


Content

Title :	Template of Standard Form Contract for Credit Card 
Date :	2014.09.12
Legislative :	1.Promulgated on December 05, 1997 2.Amended on January 04, 2001 3.Amended on September 12, 2014
Content :	<p>The applicant hereby applies to _____ Bank/Co., Ltd. (note: State the full name of card issuer) (hereafter referred to as the “Issuer” ) (note: The Issuer may use other abbreviations) for a credit card and the parties hereto agree to observe the terms and conditions set forth below:</p> <p>Article 1 (Definition)</p> <p>The terms referred to in this contract are defined as follows:</p> <ol style="list-style-type: none"><li>1. “Cardholder” means a person who has been approved by the Issuer and issued a credit card, and unless otherwise agreed, such person includes principal cardholder and supplementary cardholder.</li><li>2. “Card Acquirer” means an entity that is authorized by a credit card organization to sign up contracted merchants, and makes advance payments to contracted merchants for purchases made by cardholders when the contracted merchants request payment.</li><li>3. “Contracted Merchant” means an entity having entered a written agreement with a card acquirer and accepting credit card transactions according to such agreement, and unless otherwise agreed, such entity includes cash advance providers.</li><li>4. “Credit Limit” means, unless otherwise agreed, the maximum cumulative amount of purchases a cardholder can make with a credit card based on the credit extended by the Issuer to him or her after assessing his or her financial conditions, income level, occupation, job position, records of dealing with financial institutions and other credit information.</li><li>5. “Amount Payable” means, unless otherwise agreed, current payment due and unpaid past due amount from all credit card charges and cash advances, plus finance charges, annual fees, cash advance fees, card loss report fees, charge slip inquiry fees, and other fees and charges payable by cardholder.</li><li>6. “Revolving Credit Amount” means the amount of revolving credit calculated in accordance with Paragraph 4 of Article 14 or Paragraph 2 of Article 15 herein, from<ul style="list-style-type: none"><li><input type="checkbox"/>The posting date of each charge;</li><li><input type="checkbox"/>The closing date of each charge;</li><li><input type="checkbox"/>The payment deadline of each charge</li></ul>(Note: The Issuer may, in view of its own condition, determine which one of the above is appropriate, but the date from which interest accrues may not be earlier than the actual disbursement date, and the Issuer shall make it clear to the cardholders) to the date all amount payable is paid off, and includes the unpaid portion of all credit card purchases posted and cash advances made, but excluding purchases and cash advances of the current billing cycle, finance charges, late fees, annual fees, cash advance fees, card loss report fees, and charge slip inquiry fees.</li><li>7. “Posting date” means the date on which the Issuer pays the card acquirer or contracted merchant on behalf of a cardholder for purchases made, or assumes the obligation to make advances on behalf of a cardholder, and post the payment to the account of the cardholder.</li><li>8. “Exchange Settlement Date” means the date on which the Issuer or the Issuer’ s authorized agent converts the foreign-currency charges incurred by a cardholder’s purchases abroad into New Taiwan Dollar (NTD) or the agreed foreign currency based on the exchange rate listed by the credit card organization.</li><li>9. “Closing Date” means the date on which the Issuer periodically calculates</li></ol>

the cardholder's amount payable. Charges posted after the closing date will be included in the next billing statement.

10. "Payment Deadline" means the last day on which a cardholder shall pay the amount payable for each billing cycle.

11. "Billing Statement" means transaction details and payment notification statement sent by the Issuer to a cardholder.

#### Article 2 (Application)

A credit card applicant must provide his or her personal and financial information and other relevant information truthfully on the application form, and furnish authentic and accurate information or support documents as requested by the Issuer.

The cardholder should notify the Issuer immediately of changes to his/her information retained by the Issuer. (Note: If an Issuer requests such notice in writing, the Issuer shall specify it in the contract).

If a credit card applicant indicates that he or she is a student on the application form, the Issuer shall notify the applicant's parent(s) or legal guardian of card issuance.

#### Article 3 (Supplementary Cardholder)

A principal cardholder may apply to the Issuer for issue of a supplementary card for a third party. The principal cardholder shall be liable for the entirety of amount payable both the principal cardholder and the Supplementary cardholder incur in using the credit card.

Where a principal cardholder fails to make payment in accordance with the preceding paragraph, the supplementary cardholder shall be held liable only for supplementary card charges incurred by him or her.

A principal cardholder may notify the Issuer at any time to suspend or terminate the privilege of supplementary cardholder to use the supplementary card.

When the Issuer suspends the privilege of a principal cardholder to use his or her card or terminates or cancels the principal card contract, the supplementary card shall also be suspended or the relevant contract shall also be terminated or cancelled, unless it is otherwise agreed.

#### Article 4 (Collection, Processing and Use of Personal Data)

The Issuer may collect, process, use and transmit internationally personal data of a credit card applicant or cardholder (including cardholder's guarantor) and the records of his or her dealing with financial institutions only for purposes in connection with credit card application or contract performance, unless the relevant regulations provide otherwise. To the extent of serving the specific purposes mentioned in the preceding paragraph, the credit card applicant or cardholder (including cardholder's Guarantor) agree that the Issuer may furnish his or her personal data (including cardholder's guarantor) and the records of his or her dealing with the Issuer (collectively referred to as "personal information") to financial institutions that have dealings with the cardholder, as well as National Credit Card Center of the R.O.C. ( "NCCC" ), Financial Information Service Co., Ltd. ("FISC"), international credit card organizations and Joint Credit Information Center ( "JCIC" ).

Persons commissioned by the Issuer in compliance with relevant laws and regulations to handle the Issuer's affairs and third parties agreed by the credit card applicant or cardholder (including cardholder's guarantor) as provided in the preceding paragraph may, to the extent permitted by relevant laws and regulations, collect, process, use and transmit internationally personal information at any time. However when the personal information of a credit card applicant or cardholder (including the cardholders' guarantor) furnished by the Issuer to any of abovementioned institutions contains error or changes, the Issuer shall proactively make correction or provide supplemental information in a timely manner and ask the aforementioned institution to do the same and notify the credit card applicant or cardholder (including cardholder's guarantor) of the same.

Where a person commissioned by the Issuer in compliance with relevant laws and regulations to handle the Issuer's affairs violates the provisions of the Personal Information Protection Act that results in personal information being illegally collected, processed or used or the other rights of the credit card applicant or cardholder (including cardholder's guarantor) being infringed upon, the credit card applicant or cardholder (including cardholder's guarantor) may seek damages from both the Issuer

and the person commissioned by the Issuer in compliance with relevant laws and regulations to handle the Issuer's affairs in accordance with the Civil Code, the Personal Information Protection Act or other relevant regulations.

When the information provided by a credit card applicant or cardholder (including cardholder's guarantor) to the Issuer is stolen, disclosed, altered or infringed in other manners by an institution or person other than the Issuer, the Issuer shall promptly notify the credit card applicant or cardholder (including cardholder's guarantor) by appropriate means. In addition, when the credit card applicant or cardholder (including cardholder's guarantor) asks the Issuer to provide the flow of relevant information, the Issuer shall promptly provide the namelist of institutions or persons concerned.

#### Article 5 (Credit Limit)

The Issuer may grant a credit limit to the cardholder in view of his or her credit status. The Issuer may increase the credit limit provided that the Issuer has notified the principal cardholder and obtained his/her written consent in advance.

The cardholder may request that the Issuer increase or lower his/her credit limit, and the Issuer shall not refuse the request to lower the credit limit provided that the requested credit limit is above the minimum for the respective type of credit card as stipulated by the Issuer.

For the adjustments on credit limits referenced in the preceding two paragraphs, if a guarantor has been obtained for the account, in addition to notifying said guarantor and obtaining his/her written consent prior to increasing the credit limit, he or she shall also be notified after approval of the adjustment. (Note: This paragraph needs not be included if no guarantor is required by the Issuer.)

The written consent referenced in Paragraph 1 may also be provided by the cardholder through online authentication, ATM or ALM. If the Issuer fails to properly verify the identity of the cardholder or the guarantor, the Issuer shall be liable for any losses caused by increasing the cardholder or the guarantor's credit limit. (Note: If the Issuer does not accept the method for cardholder to give consent through online authentication, ATM or ALM, the Issuer needs not indicate the unaccepted methods in the contract). Unless the cardholder has a situation provided in the proviso in Subparagraph 5, Paragraph 4 of Article 8 herein, the cardholder may not use the credit card in excess of the credit limit granted by the Issuer.

Notwithstanding the foregoing, the cardholder shall still be liable for credit card charges in excess of the credit limit.

#### Article 6 (Primary Obligations of the Parties)

The Issuer shall, by exercising due diligence of a good administrator, guarantee the cardholder's obtaining goods, services, other benefits or cash advances from the contracted merchant listed by the Issuer or the card acquirer with the use of the credit card and shall handle payment for credit card transactions in the manner specified in contract with the cardholder.

The credit card of the cardholder is a property of the Issuer so that the cardholder should keep and use his or her credit card with care. The cardholder shall use the credit card in person and shall not allow the use of the card by another individual in any way.

The cardholder shall keep the password or other means of personal identification confidential, and shall not give such information to another individual.

The cardholder shall not conspire with any other individual or contracted merchant to falsify transactions or commit fraud in the attempt to obtain cash or other benefits using the credit card.

The cardholder shall be liable for amount payable incurred from cardholder's breach of Paragraph 2, 3, or 4 hereof.

The Issuer shall ensure the veracity of its advertisements, and the Issuer's obligations to the cardholder shall not be less than as stated in the advertisements.

#### Article 7 (Annual Fees)

Unless annual fee is otherwise waived or reduced by the Issuer, the cardholder shall pay annual fee within a time period given by the Issuer after receiving a credit card issued by the Issuer (refer to credit card

application form for details of annual fees) and may not request a refund of annual fee on grounds of a situation as provided in Article 22, or Paragraph 4 or 5 of Article 23 hereof, or by other reasons. (Note: The Issuer may, in view of its own condition, decide whether to charge annual fee and the method of collection, but shall specify it in the contract). This provision does not apply to situations provided in Paragraph 2 hereof, Paragraph 3 of Article 19 and Article 21 herein.

For reasons not attributable to the fault of the cardholder that result in the termination of the contract or suspension of cardholder's privilege to use the credit card for longer than one month, the cardholder may request a partial refund of the annual fee based on the actual number of months during which the card is valid (a partial month is not counted as one month).

An applicant may, within 7 days after receiving the credit card from the Issuer (Note: The Issuer may, in view of its own condition, decide whether to lengthen the grace period, but shall specify it in the contract), notify the Issuer of cancellation of contract without giving any reason or paying any expense or fees. The preceding provision does not apply when the cardholder has started using the newly issued card. (Note: If the Issuer requests that the applicant makes such notice in writing, or allows other ways to cancel the contract, such as mailing back the cut-up credit card, the Issuer shall specify it in the contract).

#### Article 8 (General Transactions and Return Procedures)

The applicant should promptly sign the credit card upon receiving it so as to lessen the possibility of unauthorized use by a third party.

When the cardholder uses the credit card for transactions, he or she should present the card to the contracted merchant, and after the contracted merchant has swiped the card, verify the charge and then sign on the charge slip, and keep the charge slip receipt for verification purpose.

The cardholder shall request a refund slip from the contracted merchant when said contracted merchant agrees to let the cardholder return the purchased goods, cancel transaction, terminate service, exchange goods or make price adjustment on goods purchased with the original credit card. The cardholder shall sign the refund slip after verifying that all information is correct, and retain the customer's copy of the refund slip for verification purpose. However, with mutual consent from the cardholder and the contracted merchant, the contracted merchant may sign the refund slip without the cardholder's signature, while the cardholder retains the return slip or other viable document as proof of refund.

A contracted merchant may refuse to honor credit card presented by a cardholder in case of any of the following situations:

- 1.The credit card is forged, altered, torn, cracked, chipped, punched hole, does not have a signature on the back, or has illegible signature beyond recognition or altered signature.
- 2.The credit card has past its expiration date, or has been reported lost according to Paragraph 1 of Article 17 herein, or the contract is cancelled or terminated.
- 3.The Issuer has suspended cardholder's privilege to use the credit card.
- 4.The cardholder's signature on the charge slip does not match the signature on the credit card, or the person using the credit card does not match the photo on the credit card, or other ways show that the person presenting the card is not the person the Issuer grants the card to.
- 5.The cardholder has exceeded the approved credit limit after the current transaction. However the preceding provision does not apply if the shortfall is paid by the cardholder in cash or if the Issuer authorizes the contracted merchant to accept the credit card transaction after considering the cardholder's credit and past records.

For situations described in Subparagraph 1, 2, or 4 in the preceding paragraph, the contracted merchant may refuse to return the credit card to the cardholder.

If the cardholder is refused credit card service by a contracted merchant or a cash advance provider by reason other than those provided under Paragraph 4 hereof, or is asked to pay more for goods or service purchased due to the use of credit card, the cardholder may lodge a complaint with the Issuer. After receiving such a complaint, the Issuer shall by itself or forward the information to the card acquirer to look into and handle the

matter, and inform the cardholder of the result. If it is found that the Issuer has made an intentional or material mistake in the aforementioned act of the contracted merchant or cash advance provider, the Issuer shall be held liable to the cardholder.

#### Article 9 (Special Transactions)

If by customary practice or the special nature of the transaction that credit card is used to pay for purchasing a product, receiving a service, or pay expenses by mail order, phone order, fax, or on Internet, mobile device, automatic vending machine or using other similar methods, or credit card is used to obtain cash advance via ATM, the Issuer may use password, phone confirmation, signature on delivery slip, postal certificate, or other ways that could verify the identity of the customer to confirm the cardholder' s expression of intent in lieu of a charge slip or cardholder' s signature in person.

For credit card transactions that originally require signature of the cardholder, a contracted merchant may waive the signature of cardholder provided the charge amount for a domestic transaction is less than NT\$3,000 or the charge amount for a foreign transaction does not require cardholder signature according to the rules of the international credit card organization.

#### Article 10 (Cash Advance)

When the cardholder uses credit card to obtain cash advances, the cardholder must abide by the rules and procedures of the Issuer and the cash advance provider, and pay a fee that amounts to \_\_\_ % of the cash advance obtained each time, (note: The Issuer may, in view of its own condition, decide whether to charge cash advance fees. If an Issuer does charge such fees, it shall specify it as well as the method of fee collection and calculation formula in the contract), and may pay off the cash advance loan at any time. If the cash advance is not paid off by the cardholder before the payment deadline shown in the current billing statement, the Issuer may impose finance charges on the unpaid portion of cash advance in accordance with Article 15 herein.

The cardholder may not use credit card to obtain directly or indirectly financing from any cash advance provider or third party not approved by the competent authority or not commissioned by the credit card organizations. If the Issuer agrees to provide the cardholder with cash advance service, the cardholder may activate or request the stop of cash advance service at any time.

#### Article 11 (Withholding Payment)

When the cardholder and a contracted merchant have dispute over the quality, quantity, or dollar amount of product or service purchased, or the cardholder and a commissioned cash advance provider have dispute over the dollar amount of cash advance received, the cardholder should resolve the dispute with the contracted merchant or the commissioned cash advance provider, and may not use it as an excuse for not paying amount payable to the Issuer.

When the cardholder runs into any of the following extraordinary situations in the use of credit card as provided by the credit card organization, for instance, the ordered product was not delivered by the contracted merchant or the quantity did not match, the ordered service was not provided, or no money was received in a cash advance via ATM or the amount of cash obtained was incorrect, the cardholder should first resolve the issue with the contracted merchant or the cash advance provider. If the dispute could not resolved, the cardholder may, before the payment deadline (Note: The Issuer may, in view of its own condition, decide to extend the deadline, but shall specify it in the contract), submit relevant support documents as requested by the Issuer, asking the Issuer to handle that particular transaction according to the procedure for handling disputed purchases provided in Article 13 herein without being restricted by the provision in the preceding paragraph.

The provision in the preceding paragraph also applies to circumstances where the cardholder makes a mail order or door-to-door sale transaction and then cancels the purchase with the contracted merchant in accordance with Article 19 of the Consumer Protection Law.

#### Article 12 (Billing Statements and Other Notices)

When changes occur to a cardholder' s amount payable or when the payment is

not made prior to the closing date, the Issuer shall send the billing statement by mail to the address specified by the cardholder, by electronic document or by other means specified by the cardholder except for the portion of the cardholder's overdue payment which has entered the debt collection process and shall be handled according to the collection method specified by the Issuer. If the cardholder does not receive the billing statement for the current billing cycle 7 days prior to the payment deadline (Note: The Issuer may extend the 7-day period in view of its own condition, but shall specify it in the contract), the cardholder should inquire the Issuer and request that the statement be re-delivered through registered mail, prompt delivery mail, regular mail, fax, electronic document or any other appropriate means at the cost of the Issuer.

The Issuer may combine the charges of principal card and supplementary card in one billing statement. However supplementary cardholder may request the Issuer to provide the transaction details of the supplementary card.

The cardholder may call the customer service hotline of the Issuer to request a free copy of the transaction details of the card in the \_\_\_\_ most recent billing cycles (including the current billing cycle). However if the cardholder asks the Issuer to provide past statements that are more than \_\_\_\_ months old, the Issuer may charge NT\$\_\_\_\_\_ service fee for each statement provided. (Note: If the Issuer allows the cardholder to request past statements by means other than calling the customer service hotline, the Issuer shall specify the procedures, requirements and service fee in the contract).

The Issuer may report the cardholder's poor credit records, including late payment for over one month, suspension of credit card, debt collection and bad debts to the Joint Credit Information Center. However, the Issuer must notify the cardholder of the reasons for doing so and the possible effects to the cardholder in writing or with electronic documents as agreed by the cardholder 5 days prior to making such report.

If the cardholder changes his or her mailing address or other contact information provided on the application form but does not notify the Issuer, the Issuer will send correspondence to the last notified mailing address or the mailing address shown on the application form. When the Issuer sends business-related documents or required notices to the mailing address last notified by the cardholder or the mailing address shown on the application form, such documents or notices are deemed legally served after normal delivery time.

#### Article 13 (Procedure for Handling Disputed Purchases)

If the cardholder has any question concerning any transaction in the billing statement, he or she may, prior to the current payment deadline, notify the Issuer for assistance by providing reasons and support documents requested by the Issuer (e.g. charge slip or refund slip), or by agreeing to pay for the service fee for inquiring the charge slip or the refund slip from the card acquirer (NT\$\_\_\_\_ per domestic transaction and NT\$\_\_\_\_ per foreign transaction. Neither shall exceed NT\$100. The Issuer may determine whether to apply such charge but shall specify it in the contract). For cardholders who ask the Issuer to request the charge slip or refund slip from the card acquirer and agree to pay a service fee, once the result of the investigation indicates that the cardholder has fallen victim to unauthorized uses of credit card or that the questionable charges cannot be attributed to the fault of the cardholder, the Issuer shall be responsible for the inquiry fee.

If the cardholder intends to withhold payment, the cardholder may ask the Issuer to request chargeback from the card acquirer or the cash advance provider, or request arbitration by the international credit card organization or make other requests after paying a processing fee determined by the international credit card organization for handling dispute, and may request the Issuer to withhold payment regarding the particular transaction.

For disputed charges on which payment is withheld, if the Issuer later finds that the charge is not erroneous or that payment should not be withheld for the dispute is not caused by something attributable to the fault of the Issuer, the cardholder shall make payment immediately upon receiving a notice from the Issuer, and pay the Issuer interest at an annual percentage rate of \_\_\_\_% starting from the next day following the

original payment deadline (Note: The Issuer may, in view of its own cost of funds, decide whether to charge interest on withheld payment and the method of interest calculation, but shall specify it in the contract. However the interest rate charged thereof may not be higher than the rate on finance charge).

When a dispute occurs between the cardholder and a contracted merchant, the Issuer shall provide assistance in resolving such dispute and be an advocate for the consumer when there are any doubts.

#### Article 14 (Payment)

The cardholder should pay the amount payable in full or an amount over the minimum payment for the current billing cycle prior to the stated payment deadline.

The payment deadline referred to in the preceding paragraph may be extended to the next business day if it falls on a non-banking day.

The minimum amount to be paid by the cardholder in each billing cycle shall be \_\_\_\_\_. (Note: The Issuer may, in view of its own condition, decide the method of calculating minimum payment, but shall specify it in the contract and the minimum payment shall not be less than 10% of card charges incurred in the current billing cycle.)

The cardholder shall make payment as agreed in Paragraph 1 hereof. The cardholder may defer payment on unpaid balance and may pay off the deferred amount in part or in whole at any time. The amount paid shall be applied accordingly toward fees, interests, unpaid balance from the previous billing cycle and newly incurred principal from the current cycle. Finance charges will be calculated based on the remaining balance thereof. However for charges required by the competent authority to be included in the minimum payment due in full or charges to which revolving credit does not apply, except for fees and interests, such charges may have priority of payoff over other charges as agreed. (Note: The Issuer may enter an agreement with the cardholder that charges to which revolving credit does not apply but must be included in the current billing cycle when incurred and paid off by the cardholder as required by the competent authority, for instance, fund purchase charges or card charges on installment payment plan, shall have the priority of payoff over unpaid balance from the previous periods after fees and interests.)

If the cardholder has paid an amount in excess of the amount payable, the surplus will be handled according to the instruction of the cardholder or as agreed by the parties. If there is no agreement or the cardholder did not give any specific instruction, the surplus may be used to offset subsequent amount payable to the Issuer.

If the cardholder did not renew his or her card when it expires but there is still surplus in the account, the Issuer shall remind the cardholder in conspicuous text in the billing statement and proactively contact the cardholder to ask for instruction on how to handle the surplus funds.

#### Article 15 (Finance Charges and Late Fees) (Note: This entire clause should be highlighted in red)

A cardholder shall make payment as agreed in Paragraph 1 of Article 14 herein and pay finance charges according to Paragraph 4 of Article 14 herein.

Finance charges on each "Revolving Credit Amount" shall accrue from

- ☐ the posting date of each charge;
- ☐ the closing date of each charge;
- ☐ The payment deadline of each charge

(but may not be earlier than the actual disbursement date) to the date the amount payable is paid in full at the applicable finance charge rate (rounded up to the nearest dollar; if the Issuer uses floating rate for finance charges, the rate will be adjusted along with change of benchmark rate); If the cardholder pays the amount payable in full prior to the current payment deadline, or the remaining unpaid balance is less than NT\$1,000 (or an equivalent in the agreed foreign currency) after a payment, no finance charges will incur for the current billing cycle. (Note: If the Issuer combines the use of revolving credit and "Revolving Credit Amount" of a cardholder who has two or more credit cards into the same account (of the cardholder) instead of processing the revolving credit and purchases of the same cardholder by credit card type, the Issuer shall specify it in the contract).

The Issuer shall notify the cardholder of the applicable finance charge interest rate after approving the card application. (Note: The Issuer may use floating rate for finance charge, but shall specify the benchmark rate, range of margin and calculation method.)

If the cardholder does not pay the minimum payment before the monthly payment deadline, the cardholder shall pay finance charges in accordance with Paragraph 2 hereof and agrees that the Issuer may charge late fees or collection costs according to the terms of the contract. The late fees or collection costs for each billing cycle is calculated as follows:

\_\_\_\_\_ (Note: The Issuer may, in view of its own condition, decide whether to charge late fees or collection charges and the charge schedule. If the Issuer decides to charge such fees, it shall charge a fixed fee that reasonably reflects its operating cost arising from cardholder's breach of contract and heeds the principle of equity).

(Note: The Issuer shall supplement the methods for calculating "Revolving Credit Amount", finance charges, late fees or collection charges with specific examples in the contract and cardholder manual, and provide explanations in plain language that give clear description of the scope of such fees and charges, method of interest calculation, interest accrual period and interest rate. In addition, if the real interest rate on finance charges and late fees combined exceeds the annual percentage rate of 20%, the Issuer shall give examples of the calculation formula in the contract, and highlight the examples to help cardholders understand it better).

#### Article 16 (Authorized Exchange Settlement for Foreign-Currency Transactions)

All credit card transactions shall be paid in NTD or the agreed foreign currency. When the currency of transaction (including refund) is other than NTD, the cardholder authorizes the Issuer to convert the transaction amount into NTD or the agreed settlement currency based on the exchange rate provided by the international credit card organizations on the date of exchange settlement and add the fees that the Issuer must pay international organizations as well as a foreign transaction service fee paid to the Issuer at \_\_\_\_% of the transaction amount. (Note: The Issuer may, in view of its own condition, decide whether to charge foreign transaction service fee and shall specify it in the contract, which however shall not exceed 0.5% of the transaction amount).

The cardholder authorizes the Issuer to be his or her exchange settlement agent in the Republic of China to handle the exchange settlement formalities for his or her credit card transactions taken place abroad. However if the amount of exchange settlement payable by the cardholder exceeds the regulatory limit, the cardholder shall pay the amount exceeding the regulatory limit in a foreign currency.

#### Article 17 (Loss of Card and Other Situations) (Note: This entire clause should be highlighted in red)

If the cardholder's credit card is lost, stolen, robbed, lost in a swindle, or taken possession by another person other than the cardholder (collectively referred to as "lost"), the cardholder should promptly notify the Issuer or establishments designated by the Issuer by phone or other means to report the card loss and pay a card loss report fee in the amount of NT\$\_\_\_\_\_ (not to exceed NT\$200; Note: The Issuer may, in view of its own condition, decide whether to charge card loss report fees, but shall specify it in the contract). However, if deemed necessary by the Issuer, a notice shall be sent to the cardholder within 10 days after accepting the card loss report, requesting the cardholder to file a report with the local police authority within 3 days after receiving the notice or send a written supplementary report to the Issuer.

The Issuer shall assume losses incurred from unauthorized use of the cardholder's credit card starting from the time the cardholder has completed the card loss report formality. However, under any of the following situations, the cardholder shall still be held liable for losses incurred from unauthorized use after completing the card loss report formality:

- 1.The unauthorized use by another individual is permitted by the cardholder or the cardholder intentionally gave his or her card to said individual.
- 2.The cardholder is intentional or grossly negligent in revealing to another individual his or her password or other means of personal



identification for obtaining cash advances or making other transactions via ATM.

3.The cardholder conspired with a third party or contracted merchant to falsify transactions or to commit credit card fraud.

The amount (deductible) to which the cardholder is liable for losses incurred from unauthorized credit card use prior to completing the card loss report formality shall be capped at NT\$\_\_\_\_\_. (Note: The Issuer may, in view of its own condition, set the deductible for cardholders at an amount that does not exceed NT\$3,000. Such terms shall be specified in the contract.) However, the cardholder' s deductible may be waived under any of the following situations:

1.Unauthorized card use occurred within 24 hours of the completion of the card loss report formality; or

2.The signature of the unauthorized user on the charge slip appears visibly different to the naked eye from the signature of the cardholder, or identifiably different from the signature of the cardholder had due diligence of a good administrator been exercised.

If the cardholder meets the provisions specified in Paragraph 2 hereof and one of the following situations, and the Issuer could show that it has exercised due diligence of a good administrator, the agreed deductible for unauthorized use in the preceding paragraph does not apply:

1.The cardholder is aware that his or her credit card has been lost or stolen, but is remiss in promptly notifying the Issuer, or if the cardholder still did not notify the Issuer of lost or stolen credit card 20 days after the current payment deadline.

2.The cardholder breaches the terms of Paragraph 1 of Article 8 herein by not signing on his or her credit card, which results in unauthorized use by another individual.

3.The cardholder did not provide the documents requested by the Issuer, refused to assist with the investigation or show other behaviors that violate the principle of good faith after reporting credit card loss.

Regarding cash advances at the automated machines, the cardholder shall be liable for damages occurred prior to reporting of the credit card loss as a result of fraudulent use. The deductible specified in Paragraph 3 hereof does not apply.

#### Article 18 (Unauthorized Special Transactions)

If the cardholder' s credit card is used by an unauthorized third party in a special transaction mentioned in Article 9 herein, the cardholder should promptly notify the Issuer or another establishment designated by the Issuer by phone or by other means to stop the card and request a replacement. However if deemed necessary by the Issuer, a notice shall be sent to the cardholder within 10 days after accepting card stop report, requesting the cardholder to file a report with the local police authority within 3 days after receiving the notice or send a written supplementary report to the Issuer.

The Issuer shall assume losses incurred from unauthorized use of cardholder' s credit card before the cardholder has completed the card stop report formality. However in a situation provided in the proviso in Paragraph 2 of the preceding article or under any of the following situations, the cardholder shall still be held liable for losses incurred from unauthorized use before completing the card stop report formality:

1.The cardholder is aware of the unauthorized use of his or her credit card, but is remiss in promptly notifying the Issuer

2.The cardholder has been notified by the Issuer to get a replacement, but is remiss or refuses to go through the formality.

3.The cardholder did not provide the documents requested by the Issuer, refused to assist in investigation or had other behaviors that violate the principle of good faith after requesting card stop and replacement.

#### Article 19 (Card Reissue, Replacement and Renewal)

If the cardholder' s credit card is lost or stolen, smudged, demagnetized, scratched, or no longer usable due to other reasons, the cardholder may apply to the Issuer for a replacement.

The Issuer should issue a new card to the cardholder when his or her current card expires and he or she did not terminate the contract in accordance with Article 23 herein.

If the cardholder has no intention to continue the use of credit card

before the card expires, the cardholder should give the Issuer an advance notice of the termination of the contract before the credit card expires, or within 7 days after receiving a new credit card from the Issuer (Note: The Issuer may decide whether to lengthen the time limit, but shall specify it in the contract), notify the Issuer of cancellation of contract without giving any reason or paying any expense or fees. The preceding provision does not apply when the cardholder has started using the newly issued card. (Note: If the Issuer requests that the applicant makes such notice in writing, or allows other ways to cancel a contract, such as mailing back the cut-up credit card, the Issuer shall specify it in the contract).

#### Article 20 (Offset and Discharge)

When the Issuer claims all amount payable against the cardholder pursuant to Article 23 herein, the Issuer may, to the extent necessary, treat all deposits of the cardholder at the Issuer (with the exception of checking deposit) and all of cardholder's claims over the Issuer as early payoff from the Issuer and use the early payoff to offset cardholder's debts to the Issuer under the contract. (Note: With regard to using checking deposit of the cardholder to offset his or her debt to the Issuer, the Issuer may use suitable language to include the clause in the checking deposit agreement in reference to the authorization granted by the Bureau of Monetary Affairs, Ministry of Finance and page 156 of "Study on the Standard Form Contracts of Banks - Contracts Relating to Loans and Collection" published by the Financial Personnel Research and Training Center in 1995).

The Issuer shall notify the cardholder of its intent to exercise the right of offset in writing. Such notice shall include cause for exercising right of offset, types and amounts of offset and the Issuer shall carry out offset in the following order:

1. Payoffs that are due will first be used for offset, followed by payoffs that are not yet due.
2. When the offset involves deposits, deposits with lower interest rate will first be used for offset.

#### Article 21 (Modification of Contract)

When the clauses of the contract are modified, added or deleted, the Issuer shall notify the cardholder in writing, electronically or by other means as agreed by the cardholder. If the cardholder does not raise any objection in 7 days, it shall be construed that the cardholder accepts the modified, added or deleted clauses. If the cardholder has any objection over the changes, he or she should notify the Issuer of termination of contract. However if there is change to any of the following matters, the Issuer shall notify the cardholder 60 days before effecting the change in writing or electronically as agreed with the cardholder in advance, and the written or electronic notice should highlight the change items stated in specific wording and contain the clauses before and after change. The notice should also inform that the cardholder may raise objection before the changes take effect, and that if the cardholder does not raise any objection before that time limit, it shall be construed that the cardholder accepts the modified, added or deleted clauses. In addition, the notice should inform the cardholder that if the cardholder has any objection to the changes, he or she may notify the Issuer of termination of contract before the time limit specified in the preceding paragraph, and may request a partial refund of annual fee based on the actual number of months during which the card is valid (a partial month is not counted as one month):

1. Possible increase of expenses/costs to cardholder.
2. An increase in the interest rate of revolving credit.
3. Change in the benchmark rates originally chosen by the cardholder in case of floating interest rate.
4. Change to the method of calculating interest on revolving credit.
5. The use of credit card and the procedure for handling lost, stolen, or destroyed credit cards.
6. Rights and obligations of cardholder arising out of unauthorized third party use of his or her credit card.
7. The procedures in the event of a discrepancy regarding a credit card transaction and important rules of international credit card organization regarding the rights and obligations of cardholders.
8. The duration and conditions for rights, benefits of, or services provided

to cardholders.

The Issuer should periodically review interest rates applicable to the cardholder at least quarterly. Except for circumstances where it becomes necessary to adjust the applicable interest rates for reasons not attributable to the Issuer, or for the durations and applicable conditions of various rights, promotions or services that the Issuer has announced or notified the cardholder, the Issuer may adjust interest rates applicable to the cardholder, methods of calculating annual fees, various service charges, finance charges and late fees, and all fees that the cardholder may be responsible for, and the durations and applicable conditions of cardholder's rights, promotions or services on a \_\_\_\_\_ (ex.: quarterly) basis. (Note: The frequency of adjustment as agreed by the Issuer and the cardholder shall be specified in the contract.)

When the Issuer informs the cardholder the changes to the contract terms, and the cardholder raises objections within the objection period, leading to the termination of contract, the Issuer shall allow a grace period of at least 6 billing periods for cardholders who make payments by revolving credit or in installments. However, for cardholders with less than 6 payments remaining according to his or her original installment plan, he or she shall continue to fulfill the original contract. As a result of the requirement to continue fulfilling the contract, Article \_\_ of the original credit card contract (to be specified by the Issuer) remains in effect for the Issuer and the cardholder.

#### Article 22 (Use Restrictions)

If the cardholder has any of the following situations, the Issuer may, without prior notice or reminder to the cardholder, lower the cardholder's credit limit, adjust the minimum payment ratio or amount on revolving credit, or suspend the cardholder's privilege to use the credit card, and notify the cardholder immediately:

- 1.The cardholder has given false information or has submitted falsified document with the application, has not signed on the credit card, has transferred the possession of credit card, has conspired with another individual or contracted merchant to obtain cash or other profits by fabricating falsified transactions or by committing fraud with the credit card or other means, or has directly or indirectly obtained financing from an unapproved or unauthorized cash advance agency or individual.
- 2.The cardholder is intentional or grossly negligent in revealing to another individual his or her password or other means of personal identification for obtaining cash advances or making other transactions via ATM.
- 3.The cardholder pays less than the minimum payment required by the Issuer for two consecutive billing cycles.
- 4.The cardholder applies for debt settlement, declaration of bankruptcy, rehabilitation, liquidation, pre-negotiation or corporate reorganization in accordance with the bankruptcy laws, or is denied service by the check clearing house, discontinues his or her business or undergoes debt consolidation.
- 5.The cardholder is the statutory agent, representative or manager of a juristic person or a non-juristic-person organization, and such juristic person or non-juristic-person organization is denied service by the check clearing house.

If the cardholder has any of the following situations and is unable to provide reasonable explanation, the Issuer may, after giving the cardholder a prior notice or reminder, lower the cardholder's credit limit, adjust the minimum payment ratio or amount on revolving credit, or suspend the cardholder's privilege to use the credit card under significant circumstances:

- 1.The cardholder pays less than the minimum payment required by the Issuer for one billing cycle.
- 2.The cardholder makes transactions in excess of his or her credit limit.
- 3.The cardholder's check is bounced due to insufficient fund.
- 4.The cardholder has his or her credit card privilege suspended or credit card contract terminated by another card issuer for reasons described in Paragraph 1 hereof.
- 5.The cardholder's principal properties are subject to compulsory enforcement.

6.The cardholder is being sued for tax related affair or is criminally charged with property crime.

7.There are sufficient facts supporting the Issuer' s decision to lower the original credit evaluation for the cardholder due to changes in the occupation, position, financial source or debt of the cardholder (including but not limited to total credit line from credit cards, cash cards and consumer loans issued by financial institutions or card issuers and other financial dealings).

The Issuer may reinstate a cardholder' s originally granted credit limit in part or in whole, the original minimum payment ratio or amount on revolving credit or the cardholder' s privilege of credit card use after the circumstances provided in Paragraph 1 or Paragraph 2 hereof cease to exist, or the Issuer accepts the explanations given by the cardholder, or the cardholder pays part of the payment due or provides proper guarantee.

The Issuer, when adjusting the cardholder' s minimum payment ratio or amount on revolving credit pursuant to Paragraph 1 or Paragraph 2 hereof, should set a proper ratio or amount by taking into account the cardholder' s past payment record. If the cardholder raises objection, except for circumstances provided in Subparagraph 1 or 2 of Paragraph 1 hereof, the Issuer and the cardholder should negotiate based on the principle of good faith.

Article 23 (Acceleration and Termination of Contract)

If the cardholder has any of the situations provided in Paragraph 1 of the preceding article or terminates the contract, the Issuer may, without a prior notice or reminder to the cardholder, accelerate payment by cardholder, or call all amount payable at any time.

If the cardholder has any of the circumstances provided in Paragraph 2 of the preceding article, the Issuer may, after giving a prior notice or reminder to the cardholder, accelerate payment by cardholder, or call all amount payable at any time. The same shall apply in the event the cardholder passes away.

(Note: In addition to circumstances provided in Paragraph 1 and Paragraph 2 of this article, the Issuer may, in view of cardholder' s credit status and the necessity to secure its claim, add other circumstances to this article by negotiating with individual cardholders, and highlight the agreed items in the contract in bold font or different color, and explicitly state the adverse consequences of being in a circumstance for which the Issuer sends notice or may take action without a prior notice).

The Issuer may reinstate a cardholder' s originally granted time for deferred payment or the benefit of the term for the use of revolving credit after the circumstances provided in Paragraph 1 or Paragraph 2 hereof cease to exist, or the Issuer accepts the explanations given by the cardholder, or the cardholder pays part of the payment due or provides proper guarantee.

The cardholder may notify the Issuer of termination of the contract at any time (Note: If the Issuer requests that the applicant makes such notice in writing, or allows other ways to cancel a contract, such as mailing back the cut-up credit card, the Issuer shall specify it in the contract).

If the cardholder has a circumstance as provided in Paragraph 1 or Paragraph 2 of the preceding article, or the credit card is about to expire, the Issuer may notify the cardholder termination of the contract in writing.

(Note: In addition to circumstances provided in this paragraph, the Issuer may, in view of cardholder' s credit status and the necessity to secure its claim, add other circumstances to this article by negotiating with individual cardholders, and highlight the agreed items in the contract in bold font or different color, and explicitly state the adverse consequences of being in a circumstance for which the issuer sends notice or may take action without a prior notice).

After the contract is terminated or cancelled, neither the principal cardholder nor the supplementary cardholder may continue to use the credit card (even if the credit card is still valid). However if only one credit card of the cardholder is terminated or cancelled, the other credit cards held by the cardholder remain valid.

Article 24 (Governing Law)

The contract shall be governed by the laws of the Republic of China.

When claim or debt arises under the contract, the essential elements for any legal action thereof, the validity and methods of the legal action shall be governed by the laws of the Republic of China.

Article 25 (Outsourcing of Business Operations - General)

The cardholder agrees that if deemed necessary, the Issuer may commission suitable third parties or cooperate with member institutions of the credit card organizations to handle the billing and payment operations, computer processing operation or other operations that may be outsourced as approved by the competent authority.

Where the Issuer has outsourced its business operations according to the preceding paragraph, the Issuer shall urge and ensure that outsourced service providers will observe the confidentiality provisions set out in the Banking Act and other applicable regulations without disclosing relevant information to third parties.

When an outsourced service provider commissioned by the Issuer violates the Personal Information Protection Act that results in the personal information of the cardholder being illegally gathered, processed, or used, or the rights of the cardholder being otherwise infringed, the cardholder may seek damages from both the Issuer and the outsourced service provider in accordance with the Civil Code, the Personal Information Protection Act or other applicable regulations.

Article 26 (Outsourcing of Business Operations - Obligation to Inform)

When the cardholder is late in repaying the amount payable, the Issuer may outsource its debt collection operation and notify the cardholder the same in writing before doing so. Such notice shall contain information on the name of outsourced collection service provider, collection amount, period of retention for tape-recorded collection record, and other relevant matters as required by applicable regulations.

The Issuer shall post the basic information of the outsourced debt collection service provider at its business places and on its website.

If the Issuer fails to make notice according to Paragraph 1 hereof or the outsourced service provider fails to perform the collection activities in accordance with applicable regulations, the Issuer shall be held jointly liable for damages incurred by the cardholder thereof.

Article 27 (Other Agreements)

For matters not specified in the contract or other exhibits, the parties will make separate agreements.

Article 28 (Court of Jurisdiction)

If litigation arises out of this contract, the parties agree that Taiwan \_\_\_\_\_ District Court be the court of jurisdiction for the first instance. However, the application of Article 47 of Consumer Protection Law or Article 436-9 of the Code of Civil Procedure on small claim court may not be excluded.