



## Neo Financial Mastercard® Disclosure Statement, Rate & Fee Schedule

Canada (Except Quebec)

Effective: December 20, 2023

This Neo Financial Mastercard Disclosure Statement, Rate and Fee Schedule (“**Rate and Fee Schedule**”) is provided by Neo Financial (“**Neo**”, also referred to as “**we**”, “**our**” and “**us**”) in connection with the Neo Financial Mastercard Card (the “**Card**”) issued by us. This Rate and Fee Schedule sets out the annual interest rates and fees that apply to the Card Account, summarizes certain provisions of the Neo Financial Mastercard Cardholder Agreement (the “**Cardholder Agreement**”), and forms a part of the Cardholder Agreement. Capitalized terms not defined in this Rate and Fee Schedule have the meaning indicated in the Cardholder Agreement. This Rate and Fee Schedule applies to all Neo Financial Mastercard Card Accounts and Cards, including World Elite and co-branded Card Accounts and Cards. We may change the information set out below in accordance with the Cardholder Agreement. The information set out here is current as of November 20, 2023.

**Questions** - If you have any questions about the Card, please email [support@neofinancial.com](mailto:support@neofinancial.com).

<b>Initial Credit Limit</b>	Your initial Credit Limit is assigned at the end of your application for a Neo Financial Mastercard Card and could range from <b>\$100 to \$30,000</b> . This limit will be presented prior to your acceptance of the Card. Your current Credit Limit will be shown on each Statement and can be found in-app and online.
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<p><b>Annual Interest Rates</b></p>	<p>The annual interest rates that will apply to your Card are set out in this information box and expanded in the “<b>Annual Interest Rates</b>” section below. These annual interest rates are in effect the day the Card is opened.</p> <table border="1" data-bbox="464 443 1399 674"> <tr> <td data-bbox="464 443 932 674"> <p><b>Purchases</b> Standard Rate: <b>19.99% - 29.99%</b> Default Rate: <b>29.99%</b></p> </td> <td data-bbox="932 443 1399 674"> <p><b>Cash Advances</b> Standard Rate: <b>22.99% - 31.99%</b> Default Rate: <b>31.99%</b></p> </td> </tr> </table> <p>You will lose the benefit of the Standard Rates that apply to your Card, if, for two consecutive Billing Periods, you fail to pay at least the Minimum Payment for each Statement when due, in which case your annual interest rates will increase to the Default Rates that apply to the Card you receive, beginning on the first day of the Billing Period following such second consecutive Billing Period.</p> <p>At any time the Default Rate applies, the Default Rate will continue to apply until, for three consecutive Billing Periods, you pay at least the Minimum Payment for each particular Statement on or before the respective payment due date for each Statement, in which case, the applicable annual interest rates will be decreased, effective from (and including) the first day of the next Billing Period following such payment, to the Standard Rate.</p>	<p><b>Purchases</b> Standard Rate: <b>19.99% - 29.99%</b> Default Rate: <b>29.99%</b></p>	<p><b>Cash Advances</b> Standard Rate: <b>22.99% - 31.99%</b> Default Rate: <b>31.99%</b></p>
<p><b>Purchases</b> Standard Rate: <b>19.99% - 29.99%</b> Default Rate: <b>29.99%</b></p>	<p><b>Cash Advances</b> Standard Rate: <b>22.99% - 31.99%</b> Default Rate: <b>31.99%</b></p>		
<p><b>Interest-free Grace Period</b></p>	<p>You will benefit from an interest-free period of at least 21 days for new purchases and fees if you pay the New Amount Owing in full by the payment due date shown on your Statement.</p> <p>If you do not pay the New Amount Owing in full by the payment due date, you must then pay interest on all purchases and fees shown on that month's Statement from the posted date until we receive your payment for the total amount you owe.</p> <p>There is no interest-free period for Cash Advances. Cash withdrawals and cash like transactions such as balance transfers, money orders, wire transfers, traveler's cheques, overdraft transfers, and gambling transactions are all Cash Advances. Interest is charged from the day the Cash Advance is posted until we receive your payment for the total Cash Advance amount you owe.</p>		

<p><b>Determination of Interest</b></p>	<p>If interest is charged, it is calculated daily by multiplying the total daily interest bearing balance for each category of charges by the annual interest rate in effect for that category and dividing that by the number of days in a year. The interest charges for each day of a Billing Period are then added together and charged to your Card Account on the last day of each billing cycle. Interest accrues on purchases, fees and other charges, from (and including) the date the transaction is posted to the Card Account until we receive payment in full of the amount of the transaction, however, interest on new purchases and fees will be waived when subject to an interest-free grace period as set out above. Interest that is charged to the Card Account will be compounded monthly.</p>
<p><b>Minimum Payment</b></p>	<p>The Minimum Payment for each Statement will be equal to:</p> <ul style="list-style-type: none"> <li>(a) <b>\$10.00</b> or <b>2.0%</b> of the New Amount Owing, whichever is greater; plus</li> <li>(b) All outstanding interest and fees on your Card; plus</li> <li>(c) Any amount that exceeds the Credit Limit; or any amount that is overdue, whichever is greater.</li> </ul> <p>However, if the New Amount Owing indicated on the Statement is less than <b>\$10.00</b>, it must be paid in full by the payment due date shown on that Statement.</p>
<p><b>Foreign Currency Conversion</b></p>	<p>If you use your Card for a transaction in a currency other than Canadian Dollars, foreign currency will be converted into Canadian Dollars before it is posted on your Card Account. We will convert the amount of your transaction to Canadian Dollars at the conversion rate established by Mastercard International Inc. ("<b>Mastercard</b>").</p> <p>For purchases, cash advances and credits to the Card Account, the rate is set at the time the transaction or credit is presented for payment to Mastercard.</p> <p>When the transaction is posted to your Card Account, in addition to the conversion rate, you will be charged a foreign currency conversion fee of 2.5% of the amount of the foreign currency transaction after the foreign currency has been converted to Canadian Dollars. This fee applies to both debits and credits.</p>

<b>Non-Refundable Annual Fees</b>	<p>Cathay World Elite Mastercard: <b>\$180</b> annual fee</p> <p>Neo Mastercard: <b>\$0</b> annual fee</p> <p>Hudson's Bay Mastercard: <b>\$0</b> annual fee</p>
<b>Other Fees</b>	<p>You will be charged on the day the transaction or event occurs unless otherwise indicated below:</p> <p><i>Cash Advance in Canada:</i> <b>\$2.50</b> for each physical Cash Advance.</p> <p><i>Cash Advance outside Canada:</i> <b>\$5.00</b> for each physical Cash Advance.</p> <p><i>Optional Monthly Paper Statement Fee:</i> <b>\$5.00</b> per paper Statement mailed, charged within 3 business days from when the Statement was requested.</p> <p><i>Balance Transfer:</i> Up to <b>2%</b> of the amount of each Balance Transfer. The fee will be charged to you at the same time that the Balance Transfer is posted to your Card Account.</p> <p><i>Over the Limit:</i> <b>\$29.00</b> charged once per billing cycle if your balance exceeds your Credit Limit at any time during the billing cycle, charged on the day your balance exceeds your Credit Limit, and on the first day of each subsequent statement period if your Card Account remains over limit from a previous statement period.</p> <p><i>Authorized User:</i> <b>\$10.00</b> for each authorized user added to the Card Account.</p> <p><i>Physical Card Replacement Fee:</i> <b>\$5.00</b> for any replacement physical card ordered on the Card Account. Your first replacement card within each calendar year is free of charge. Standard delivery period applies.</p> <p><i>Rush Replacement Card:</i> <b>\$29.00</b> for any rush replacement card ordered on the Card Account.</p>

**Digital Correspondence:**

By submitting your application for a Card, you consent to receive electronic communications, notifications and messages from Neo and from service providers



working on our behalf to service your Card Account with respect to the use of your Card, including enrollment and transaction information, by way of: (i) e-mail, to the e-mail address you have provided to us in connection with your Card; (ii) by SMS text; (iii) through the mobile wallet and/or mobile wallet provider itself (if you enroll your Card in the mobile wallet); and (iv) through notifications in-app. You consent to the electronic delivery of all documents, to take effect immediately, including but not limited to:

- (a) This Rate and Fee Schedule and the Cardholder Agreement;
- (b) Monthly account statements and information;
- (c) Notice of changes to the Cardholder Agreement terms, including interest rate changes, changes to any fees and charges, operating conditions of the Card, and other terms set out in this Rate and Fee Schedule;
- (d) Communications from Neo about the terms and conditions applicable to the Card, including changes and confirmations; and
- (e) Any other confirmation, notice or information that Neo is required by law to provide to you in writing relating to the Card.

You agree to update your cellular telephone number and e-mail address in the event that it changes through the Neo Platform or by contacting chat support, or calling us at 1-855-564-1445.

**Statement Frequency:**

Neo will provide a Statement for the Card once each month, on a date that depends on your billing cycle; however, we may not provide a Statement for the Card if there has been no activity that month and i) nothing is owing on the Card or ii) you have been notified that your Card has been suspended or cancelled and we have demanded payment of the outstanding balance unless otherwise required by law.

**Annual Interest Rates:**

The annual interest rate is based upon the payment history in connection with this Card and will be determined as described below:

- (a) The Standard Rates set out on the first page of this Rate and Fee Schedule, that apply to your Card (the “**Standard Rate**”) will be the initial annual interest rates. The Standard Rate will apply for the entire Billing Period for a Statement if you always pay at least the Minimum Payment for each Statement on or before the payment due date for that Statement;

- (b) At any time the Standard Rate applies, you will lose the benefit of the Standard Rate if, for two consecutive Billing periods, you fail to pay at least the Minimum Payment for each Statement on or before the payment due date for each particular Statement, in which case, the applicable annual interest rates will be increased, effective from (and including) the first day of the next Billing Period following such second consecutive Billing Period, to the Default Rates set out on the first page of this Rate and Fee Schedule, that apply to your Card (the “**Default Rate**”);
- (c) At any time the Default Rate applies, the Default Rate will continue to apply until, for three consecutive Billing Periods, you pay at least the Minimum Payment for each particular Statement on or before the respective payment due date for each Statement, in which case, the applicable annual interest rates will be decreased, effective from (and including) the first day of the next Billing Period following such payment, to the Standard Rate.

### **Fees:**

The annual fee (if applicable) on your Card, will appear and be due on your second Statement, whether or not you have activated your Card, and thereafter will appear annually on your Statement anniversary date. Other fees are charged on the date that the transaction or event occurs (unless otherwise indicated). See the information box above for the fees applicable to your Card.

### **Minimum Payment:**

You will be required to pay the Minimum Payment by the payment due date shown on each Statement. We explain how we calculate the Minimum Payment in the Rate and Fee Schedule above.

### **Default Charges:**

If you fail to comply with any of your payment Obligations under the Cardholder Agreement, in addition to interest charged in accordance with the Cardholder Agreement, you will be liable to pay us, on demand, the amount of all legal expenses, costs and disbursements (including legal expenses of both our internal and external legal counsel) that we incur in collecting or attempting to collect any payment owing to us and/or to enforce any security that we may have taken to secure your Obligations under the Cardholder Agreement.

### **Security for your Obligations:**



If required, security funds you provide us will be held as collateral for payment of your Obligations and are subject to the grant of security and other terms set out in Section 8 of the Cardholder Agreement. You acknowledge and agree that:

- (a) **the security funds do not constitute a deposit**, are not insured by the Canada Deposit Insurance Corporation, or any other government deposit insurer or agency, and will be held in an account at a depository institution we select;
- (b) the security funds may **not** be used to offset Obligations, meaning that you cannot use the security funds to pay your monthly payment or any other amounts owing under the Cardholder Agreement;
- (c) you have no right to access or withdraw the security funds, except as described below; and
- (d) any interest earned on the security funds will become our sole property.

**Lost or Stolen Cards and Maximum Liability for Unauthorized Use:**

If a Card, Card information, PIN, Password, or other Security Credential, is lost or stolen or suspected lost or stolen, you must notify Neo Financial immediately by utilizing the Neo App functionality, contacting chat support, or calling 1-855-564-1445. You will not be liable for unauthorized use of the Card that occurs after you have notified us that your Card, Card information, PIN, Password or other Security Credential may have been lost or stolen. Except where you have satisfied the Zero Liability Conditions as described in the Cardholder Agreement, or unless otherwise prohibited by law, you will be liable for unauthorized charges on the Card as follows:

- (a) if Purchases or Cash Advances, other than those drawn using your PIN or other Security Credential at an ATM, are charged to your Card Account as a result of unauthorized use of a lost or stolen Card, each Primary Cardholder will be jointly and severally liable with each other Primary Cardholder to Neo for all Debt on the Card Account resulting from such unauthorized use up to a maximum of \$50.00; and
- (b) the Primary Cardholder will be liable to Neo for the full amount of any unauthorized Cash Advances drawn using your PIN or other Security Credential at an ATM.

A transaction will be considered “unauthorized” only if, after investigation we determine:

- (a) the Card, Card Account information, PIN, Password or other Security Credential has been used by a person other than a Cardholder and without actual or implied consent, and the Cardholder did not contribute to the unauthorized use in any way;
- (b) no Cardholder receives any benefit from the transaction;



- (c) the Cardholder has fulfilled their obligations under the Cardholder Agreement; and
- (d) you have cooperated fully with our investigation.

You will not be liable for Charges to your Card Account incurred as a result of unauthorized use of your Card or Card Account, provided the Zero Liability Conditions set out in the Cardholder Agreement are satisfied.

### **Language**

This Rate and Fee Schedule is available in French and the French version can be accessed by clicking on this [link](#).

Les présentes Conditions sont disponibles en français et la version française est accessible en cliquant sur ce [lien](#).



**SCHEDULE A**

Table of Cost of Borrowing Calculations

<b>Balance outstanding</b>	<b>Cost of borrowing payable for 1 year (based on a 365 day year)</b>					
	at an annual interest rate of 19.99%	at an annual interest rate of 22.99%	at an annual interest rate of 24.99%	at an annual interest rate of 26.99%	at an annual interest rate of 29.99%	at an annual interest rate of 31.99%
\$500.00	\$99.95	\$114.95	\$124.95	\$134.95	\$149.95	\$159.95
\$1,000.00	\$199.90	\$229.90	\$249.90	\$269.90	\$299.90	\$319.90
\$2,000.00	\$399.80	\$459.80	\$499.80	\$539.80	\$599.80	\$639.80
\$5,000.00	\$999.50	\$1,149.50	\$1,249.50	\$1,349.50	\$1,449.50	\$1,599.50
\$10,000.00	\$1,999.00	\$2,299.00	\$2,499.00	\$2,699.00	\$2,999.00	\$3,199.00

*Note: Cost of borrowing is calculated based on the original balance outstanding and does not reflect compounding. Actual interest charges charged to your Card are compounded monthly.*