# Pricing Information and Cardholder Agreement

<table>
<thead>
<tr>
<th>PenFed Promise Visa ®</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>APR for Purchases</td>
<td>Prime plus 7.74% - 14.74%*</td>
</tr>
<tr>
<td>APR for Cash Advances</td>
<td>Prime plus 7.74% - 14.74%*</td>
</tr>
<tr>
<td>APR for Balance Transfers</td>
<td>Prime plus 7.74% - 14.74%*</td>
</tr>
<tr>
<td>Penalty APR</td>
<td>None</td>
</tr>
<tr>
<td>Annual Fee</td>
<td>None</td>
</tr>
<tr>
<td>Minimum Interest Charge</td>
<td>None</td>
</tr>
<tr>
<td>Foreign Transaction Fee</td>
<td>None</td>
</tr>
<tr>
<td>Grace Period</td>
<td>At least 25 days</td>
</tr>
<tr>
<td>Balance Computation Method</td>
<td>Average daily balance, including new purchases</td>
</tr>
<tr>
<td>Cash Advance Fee</td>
<td>None</td>
</tr>
<tr>
<td>Late Payment Fee</td>
<td></td>
</tr>
<tr>
<td>If your balance is less than $1,000:</td>
<td>None</td>
</tr>
<tr>
<td>If your balance is $1,000 - $2,000:</td>
<td>None</td>
</tr>
<tr>
<td>If your balance is greater than $2,000:</td>
<td>None</td>
</tr>
<tr>
<td>Over-the-Limit Fee</td>
<td>None</td>
</tr>
<tr>
<td>Balance Transfer Fee</td>
<td>None</td>
</tr>
<tr>
<td>Returned Balance Fee</td>
<td>None</td>
</tr>
<tr>
<td>Required Fees - Other</td>
<td>None</td>
</tr>
</tbody>
</table>

* Rates are based on your creditworthiness, which includes an evaluation of your credit history and the length of your PenFed membership. Your actual APR will be disclosed at the time of credit approval. Not all applicants will qualify for the lowest rate.
You agree to use the Card within the credit and to accept responsibility for all actions taken with the Card.

1. AGREEMENT. We agree to extend credit to you and advance amounts up to your credit limit, but transaction limits may apply. Your credit limit is not increased by any credit balance you may have on your account. You agree to sign the back of the Card as soon as you receive it. You agree to pay us for credit extended for the 60 days of the Card by you or any other cardholder, along with all applicable finance charges, fees and insurance, if any. By signing, using or permitting others to use the Card, you agree to the terms and conditions contained in this Agreement, on the Card, on any charge slip resulting from authorized use of the Card, on any authorized cash advance slip, and to accept responsibility for all actions taken with the Card.

2. CREDIT LIMIT. You agree to use the Card within the credit limit we authorize. You also agree that we can change your credit limit at any time. We are not obligated to accept charges that would cause you to exceed your authorized credit limit but we may do so in our sole discretion. Any extension of credit to you, made or honored by us, shall be at such times and in such amounts and for such purposes as to conform to this Agreement, and only when there is no default.

3. CHANGE IN TERMS. You agree that the terms of this Agreement are applicable to any cardholder. You also agree that we can change the terms of this Agreement at any time by adding, deleting, or modifying any provision of the Agreement. We will give you notice of any such changes, if required by law.

Termination of the account by you or PenFed will not affect your obligation to pay the Account balance plus any finance charge and other charges you owe under this Agreement. You are responsible for all transactions made on your account after termination, unless the transactions were unauthorized. Should you choose to cancel your Account, the terms in effect at the time that you cancel the Account will apply until the outstanding balance of the Account is paid in full, unless you are in default. Your card will no longer be available for use for new transactions, including purchases, as the Account will be closed (if it is not already closed.) If you do not notify us of your decision to terminate the account by the date stated in any notice we provide, or if you notify us but then use the Account after the date stated in the notice, you will be deemed to accept all changes to the Account’s terms and conditions of this Agreement.

If you are in default because your payment has not been received within the 60 days of the due date, you do not have the right to reject the changes we make to this Agreement or the Account’s terms and conditions.

4. FINANCIAL CONDITION CHANGE. You agree to advise us of any change in your financial condition that may affect your creditworthiness and to provide us with a current loan application whenever we request one. You expressly authorize any person, partnership, association, firm, corporation or consumer reporting agency, upon our request, to furnish us with information concerning you relevant to the review and evaluation of this Account. You understand and agree that we may terminate your account upon reevaluation of your creditworthiness.

5. FINANCE CHARGES. We will impose finance charge on the amount you owe us for each billing cycle. You agree that the amount of finance charge that we impose is not excessive. Finance charge will be calculated by multiplying the average daily balance in the billing cycle by the applicable rate divided by the number of days in the billing cycle. If you fail to pay the minimum payment due, or if your payment is returned, we will charge a late fee.

(A) PURCHASES. No finance charge will be imposed during the next billing cycle (determined as the time interval between the last day of the current billing cycle and the last day of the next billing cycle) if you pay the entire balance due and there have been no transactions on the Account during the billing cycle. If you do not pay the entire balance due, we will charge finance charge on the average daily balance of all purchases and charge and other charges you owe under this Agreement. We will give you notice of any such changes, if required by law.

(B) CASH ADVANCES. Finance charge accrues on all cash advances from the date charged to your Account and continue so long as such amounts remain outstanding. Finance charge will be imposed on the average daily balance of cash advances, which is the sum of the cash advances (determined by including new cash advances and deducting any payments or credits and excluding any unpaid finance charge) outstanding each day during the billing cycle, divided by the number of days in the billing cycle. A purchase appearing on the periodic statement is considered a part of the outstanding balance from the date of posting. The amount of the finance charge is calculated by multiplying the average daily balance for purchases by the monthly periodic rate. The monthly periodic rate is the yearly interest rate divided by 12.

(C) BALANCE TRANSFERS. Balance transfers are treated as cash advances. There is no grace period for payments on balance transfers. If you transfer a balance from another financial institution to us, you agree that you have the ability to repay or perform your obligations with us unsafe or insecure, if this Account or any other account at PenFed is maintained by you in a manner that PenFed, in its sole discretion, deems contrary to sound financial practice, or if you fail to live up to any of your other agreements with us, or if you default on this Agreement, we can, without giving anyone notice, demand immediate payment of the remaining balance due including but not limited to any unpaid finance charges, late fees and any other charges due under this Agreement. You also agree our obligation for further credit extensions shall immediately end and we may terminate your Account without further notice to you. We can do this if you make any false or misleading statements on your requests for an advance, if you file for bankruptcy or if any other creditor tries to seize your property.

Collection is necessary, you agree to pay all costs of collection, including attorney's fees and court costs, in an amount not more than 25 percent of the balance due.

8. VARIABLE RATES. One or more APRs that apply to your account may vary with changes to the Prime Rate, which means your rate can increase. We calculate the APR by adding a margin to the Prime Rate published in The Wall Street Journal. The Wall Street Journal stops publishing the Prime Rate, we will select a similar reference rate and inform you on your billing statement or through our automated telephone service, member service representatives, or our website will be subject to any processing times disclosed with those payments.

Your minimum payment due is the greater of $15 or 2% of the previous month’s outstanding balance plus the past due amount, if any, and/or all amounts in excess of the authorized credit line/limit shown on the periodic statement. If the new balance does not exceed $15, only the new balance total is due and is shown as the minimum payment due. All past due or over limit amounts are due and must be fully paid immediately upon notification. You may, however, pay the total amount due, which is shown as the new balance, or you may pay any additional amount you wish over the minimum payment due.

If your payment is not honored or we must return it to you because it could not be processed, a charge may be made to your account in the amount indicated for “returned payment” on PenFed’s current Schedule of Service Fees brochure. In addition, for the 6 months following any such dishonored payment, any payments you make will be credited to your account as of the date we receive them, but credit in the amount of the payment will not be available to you for 10 calendar days. Payments may be made through our automated telephone service, member service representatives, or our website will be subject to any processing times disclosed with those payments.

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9. PROMOTIONAL ANNUAL PERCENTAGE RATE. At our option a special promotional rate may be offered from time to time. The specific terms will be provided at the time of the offer. Generally, the promotional APR will only apply to select transactions (i.e., purchases or balance transfers) during the promotional period. The APR rates for other transactions, not outlined in the promotion as eligible for the promotional APR, will remain unchanged. We may end your promotional Balance Transfer APR if we do not receive your payment within 60 days of the due date.

10. ACCOUNT CLOSURE. You or anyone jointly liable for the Account may terminate the Account at any time by notifying us orally or in writing. However, this will not relieve you or any of the other joint owners from liability for the repayment of any obligations arising from the use of the Account. In addition, recurring charges from a third party vendor/merchant will be charged to your account, even though you have requested cancellation from PenFed. You must cancel the recurring charge with the third party vendor/merchant. Upon receipt of your notice, we may close your Account or suspend your account privileges at any time without prior notice. You must return all of the Cards to us upon request.

11. THIRD PARTY DISCLOSURE. We may disclose information to third parties, including but not limited to credit reporting agencies or merchants, about your account in order to advise such third parties of the existence or condition of your account, to verify or update your information, to collect amounts owed to us, to advise such third parties of the existence or condition of the Account, and may also terminate, limit or modify the use of the checks and may also terminate, limit or modify the use of the checks.

12. GRANT OF SECURITY INTEREST IN SHARES. To protect us if you are in default on any credit extended or cash advanced under this account, you have granted a security interest in all of your shares, deposits, payments and dividends which may be received, whether held jointly or individually, up to the amount of your outstanding balance. The foregoing security interest includes the right to apply funds available to you in any jointly held account on your date of death. This does not include your individual retirement account (IRA). We may take all the shares needed by us to repay your credit extension or cash advance. If it is necessary to take all of your shares for the payment of this account, you understand your membership in PenFed may end. Collateral securing other loans with the credit union may also secure this loan.

13. CARD DISHONOR. If a merchant refuses the Card, we will not have any liability or responsibility. No cash refund will be made to or accepted by you with respect to any adjustment for goods or services purchased. All adjustments will be made by credit to your PenFed Account by a properly executed credit voucher issued by the merchant.

14. ILLEGAL CARD USE. You agree that illegal use of your Card by cardholders(s) will be deemed an action of default and/or breach of contract and your account and other related services may be terminated at our discretion. You further agree, should illegal use occur, to waive any right to sue PenFed for such illegal use or any activity directly or indirectly related to it. You also agree to indemnify and hold PenFed harmless from any suits or other legal action or liability, directly or indirectly, resulting from such illegal use.

15. AUTHORIZED USER. You may request us to issue a Card to an individual who has no financial responsibility under this Agreement. An Authorized User has the same access to your Account as you do, subject to any limitations we may impose. An Authorized User has no authority to add or delete Cardholders, change the Agreement, Card or terminate or modify this Agreement. You may terminate an Authorized User’s authority to access your Account at any time. To do this, you must return the Card to PenFed. You agree that you are responsible for all charges and cash advances made by an Authorized User, including charges made before the Card is returned, recurring charges, or charges made without the use of the Card initiated by the Authorized User after termination of the Authorized User’s access.

16. LIEN. You hereby appoint PenFed as your agent under a special power of attorney as well as give your express consent to enable us to charge against any balance in any of your accounts, including accounts on which you are a joint owner, to include any otherwise statutorily protected funds that may not otherwise be available by legal process, to pay any indebtedness by notifying you in writing. If your agency, appointment or consent is withdrawn, PenFed may in its sole discretion terminate any and all services that you have with the credit union.

17. ISSUANCE/USE OF CARD. Upon receipt of the Card(s) you and all other cardholders agree that you will sign the signature panel on the back of the Card(s). The Card remains the property of Pentagon Federal Credit Union and may be revoked without notice at any time. The Card must be surrendered to us upon demand or revocation. If we employ an agent to obtain the Card your Account will be charged with any related fees. No expired, revoked or otherwise invalid Card shall be used to obtain or attempt to obtain credit. You will remain responsible to pay the amount you owe us according to the terms of this Agreement. Cancellation of the Account will also terminate any other account for which this provision is not permitted. We may take such action without further notice to you or any joint owner. In regard to those funds that have a statutory protection, you understand that you may withdraw the special power of attorney and consent for PenFed to apply funds to pay such funds to any such indebtedness by notifying us in writing. If your agency, appointment or consent is withdrawn, PenFed may in its sole discretion terminate any and all services that you have with the credit union.

18. ISSUANCE/USE OF CHECKS. If we issue you checks, these checks are treated as cash advances when they are used and presented for payment. We may refuse to issue or reissue and may also terminate, limit or modify the use of the checks without notice to you, and you agree to surrender the checks upon our demand or upon learning of our cancellation or withdrawal of the checks. Use of checks or other methods of access for kits or similar activity is an action of default. The checks at all times remain the property of PenFed and we may repossess them without the use of court process. All of the terms and conditions of this Agreement apply to the use of the checks. Only check blanks and other methods authorized by PenFed may be used to obtain funds from your Account. If so authorized by PenFed, your use of a personal identification number (PIN) for such purpose shall constitute your signature. Paid checks become our property and will not be returned to you. Copies may be provided, if requested. Should we decline to pay any check, or if you instruct us not to pay a check, PenFed shall not be liable, except for gross negligence, for any action it takes regarding payment or nonpayment of a check. You will not date any check later than the date that you write it. If you do and the check is presented for payment before its date, PenFed, in its sole discretion may return it unpaid, or pay it if we pay it, we will charge the Account. PenFed may, in its sole discretion, pay a check which has a date more than six months old.

19. FOREIGN TRANSACTIONS. Purchases and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is either a wholesale market rate or the government mandated rate in effect one day prior to the date processed by Visa.

20. DEBT PROTECTION PLAN. Your purchase of the Debt Protection Plan ("Plan") is optional. Whether or not you purchase this protection will not affect your application for credit or the terms of any existing credit agreement you have with PenFed. If you do purchase Debt Protection you may cancel it at any time by notifying us in writing. You understand that you may rescind this plan within 30 days after the date your Debt Protection becomes effective. If you rescind, any premiums you have already paid will be credited to your account. We can terminate this Agreement by giving you notice at least 30 days in advance of the termination. The premium method of calculation and assessment are subject to change. If these terms change we will provide written notice before the change goes into effect. Premiums will accrue on a daily basis and will be billed to your account monthly. Complete details of this optional Debt Protection are included in The Debt Protection Plan Program Agreement which you will receive upon enrollment.

21. ASSIGNABILITY OF ACCOUNT. You agree that PenFed may at any time sell, transfer or assign your account.

22. LOST/STOLEN CARD. You are responsible for the possession and use of the Card and must maintain the confidentiality of the PIN we may assign you. You will notify us at once if you believe your Card has been lost or stolen, or if you have reason to believe the Card is being used without your permission. You may notify us by calling 800-556-LOST or 402-399-3600 collect from overseas, or by writing to us at Card Services, Pentagon Federal Credit Union, Box 456, Alexandria, VA 22313-0456.

23. LIABILITY FOR UNAUTHORIZED USE. If your statement has an error or a charge you did not authorize, you must tell us in writing within 60 days after you get that statement. You must follow all instructions on that statement. If we find no error after investigation, you owe us the original amount plus applicable interest and fees. You are liable for all unauthorized use of any Card issued under the Agreement regardless of the credit limit or the party using the Card. You agree to notify us immediately by calling 800-556-LOST or 402-399-3600 collect from overseas, or by writing to us at Card Services, Pentagon Federal Credit Union, Box 456, Alexandria, VA 22313-0456 if you suspect unauthorized use of the Card, and to cooperate with us in the recovery of any amounts advanced based on unauthorized use. You will not be liable for any unauthorized use of the card.

24. STATEMENTS. We will bill you monthly, on a date selected by us, for amounts due under this Agreement. As a condition of the issuance of this card, you agree to receive your credit card statement(s) electronically. You further understand and agree that if you currently have any other PenFed credit cards, you will also receive those statements electronically. You will receive an email alerting you when your statement is ready to be viewed online. Failure to receive a monthly statement or electronic statement notification does not relieve you from making any required minimum payment. Upon receipt of each periodic statement, you should examine it and immediately notify us in writing of any transaction you believe to be in error. If your Account is a joint account, we can send statements and notices to either of you. You agree to notify us promptly of any change in your name, address, or email address.

25. PAYMENT SKIP OPTION. At our option, we may provide for a payment skip option, which means that you may be allowed to skip making the minimum periodic payment for...
IMPORTANT: PLEASE READ AND RETAIN FOR YOUR RECORDS

specifed billing cycles. If you accept this payment skip option, we will continue to apply the finance charge as disclosed above, but no late payment fees will apply to the skipped payment. For the billing cycle following a skipped payment, all the terms and conditions of this Agreement (including minimum periodic payment and applicable late payment fees) will continue to apply.

26. OTHER AGREEMENTS. All the terms and conditions of any other agreement between us and you and/or any other institution that is part of a network of automated teller machines (ATMs) in which we participate, and any applicable rules and regulations, also apply to use of the Card. There may be minimum and/or maximum limits on the amount of a cash advance dispensed from electronic terminals which accept the Card. All of the transactions made by electronic means are subject to verification by us, and any checks or other items deposited for collection may be deemed to be received and any other transaction may be deemed to occur on our next business day. You understand that transactions may be limited in some areas.

You agree that we do not waive our rights under this Agreement if we fail to assert them. The Agreement binds and benefits us and our successors and assigns and binds you, your estate and your personal representatives.

27. MILITARY LENDING ACT. Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, a check that accesses your credit card account do not qualify. Information about this card is accurate as of October 2017 but may have changed since then. To find out what may have changed, please go to PenFed.org or call 800-247-5626.

YOUR BILLING RIGHTS (Keep this notice for future use.) This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

WHAT TO DO IF YOU FIND A MISTAKE ON YOUR STATEMENT If you think there is an error on your statement, write to us at: Card Services, Pentagon Federal Credit Union, Box 456, Alexandria, VA 22313-0456. You may also contact us on the Web via our Secure Online Message Center at: PenFed.org. In your letter give us the following information:

• Account information: Your name and account number.
• Dollar amount: The dollar amount of the suspected error.
• Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.
You must contact us:

• Within 60 days after the error appeared on your statement
• At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.
• You must notify us of any potential errors in writing or electronically. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

WHAT WILL HAPPEN AFTER WE RECEIVE YOUR LETTER When we receive your letter, we must do two things:
1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:
• We cannot collect the amount in question, or report you as delinquent on that amount.
• The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
• While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
• We can apply any unpaid amount against your credit limit.
After we finish our investigation, one of two things will happen:
• If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
• If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us. If we do not follow all the rules above, you do not have to pay the first $50 of the amount you question even if your bill is correct.

YOUR RIGHTS IF YOU ARE DISSATISFIED WITH YOUR CREDIT CARD PURCHASES. If you dissatisfied with the goods or services that you have purchased with your credit card and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.
To use this right, all of the following must be true:
1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than $50. (Note: Neither of these is necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase.
3. You must not have been fully paid for the purchase.
If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing or electronically at: Card Services, Pentagon Federal Credit Union, Box 456, Alexandria, VA 22313-0456, or online at PenFed.org.

28. APPLICABLE LAW. This Agreement and your Card and Additional Cards, and all questions about their legality, enforceability and interpretation, are governed by the laws of the Commonwealth of Virginia, USA.

Information about this card is accurate as of October 2017 but may have changed since then. To find out what may have changed, please go to PenFed.org or call 800-247-5626.

Form 1273-RAP Web 10/17