



DEBIT/ATM CARDHOLDER AGREEMENT

General Provisions

The following provisions apply to the Pentagon Federal Credit Union (PenFed) member and any person designated by the member to receive a Debit Card or ATM Card (hereinafter "Card"). The terms "I" and "my" refer to the member and "we" refers to the member and each cardholder.

Each person receiving or using the Card consents to all provisions of the Debit/ATM Cardholder Agreement ("Agreement").

PenFed Member Provisions

I understand and agree:

I appoint those individuals I have authorized on the signature card (or by other method permitted by PenFed to receive a Card) or anyone else I authorize to use the Card, as my agent authorized to access my accounts (checking, Money Market Savings or Regular Share), as applicable (hereinafter "Accounts"), even though such persons are not a joint owner or joint borrower.

I shall provide each person receiving a Card a copy of this Agreement and any amendments to it.

I ratify all transactions initiated by any cardholder and indemnify and hold PenFed harmless from such use.

Cardholder Provisions

The following provisions apply to each person receiving or using the Card and/or a PIN, including the member:

Agreement. Any person who accepts, signs, uses, or otherwise causes the use of the Card or its account number or personal identification number (PIN) agrees to all the terms, conditions, and liabilities set forth in this PenFed Credit Union Debit/ATM Cardholder Agreement, and the PenFed Electronic Fund Transfers Disclosure ("Disclosure"), and any modifications that may be made to the Agreement or Disclosure in the future.

The use of the Card and/or PIN and all transactions related to such use are subject to all terms and provisions of present or future share and loan account agreements as well as all other PenFed policies, all of which are subject to modification. Said policies, terms and provisions are incorporated into this Agreement by reference. In case of a conflict between this Agreement and other agreements or policies in matters pertaining to use of the Card, the terms and conditions of this Agreement shall apply.

Applicable Law. This Agreement, and all related matters, shall be governed by and interpreted in accordance with the laws of the United States and the Commonwealth of Virginia.

Change in Terms. PenFed shall have the right to establish additional terms and conditions for use of the Card, all of which shall be binding upon any cardholder following written notice provided to the member, mailed to the last known address of the member.

Eligibility. PenFed is authorized to obtain information, including a credit report, concerning persons receiving a Card, as deemed necessary in its sole discretion, to evaluate eligibility and review of continued eligibility for a Card.

Authorized User. Only the member may designate an authorized user to receive a Card associated with the member's accounts. The member may revoke an authorized user's card privileges by notifying PenFed. Further, PenFed has no obligation to inform the cardholder that access has been terminated. An authorized user may cancel their Card by calling PenFed at 800-247-5626.

PINS. The issuance of a Card and/or PIN is solely for individual use and will not be divulged, given, or made available to any other person under any circumstance.

Account Overdraft/Exceeds Credit Limit. A withdrawal or authorized point-of-sale transaction will be paid, even if it overdraws any of my Accounts or exceeds the OLOC or TCS credit limit, if applicable. The order of posting debits, charges, deposits, or credits to any Account shall be established at PenFed's sole discretion and is subject to change.

Lost/Stolen Card. We shall immediately report the loss or theft of the Card and/or PIN or unauthorized transactions that have occurred by calling PenFed at 800-247-5626 or 541-225-6700.

Liability for Unauthorized Use. We shall be liable with respect to all authorized and unauthorized transactions in accordance with this Agreement and applicable laws and regulations.

Disputes. We shall make a good-faith effort to resolve disputes regarding goods or services obtained from the merchant and PenFed shall not be liable for any claims we have against a merchant arising from the use of the Card.

Card Dishonor. PenFed is not responsible for the refusal by a merchant or financial institution to honor the Card.

Returns and Adjustments. All returns and adjustments issued from a merchant or service provider may be made by a credit to my checking account.

Card Revocation. The Card is the property of PenFed and we will surrender it to PenFed upon request at any time and for any reason.

Card Retention. The Card may be impounded at the ATM or by a merchant. PenFed shall have no liability should a Card be seized due to malfunction or failure of equipment.

Illegal or Abusive Card Use. PenFed may revoke the use of the Card and/or PIN if any of the member's Accounts related to the Card's use are maintained in a manner that PenFed, in its sole discretion, deems contrary to sound financial practices.

Illegal use of the Card will be deemed an action of default and/or breach of contract and the Card and other related services may be terminated at PenFed's discretion. Should illegal use occur, we agree to waive any right to sue PenFed for such illegal use or activity directly or indirectly related to it, and additionally we agree to indemnify and hold PenFed harmless from suits or other legal action or liability, directly or indirectly, resulting from such illegal use.

Foreign Transactions. Purchases or withdrawals made in foreign countries and foreign currencies will be debited in U.S. dollars. The exchange rate for international transactions will be a rate selected by Visa from the range of rates available in wholesale currency markets, which may vary from the rate Visa itself receives, or the government mandated rate in effect for the applicable central processing date, plus a fee of up to 2% of the transaction amount. If the purchase or withdrawal is initiated without the use of the PIN, the applicable Visa rate will apply. The applicable ATM network rate will apply for ATM transactions.