dow Employees Credit Union (TDECU), the issuer of your MasterCard. The “Card” means any credit card issued to you or those designated by you under the terms of this Agreement. “Use of the Card” means any procedure used by you, or someone authorized by you, to make a purchase or an advance whether or not the purchase or advance is evidenced by a signed written document. “Unauthorized use of the Card” means the use of the Card by someone other than you who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit. In this Agreement, any plural terms shall be deemed singular and any singular terms shall be deemed plural when context and construction so require.

CONSENSUAL SECURITY INTEREST: You agree to give the Credit Union a security interest in any and all funds on deposit in accounts in which you have an ownership interest, both now and in the future, with the exception of retirement accounts or any other accounts that would lose special tax treatment under state or federal law if given as security. The granting of this security interest is a condition for the issuance of any Card that you may use, directly and indirectly, to obtain extensions of credit under this Agreement. This means that, if you are in default, the Credit Union can, without prior notice to you, take funds from any eligible account(s) in which you have an ownership interest and apply them as a credit against your credit card Account in any amount available up to the entire balance. Collateral securing other loans you have with the Credit Union may also secure this loan.

EXTENSION OF CREDIT: The Credit Union has established a MasterCard Account in your name and one or more Cards will be issued to you or to those designated by you. By use of the Card or the Account you authorize the Credit Union to pay for your Account all items reflecting credit purchases and cash advances (including balance transfers).

In no event will the late payment fee exceed the amount of the minimum payment due for the applicable statement period.

RETURNED PAYMENT FEE: We will charge you a returned payment fee each time you send us a payment that is returned unpaid for any reason. We will charge you this fee each time any payment is returned unpaid, even if it is paid upon resubmission. The amount of the returned payment fee is set forth in the Additional Disclosure. In no event will the returned payment fee exceed the amount of the minimum payment due for the applicable statement period.

OVER-THE-CREDIT-LIMIT FEE: You will not be charged an Over the Credit Limit Fee when using your Card.

BALANCE TRANSFER FEE: You will not be charged a Balance Transfer Fee.

FEDEX FEE FOR EXPEDITING LOST, STOLEN, OR ADDITIONAL CARD: We will charge you a fee for the FedEx delivery of your card as set forth in the Additional Disclosure.

TELEPHONE PAYMENT: If you make a telephone request to make a payment, we will charge a Telephone Payment fee as set forth in the Additional Disclosure.

CREDITING OF PAYMENTS: All payments made on your Account at the address designated for payment on the monthly periodic statement, or made to a member service representative at any of our branch offices will be credited to your Account on the date of receipt. If the date of receipt for a mailed payment or a payment made at a branch drop box is not a business day, your payment will be credited on the first business day following receipt. The required minimum payment for your Account will be applied first to collection costs, then to any **INTEREST CHARGES** and other fees due, and then to the unpaid principal balance.

BALANCE TRANSFERS: If you request a balance transfer to be made, you should not rely on a balance transfer to be made by any particular date. Although most balance transfers will be made sooner, it could take up to three weeks before payment to your other Account is made. Accordingly, you should continue to make all required payments on your other accounts until you confirm that the balance transfer has been made. Balance transfers may not exceed your available credit. Balance transfer requests will be processed in the order you list them on the balance transfer request form or additional sheet if included. If a balance transfer request is more than the available credit limit, we will automatically lower the balance transfer amount to your available credit and complete the transfer. We will not close your other accounts, even if you transfer the entire balance. A balance transfer cannot be used to pay TDECU credit card or loan balances.

If you want to close your other accounts, you should contact the issuer directly. Transfer of a balance that contains disputed purchases or other charges may cause you to lose any dispute rights you may have with regard to those purchases or other charges. There is no grace period for balance transfers.

CREDIT INVESTIGATION: In conjunction with your application for credit and, if approved, maintenance of your Account, you agree that we have the right to: (1) investigate your credit and employment history, (2) verify your credit references, (3) request and use credit reports, and (4) report the way you pay your Account to credit bureaus and other interested parties. We may report the status and payment history of your Account to the credit reporting agencies each month. You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of this Agreement. If you believe that the information we have reported to the credit reporting agencies is inaccurate or incomplete, please notify us in writing at Texas Dow Employees Credit Union, 1001 FM 2004, Lake Jackson, TX 77566-4012. Please include your name, address, home telephone number, and Account number.

CONVENIENCE CHECKS: The Credit Union may issue checks at our discretion that may be used for any purpose other than making payment for credit to your Account. By signing such checks, you authorize us to pay the item for the amount indicated and post such amount as a cash advance to your Account. We do not have to pay any item that would cause the outstanding balance in your Account to exceed your credit limit.

ILLEGAL TRANSACTIONS: You may not use your Card or Account for any illegal purpose or unlawful transactions. You agree that we may decline to process any transaction that we believe in good faith to be for an illegal purpose. You agree that we will not be liable for declining to process any such transaction. If we do process any transaction that ultimately is determined to have been for an illegal purpose, you agree that you will remain liable to us under this Agreement for any such transaction notwithstanding its illegal nature. You agree that any illegal use of the Card will be deemed an act of default under this Agreement. You further agree to waive any right to take legal action against us for your illegal use of the Card and to indemnify, defend, and hold us harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

FOREIGN TRANSACTIONS: If you effect a foreign transaction with your MasterCard, MasterCard International will convert the charge into a U.S. dollar amount. MasterCard International will use its currency conversion procedure, which is disclosed to institutions that issue MasterCard cards. Currently, the currency conversion rate used by MasterCard International to determine the transaction amount in U.S. dollars for such transactions is generally either a government-mandated exchange rate

or a wholesale exchange rate selected by MasterCard International for the applicable currency on the day the transaction is processed, which rate may differ from the applicable rate on the date the transaction occurred or when the transaction is posted to your Account.

SKIP-A-PAYMENT OPTION: From time to time, we may offer you the opportunity to skip a payment on your account(s). The offer, if made, will be reflected on your periodic statement as a message informing you that you can skip your payment for that month. Your choice to skip the payment will constitute your acceptance of the offer. As a result, your payments will resume the following month. Interest will continue to accrue at the interest rate in effect at the time for the related skip payment period. All other provisions of your credit agreement shall apply following the skipped payment. On a joint account, either member acting alone may accept the skip payment. Certain account exclusions may apply.

ADDITIONAL PROVISIONS: Each provision of this Agreement must be considered part of the total Agreement and cannot in any way be severed from it. However, if any provision of this Agreement is finally determined to be void or unenforceable under any law, rule, or regulation, all other provisions of this Agreement will remain valid and enforceable. You understand that the validity, construction, and enforcement of this Agreement is governed by the laws of the State of Texas to the extent not preempted by applicable federal law, and it is performable in Brazoria County, Texas. We do not warrant any merchandise or services purchased by you with the Card. All purchases and cash advances are extended at the option of the merchant or cash advancing financial institution and the Credit Union is not responsible for the refusal of any merchant or financial institution to honor your Card. The Card remains our property at all times and you agree to immediately surrender the Card upon demand. You agree to pay all reasonable costs of collection, including court costs and attorney's fees, and any costs incurred in the recovery of the Card. We can accept late payments or partial payments, or checks or money orders marked “payment in full” without losing any of our rights under this Agreement. We can also waive or delay enforcing any of our rights under this Agreement without losing them. You expressly waive presentment for payment, demand, protest, and notice of protest and dishonor of same. You agree to give us prompt notice of any change in your name, mailing address, telephone number or place of employment.

RECEIPT OF AND AGREEMENT TO TERMS AND CONDITIONS OF AGREEMENT: By signing an application for the Card or by using the Card, you agree to all the terms and conditions and promise to perform all the obligations, requirements, and duties contained in this Agreement, and you acknowledge receipt of a copy of this Agreement.

JOINT APPLICANT LIABILITY: If more than one person signs the application, each of you shall be jointly and individually liable to us for all charges made to the Account, including applicable fees. In addition, you agree that each of you designates the other as agent for the purpose of making purchases extended under this Agreement and each use of your Account shall be an extension of credit to all. Notice to one of you shall constitute notice to all. Any cardholder may close the Account at any time by notifying us in writing. However, removal from the Account does not release you from any liability already incurred.

CARD SIGNATURE PANEL: Upon receipt of your new or reissued Card, you must sign the signature panel on the back of the Card. If the signature panel is not signed, merchants are not required to accept your Card.

OTHERS USING YOUR ACCOUNT: If you allow anyone else to use your Account, you will be liable for all credit extended to such persons, even if that person exceeds your permission. You promise to pay for all purchases, balance transfers, and cash advances made by anyone you authorize to use your Account, whether or not you notify us that he or she will be using it. If someone else is authorized to use your Account and you want to end that person's privilege, you must notify us in writing, and if he or she has a Card, you must return the Card with your written notice for it to be effective.

LIABILITY FOR UNAUTHORIZED USE: You may be liable for the unauthorized use of your Card. If you notice the loss or theft of your Card or a possible unauthorized use of your Card, you should call us immediately at:

(877) 404-1009

You may also write us at:

TDECU
P O Box 31281
Tampa, Florida 33631-3281

Although you may write to notify us of unauthorized use, calling us immediately at the telephone number above is the best way to keep your possible losses down.

You are not liable for any unauthorized use of your MasterCard once you notify us orally or in writing and as long as you meet the following criteria: (1) you have exercised reasonable care with your Card; (2) you have not reported two or more incidents of unauthorized use of your Card within the previous 12 months; and (3) you have maintained your Account in good standing. MasterCard's zero liability policy does not apply to cash advances obtained at an ATM.

CREDIT LIMIT: We assign a credit limit to your Account. We will notify you of the credit limit when the Card is sent to you. You promise that payments we make for your Account resulting from use of the Card will at no time cause the outstanding balance of

your Account to exceed your credit limit as established by us or as adjusted from time to time at our discretion. Notwithstanding the foregoing, in our discretion we may choose to approve a transaction you have requested that would cause you to exceed your approved credit limit and you will be responsible for such transactions. Each payment you make on the Account will restore your credit limit by that amount of the payment which is applied to the principal balance of purchases and cash advances. The Credit Union has the right to reduce or terminate your credit limit at any time.

PROMISE TO PAY: You promise to pay us in U.S. dollars for (a) all purchases, cash advances, and balance transfers made by you or anyone whom you authorize to use the Card or Account; (b) **INTEREST CHARGES** and other charges or fees; (c) collection costs and attorney's fees as permitted by applicable law, and any costs incurred in the recovery of the Card; and (d) credit in excess of your credit limit that we may extend to you. At the end of each monthly billing cycle for which you have a balance on your Account, you will be furnished with a periodic statement showing (i) the "Previous Balance" (the outstanding balance in the Account at the beginning of the billing cycle), (ii) the amount of all cash advances, purchases, balance transfers, late charges, **INTEREST CHARGES**, and other charges or fees posted to your Account during the billing cycle, (iii) the amount of all payments and credits posted to your Account during the billing cycle, and (iv) the "New Balance" which is the sum of (i) and (ii) minus (iii).

You agree to pay on or before the "Payment Due Date" shown on the monthly periodic statement the entire new balance or a minimum payment equal to 2% of the new balance or \$18, whichever is greater, plus any amount in excess of the credit limit established by us. If the new balance is \$18 or less, you agree to pay it in full. You may make extra payments in advance of the due date without a penalty, and you may repay any funds advanced, credit extended, or amount outstanding at any time without a penalty for early payment. If you pay more than the minimum payment due in any month and there is still a balance due, you must continue to make minimum payments in future months. Any partial payment of your account balance will not advance your next payment due date(s).

CREDIT INSURANCE: Credit insurance is not required for any extension of credit under the Agreement. However, if available, you may purchase credit insurance through the Credit Union and have the premium added to the outstanding balance in your Account. If you elect to do so, you will be given the necessary disclosures and documents separately.

TERMINATION OR CHANGES: The Credit Union may add to, delete, or change the terms of this Agreement from time to time. Notice of any change will be given in accordance with applicable law. If permitted by law and specified in the notice to you, the change will apply to your existing Account balance as well as to

your future transactions. Either you or the Credit Union may terminate this Agreement at any time, but termination by you or the Credit Union will not affect your obligation to pay the Account balance plus any **INTEREST CHARGES** and other charges you owe under this Agreement. You are also responsible for all transactions made to your Account after termination, unless the transactions were unauthorized. The Cards and convenience checks you receive remain the property of the Credit Union and you must surrender to the Credit Union all Cards and convenience checks upon request or upon termination of this Agreement whether by you or the Credit Union.

DEFAULT: You will be in default: (1) if you fail to make any payment on time; (2) if you fail to keep any promises you have made under this or any other agreement with the Credit Union; (3) if you are the subject of an order for relief under Title 11 of the U.S. Code (Bankruptcy); (4) if anyone tries, by legal process, to take any of your money in the Credit Union (5) if you have given the Credit Union false or inaccurate information in obtaining your Card; (6) you are declared incompetent or mentally incapacitated, or you die; or (7) if anything happens or any condition exists which the Credit Union reasonably believes impairs your ability to repay what you owe.

ACCELERATION: If you are in default, the Credit Union may, without prior notice to you, demand immediate payment of the Account balance plus **INTEREST CHARGES** which shall continue to accrue until the entire amount is paid. You expressly waive any right to notice or demand, including but not limited to, demand upon default, notice of intention to accelerate and notice of acceleration. The Card remains the property of the Credit Union at all times and you agree to immediately surrender the Card upon demand of the Credit Union. You agree to pay all reasonable costs of collection, including court costs and attorney's fees imposed, and any cost incurred in the recovery of the Card.

COST OF CREDIT: You will pay an **INTEREST CHARGE** for all advances made against your Account. If your Account features an Introductory Rate, you will pay an Introductory Rate for all advances made against your Account at the Daily Periodic Rate and corresponding **ANNUAL PERCENTAGE RATE ("APR")** set forth in the Additional Disclosure attached and incorporated into this Agreement. Any Introductory Rate applicable to your Account will apply for the time period as set forth in the Additional Disclosure. After any Introductory Rate period, or if an Introductory Rate does not apply to your Account, the Standard Rate periodic rate for your Account will range from .0260274% per day to .0479452% per day, which corresponds to an **ANNUAL PERCENTAGE RATE** ranging from 9.50% to 17.50%. Your precise Standard Rate will be determined by review of your credit report and based on your creditworthiness and is disclosed in the Additional Disclosure. In addition, after your Account is opened, we may review your credit report periodically from time to time at our discretion and adjust your Standard Rate within the ranges above according to your credit score. You will be notified no less than 45 days prior to any rate change. Cash advances (including balance transfers)

incur an **INTEREST CHARGE** from the date they are posted to the Account. If you have paid your Account in full by the due date shown on the previous monthly statement, or there is no previous balance, you have not less than 25 days to repay your Account balance before an **INTEREST CHARGE** on the current purchases will be imposed. If you have not paid your Account in full by the due date shown on the previous monthly statement, you have no grace period in which to repay your Account balance before an **INTEREST CHARGE** on current purchases will be imposed, and such **INTEREST CHARGE** will begin on the date such purchases are posted to your Account. No additional **INTEREST CHARGE** will be incurred whenever you pay the Account in full by the Payment Due Date shown on your monthly periodic statement.

The **INTEREST CHARGE** is figured by applying the periodic rate to the "balance subject to **INTEREST CHARGE**," which is the "average daily balance" of your Account, including certain current transactions. The "average daily balance" is arrived at by taking the beginning balance of your Account each day and adding any new cash advances (including balance transfers), and, unless you pay your Account in full by the due date shown on your previous monthly statement or there is no previous balance, adding in new purchases, and subtracting any payments or credits and unpaid **INTEREST CHARGES**. The daily balances for the billing cycle are then added together and divided by the number of days in the billing cycle. The result is the "average daily balance." The **INTEREST CHARGE** is determined by multiplying the "average daily balance" by the number of days in the billing cycle and applying the periodic rate to the product. The **INTEREST CHARGE** for certain categories of transactions subject to an introductory rate or a promotional rate may be separately calculated for those category balances. You may pay any amounts outstanding at any time without penalty for early payment.

ACCOUNTS WITH DIFFERENT APRS: Payments made in excess of the required minimum payment will be applied to the balance with the highest APR and then to balances subject to lower APRs, in descending order of APRs until all balances subject to an APR are paid in full.

CASH ADVANCE FEE: We will not charge you a Cash Advance Fee. If an advance is made by another institution, the other institution may impose a fee. If you obtain a cash advance by using an automated teller machine (ATM), any fee imposed upon the Credit Union by the owner or operator of the machine may be passed on to you. Any charge made under this paragraph will be added to the balance of your Account and treated as a cash advance.

ANNUAL FEE: You will not be charged an annual fee for the issuance or use of the Card.

LATE PAYMENT FEE: If we do not receive your required minimum payment within 10 days of the payment due date, you will be charged a late payment fee as set forth in the Additional Disclosure.