

WHEN YOU OPEN AN ACCOUNT WITH VERSABANK, THERE ARE SOME THINGS THAT YOU SHOULD KNOW!

TERMINOLOGY: In this agreement, "VB", "our", or "us" means VersaBank and "you" and "your" means the account holder(s). "Account" means every VB account that you have from time to time. "Account Number" means the Account Number to be provided to you by VB which you will then use to identify yourself as a VB customer. "Signature card" means the account signature card you signed when opening your account.

OUR AGREEMENT: By signing this agreement, you acknowledge and agree that you have read and understand the terms of this agreement and that you have received a copy of it for your records. You agree to let VB obtain credit and other information about you from various sources, including credit bureaus and other agencies and, if necessary, your employer, in order to verify information about you and establish your access to deposited funds and eligibility for certain services including a personal line of credit.

You certify that the information provided on this application is complete and correct and that you are resident in the Province indicated in your personal information. You also give us your permission to give credit and other information about you to any i) credit bureau or reporting agency; ii) person with whom you may have or propose to have financial dealings; and iii) person in connection with any dealings you have or propose to have with VB.

WILL THIS BE A JOINT ACCOUNT? If this is a joint account, then each individual must sign an Account Agreement and Signature Card. These additional terms will apply to all joint accounts: a) unless you have stipulated that all of you must agree to withdraw, any account holder may withdraw funds from your joint accounts with VB without the signature or consent of the other(s) and all transactions will be completed based on one authorization; b) each account holder is individually and jointly responsible for all obligations arising from this agreement; and c) if a joint account holder dies, any balance in the account belongs to the surviving joint account holder(s) and you assign the balance of any joint account to the surviving account holder(s) in the event of your death.

WHY WE NEED YOUR PERSONAL INFORMATION: We use your personal information for various purposes. The information helps us identify you, understand your financial needs, determine your credit worthiness, determine which of our past and future products and services are suitable for you, provide ongoing service and meet legal requirements. Also, having this information protects you and VB from error and fraud. We may review your account transactions to assist us with any of these things. We may use your social insurance number for income tax reporting purposes, for VB's administrative purposes or as an aid to identify you with credit bureaus and other financial institutions. If VB intends to use your personal information for any other purpose we will obtain your consent first. VB will never sell any of your personal information to others and we only keep your information in VB's records so long as it is needed for the purposes described. Should your personal information, especially your name and contact information, change, you must notify us in writing so that we are able to maintain contact with you as necessary. Should this information change and you fail to notify us, VB shall not be responsible for any claim resulting from your failure to receive any notifications pertaining to your account.

INSTRUCTIONS TO US: You can give us instructions in writing or any other means that VB may make available from time to time. Instructions over the phone may be given in order to transfer from one VB account to another, obtain your account balance and a list of recent transactions and to request that we send a cheque to your home address. For your protection, we are unable to receive cheque requests over the phone to be sent to a third party. To protect against fraud, we may need to contact you to obtain confirmation of any telephone instruction before proceeding to process such instruction but we will not be liable to you if we do not contact you to confirm such instruction.

If VB opens an account in your name "In Trust" or "As Nominee" or a similar designation, regardless of whether a third party is specified, VB will accept all instructions respecting the account only from you and will not be obliged to obtain any consent from, or see to the execution of any trust for, any other person, unless there is a specific agreement with VB to the contrary.

ABOUT YOUR ACCOUNT BALANCE: You can access your account balance and a list of recent transactions at any time by calling us at 1-800-213-4282. If you would like a written statement, you can request one at any time, but we may have to charge you a small fee for this service. You agree to review your account balance and recent transactions for accuracy. If, after 30 days from the date of each transaction, you have not written, phoned or contacted us to tell us about a possible error, we will assume that everything is correct, except for incorrect credits to your account, and we will be released from all claims regarding your account. In the case of VB's gross negligence or willful misconduct, VB's liability will be no greater than the amount of the item or the direct damages you have suffered. VB is not responsible for any indirect, special or consequential damages.

HOW IS INTEREST CALCULATED? VB's interest rates are expressed annually, calculated daily on the closing account balance and paid monthly. Our current interest rates are noted on the front of your application, a copy of which was provided to you on the opening of your account, they are posted on the Rates Page of our website at www.versabank.com and they are available by telephone at 1-800-213-4282.

ABOUT OUR SERVICE FEES: VB can charge your account its standard account service fees. These fees are posted on our Service Fees Page of our website located at www.versabank.com and are available from each of VB's offices. The fees may be changed from time to time and will be disclosed to you in accordance with applicable laws. See "What if these terms change?" for more information.

IS YOUR ACCOUNT IN OVERDRAFT? If there is an overdraft in your account for any reason, including actions by VB, then that overdraft will be considered to be a loan made to you. Transfers and withdrawals will not be allowed should they take an account into an overdraft position. It is within VB's sole discretion whether or not overdraft protection is made available to you. However, if you are allowed to overdraw your account, interest may be charged by VB from the date of overdraw until repayment and will apply before and after demand, default and judgment. Any overdraft and interest must be repaid by you on demand. You can find out the interest rates payable on overdraft loans at www.versabank.com or by calling us at 1-800-213-4282. Interest rates payable on overdraft loans to you may change from time to time without prior notice.

IS THIS A U.S. ACCOUNT? If this account is designated to be a U.S. Dollar account, currency of the United States of America. U.S. Dollar accounts or any instruments evidencing such do not constitute a deposit that is insured under the *Canada Deposit Insurance Corporation Act*.

DO YOU HAVE A LOAN FROM US? If you take a loan from VB, including any loan resulting from an account of yours being in overdraft, and if you have one or more VB Guaranteed Investment Certificates ("GICs") or any monies in an account ("Account Monies"), then the GICs, other than those held in an RSP and the Account Monies will act as collateral for your loan. In order to provide this collateral, you grant VB a security interest in any and all such GICs and Account Monies. VB shall as a result have all rights and remedies of a secured party under all applicable personal property security laws, including the right to register a financing statement. You waive any entitlement to receive a copy of any such financing statement or related financing change statement, or any related verification statements. VB shall, for so long as you have any outstanding loan owed to it, have the right to retain possession of any certificate evidencing your GICs. You agree that for so long as you have any outstanding loan owed to VB, you will not assign or grant any security interest in your GICs or Account Monies to any other person. This does not restrict you from making withdrawals of your Account Monies.

SETOFF: In addition to the rights of VB set forth in the paragraph immediately above, we have the right to use any or all of your Account Monies and the money owing to you pursuant to your GICs, to pay any loans or other debts or obligations that are owing and due by you to VB. All joint account holders and joint GIC holders consent to VB applying any or all of the Account Monies in their joint account and any other monies owing to them pursuant to their joint GICs to pay off any loan or other debts or obligations owed to VB by any of the joint holders, regardless of the relative contributions made to the joint account or the relative payments made for the jointly held GIC.

RECORDS WE CAN KEEP: VB may keep various types of records including electronic records or tape recorded records. All VB records will be conclusive and binding and admissible as best evidence in any legal proceeding.

TRANSACTION PROCESSING: VB may refuse to accept a deposit to an account. Non-cash and non-VB cheque deposits will be subject to a validation period, for details refer to our cheque hold policy posted on our website at www.versabank.com. Funds will not be available for withdrawal or transfer until this hold period is lifted.

UNPAID ITEMS: If deposits to your account are unpaid, this is your responsibility and VB can debit any of your accounts to make such payment. VB is not required to take any further action in this regard.

WHAT IF THESE TERMS CHANGE? VB may change these terms and conditions at any time. If we do, we will post notice of the changes on our website at www.versabank.com. We will notify you about the changes by posting the changes to our website, by emailing them to you at the most recent email address we have for you and/or by mailing them to you at the most recent postal address we have for you. We reserve the right to choose which method of communication will be used. You agree that any such changes will be effective 30 days after the date we notify you about the changes. If you have an active account with us after the effective date of the changes, this will confirm your acceptance of the changes.

HOW WILL WE CONTACT YOU? If VB needs to send you a notice, including notification of deposits that can't be accepted or have been returned, we will send the notice to you by ordinary pre-paid post.

CLOSING YOUR ACCOUNT: You can close your account any time providing you have settled all of your outstanding obligations to us. We can close your account for any reason in our discretion and pay you the balance, if any, subject to any set off referred to above and you will be responsible for all transactions on your account(s), even if it has been closed. If you move out of Canada, you agree that you will pay us all that you owe us without any deductions for taxes or withholdings that your new country may impose. In the event of your death, your legal representative needs to inform us as soon as possible and provide us with proper legal documentation. After we receive the documentation, we will transfer the balance of your account funds to your estate.

LANGUAGE OF CHOICE: You have expressly requested that this document and all other documents related to your account be drawn up in the English language. Vous avez expressément demandé que ce document et tout autre document concernant votre compte soient rédigés en anglais.

WHAT LAW GOVERNS THIS AGREEMENT? The laws of the Province of Ontario and the laws of Canada applicable in Ontario govern these terms and conditions.

WHO CAN I TALK TO? If you have any questions or concerns regarding your account we encourage you to contact us by calling us at 1-800-213-4282 or writing to us at:

VersaBank Ombudsman VersaBank
2002-140 Fullarton Street, London, Ontario N6A 5P2

If you are not satisfied, please refer to our Dispute Resolution information which you can access at our website at www.versabank.com.

If you have a complaint about a VB product or service, or about any other obligation of VB under a consumer provision, you can communicate the complaint in writing to:

Financial Consumer Agency of Canada
6th Floor, Enterprise Building
427 Laurier Avenue West, Ottawa, Ontario K1R 1B9

Please visit www.fcac-afc.gc.ca for more information about FCAC.

Date

Applicant's signature Parent/Guardian signature

Joint Applicant's signature

Parent/Guardian name