



DEBIT/ATM CARDHOLDER 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 and conditions in this PenFed Credit Union Cardholder Agreement, and any modifications that may be made to the Agreement in the future.

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 term "I" and "my" refers 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"). We understand only the member may designate who may receive a Card associated with the member's accounts.

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.

The member shall provide each person receiving a Card a copy of this Agreement and any amendments to it;

Use of the Card and PIN will allow each cardholder to transact business on PenFed's Automated Teller Machines (ATM) or other PenFed-designated ATMs.

Use of the Debit Card (with or without a PIN) will permit the cardholder to transact at eligible point-of-sale terminals or locations. ATM Cards cannot be used at point-of-sale terminals.

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

The use of the Card and/or PIN and all transactions related to such use are subject to all of the 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. We agree that 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.

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

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.

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

We agree to make a good-faith effort to resolve disputes regarding goods or services obtained from the merchant. We further agree, that PenFed shall not be liable for any claims we have against a merchant arising from use of the Card for point-of-sale transactions.

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.

I agree to abide by the terms, conditions, and liabilities set forth in the Electronic Fund Transfers Disclosure.

Cardholder Provisions

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

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

We understand and recognize the use of the Card is governed by this Agreement and any amendments to it.

We understand the member may revoke any cardholder's privilege to have access to the member's Accounts using the Card by notifying PenFed. Further, PenFed has no obligation to inform the cardholder that access has been terminated. A cardholder may cancel their Card by calling PenFed at 800-247-5626.

We waive any right to stop payment on point-of-sale authorizations originated by use of the Card and/or the PIN.

A withdrawal or authorized point-of-sale transaction will be paid, even if it overdraws my Account 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.

We agree to immediately report to PenFed the loss or theft of the Card and/or PIN or unauthorized transactions that have occurred.

We understand and agree PenFed is not responsible for the refusal by merchant or financial institution to honor the Card.

We agree all point-of-sale adjustments may be made by credit to my checking account by a properly executed credit voucher issued by the appropriate merchant.

We agree the Card is the property of PenFed and we will surrender it to PenFed upon request at any time and for any reason. We understand the Card can be impounded automatically at the ATM or by a merchant. We further agree PenFed shall have no liability should a Card be seized due to malfunction or failure of equipment or computer programs, or for security purposes. We understand 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, in PenFed's sole discretion, it deems contrary to sound financial practices.

We agree 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. We further agree, should illegal use occur, 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.