

FAIRSTONE PRIVACY OF PERSONAL INFORMATION STATEMENT

OUR PRIVACY NOTICE:

Our goal is to maintain your trust and confidence when handling personal information about you.

You Have Choices:

As a Fairstone customer, you have the opportunity to make choices about how personal information about you may be shared. As you consider this, we encourage you to make choices that enable us to provide you with quality products and services that help you meet your financial needs and objectives.

Security of Personal Information:

The security of personal information about you is our priority. We protect this information by maintaining physical, electronic, and procedural safeguards that meet applicable law. We train our employees in the proper handling of personal information. When we use other companies to provide services for us, we require them to protect the confidentiality of personal information they receive.

We have designated a Privacy Officer to ensure our compliance with applicable law, to receive and respond to customers' questions and complaints, and to deal with requests for access to and rectification of personal information files.

CHANGES TO THIS PRIVACY STATEMENT

Any changes to this Privacy of Personal Information Statement ("Privacy Statement") and our information handling practices will be acknowledged in this Privacy Statement in a timely manner. We may add, modify or remove portions of this Privacy Statement when we feel that it is appropriate to do so. You may determine when this Privacy Statement was last updated by referring to the "Current" date displayed at the end of this Privacy Statement.

PRIVACY OF PERSONAL INFORMATION

General:

Fairstone Financial, Inc. will be referred to as "Fairstone" or, depending on the context, as "we", "our", or "us", in this Privacy Statement. As well, in this Privacy Statement, "you" and "your" means an individual customer of Fairstone.

Categories of Personal Information We Collect and Hold:

The nature of personal information we collect and hold about you may include:

- information we receive from you on applications or other forms, such as name, gender, date of birth, address, telephone number, email address, occupation, employer, assets, income, language preference and personal identification information (such as government-issued identification, social insurance number, driver's license, passport and/or, where permitted, provincial health insurance card);
- information we receive from you on a voluntary basis when we are conducting a survey of your preferences, needs or interests;
- information about your transactions with us or third parties, such as account numbers, account balances, payment history, and account activity;
- information we receive from your employer;
- reports we receive from credit bureaus; and
- information we receive from program partners and service providers with or for whom we operate a private label credit card program, or other financial services program.

We are not collecting any sensitive information from our affiliates or third parties, such as medical information, detailed

information regarding specific purchases of goods or services, or information concerning customer preferences, needs or interests where a reasonable person would expect the subject matter to cause offence or embarrassment.

We have established policies and procedures pertaining to the retention and destruction of the personal information that we hold about you.

Purposes of Collecting Your Information:

Fairstone may use the personal information we collect about you for the following purposes:

1. to make decisions about applications, including verifying your identity;
2. in the case of a Social Insurance Number (if provided), for credit bureau file matching purposes;
3. to evaluate current and ongoing credit worthiness, monitor, service and collect your account;
4. to respond to your inquiries about applications, accounts or other services;
5. to meet legal, security, processing and regulatory requirements, including Canadian federal and provincial requirements and foreign requirements applicable to us or any of our service providers;
6. to understand your needs and to offer products and services to meet those needs. You may refuse or withdraw your consent to the use of your personal information for this purpose (in the section ***Contacting Fairstone to File a Privacy Complaint or to Make a Request*** below);
7. to allow selected companies to promote their products and services to you. We will not assist these selected companies in promoting products and services to you where we reasonably determine that they are inappropriate for you or do not meet your needs; and
8. such other purposes as we disclose in this Privacy Statement or that we identify to you from time to time or as permitted or required by law (see the section ***Consent*** below).

Disclosures of Your Personal Information:

In common with many organizations, we keep our costs down by obtaining some routine services from service providers, and your personal information may be provided to them. These service providers must sign a confidentiality agreement and may only use the information disclosed to them for the specific purposes mentioned in the agreement, after which they must return this information to Fairstone or destroy it, without keeping a copy. These disclosures to service providers may be for:

- cheque and statement preparation, printing and other administrative services;
- card, security code and product/service issuance services;
- settlement and valuation services;
- data processing and market research services;
- legal, regulatory and compliance purposes, including Canadian federal and provincial requirements;
- updating of information to credit bureaus;
- participating in payment systems and networks (e.g. the electronic networks that allow consumers to pay their credit card accounts, loans or other borrowing facilities , or participating in payment clearing and settlement systems in association with other financial institutions);
- servicing your transactions with merchants who accept a private label credit card account as the method of payment for goods and services you purchase from them;
- managing various banking and financial benefits and private label credit card benefits, including insurance, loyalty and rewards programs;
- distributing information and/or promotional offers to you related to the products and services you have with Fairstone;
- bill payment services;
- debt collection activities on accounts you maintain with us;
- assistance to third parties or investigative bodies to help prevent fraud, money laundering or other criminal activity; and
- any other activities relating to the servicing or administration of the accounts, products and services you have with Fairstone, or as otherwise permitted or required by law.

Some of our service providers that process or handle personal information on our behalf are located outside of Canada. As a result, your personal information may be transferred, stored and/or processed outside Canada in connection with the purposes described in this Privacy Statement. The contractual or other measures we use to protect your personal information are subject to the legal requirements of the foreign jurisdictions where your personal information may be transferred, stored or processed (for example, a legal requirement to disclose personal information to government authorities in those foreign jurisdictions).

Third Parties With Whom We May Share Personal Information:

From time to time, we may disclose personal information, through marketing lists, to selected companies or organizations to allow them to offer you directly, goods and services that may be of interest to you. These marketing lists contain very general and non-sensitive information such as names, addresses and telephone numbers, and categories of goods and services reflecting your preferences and interests. In no case will sensitive information about you, including specific financial data or credit ratings, be disclosed without your express positive consent. These selected companies and organizations will also be formally prohibited from disclosing the information to third parties or using it for another purpose without obtaining appropriate consent in advance.

If you prefer to be removed from the marketing lists we may share with third parties, you are free to opt-out at any time by contacting us at the appropriate address or telephone number listed in the section ***Contacting Fairstone to File a Privacy Complaint or to Make a Request*** below. Please allow a reasonable time for your withdrawal request to become effective.

Business Transactions:

From time to time, we may contemplate or participate in various business transactions that might involve access to your personal information by other participants in those business transactions. Personal information may be used by Fairstone and disclosed to parties connected with certain business transactions, including the proposed or actual financing, securitization, insuring, sale, assignment or other disposal of all or part of Fairstone's business or assets, for the purposes of evaluating and/or performing those proposed business transactions. These purposes may include:

- permitting those parties to determine whether to proceed or continue with a proposed business transaction;
- fulfilling inspection, reporting or audit requirements or obligations to those parties; and
- permitting those parties to use and disclose your personal information for substantially the same purposes as described in this Privacy Statement.

Consent:

Depending on the nature and sensitivity of your personal information, your consent to the collection, use or disclosure of such information can be express and positive (express and positive consent may be oral, in writing or electronic) or implied (such as by using or maintaining one of our products or services or by not responding to our offer to remove your personal information from our marketing list, in which case we assume that you consent). Consent may be given by your authorized representative. You may withdraw your consent at any time as long as you give reasonable notice of withdrawal. To withdraw your consent, please contact us at the address or telephone number mentioned in the ***Contacting Fairstone to File a Privacy Complaint or to Make a Request*** section below:

Note: By opening, using or maintaining an account with us, you are consenting to us establishing and maintaining a file of personal information about you and obtaining and exchanging, from time to time, all information about you (including credit information) with our branches and agents and with any credit reporting agency, credit bureau, person or corporation with whom you have or may have financial relations, government or regulatory agency, or supplier of services or benefits relating to your account for the purposes described in this the Privacy Statement.

Withdrawal or refusal of consent is subject to legal and contractual restrictions. Fairstone can collect, use or disclose your personal information without your consent for legal, security, or certain processing reasons when authorized by law. For example, your consent is not required when collecting or exchanging your personal information to deter fraud, money laundering or other criminal activity, and upon approval of your application, consent may not be withdrawn as it relates to processing, collecting or reporting your account information. Where permitted or required by law, we may collect, use or disclose your personal information without your consent, for example to collect a debt. Please note that if you withdraw your consent, we may not be able to provide some products or services to you.

Please remember that your telephone conversations with our representatives may be monitored and/or recorded for quality control, internal training and recordkeeping purposes. As well, please remember that we and third parties with whom we share your personal information in accordance with this Privacy Statement may contact you by telephone, using the telephone number information you have provided to us.

Please also remember that during the term of a loan or credit facility you have with us, you may not withdraw your consent to our ongoing collection, use or disclosure of your personal information in connection with the loan or credit

facility. This inability also applies to our continuing disclosure of your personal information to credit bureaus after your loan or credit facility has been retired. This ongoing disclosure assists with the maintenance, accuracy, completeness and integrity of the Canadian credit reporting system.

Accessing Your File:

We will establish and maintain a file of personal information for each applicant and customer. In doing so, it is your responsibility to inform us of any changes whatsoever that could affect the status of your accounts or services with us. Your file will be kept by us and will be accessible at Fairstone. Only our employees, agents and mandataries who need to access your file in the course of their duties will have access to your file. You have the right to access your file and request rectification of any personal information in the file that may be obsolete, incomplete or incorrect. We want to make this as simple as possible for you. You can obtain the Customer Access to Personal Information Request form from us by contacting us at the address or telephone number mentioned in the end of this section below. We will need to validate the identity of anyone making such a request to ensure that we do not provide your personal information to anyone who does not have the right to that information. We may charge you an administration fee for providing access to your file in accordance with your request. Normally, we will respond to access or rectification requests within 30 days.

Please note that in certain circumstances, we may not be able to provide you with access to specific portions of file information about you. For example, we will not provide you with access to the following information:

- information containing references to other persons;
- information containing our confidential or proprietary information;
- information that has been destroyed; or
- information that is too costly to retrieve, such as information that is dated and archived.

Protecting Your Personal Information:

Personal information in our possession may be kept in electronic or paper format in our offices or in third party provider facilities. Personal information may also be kept in secure offsite storage facilities.

We have policies, procedures, guidelines, and safeguards in place at Fairstone to ensure that your personal information is protected. Security measures such as passwords, restricted access to our offices and records, physical access security, and file encryption have been put in place to protect your personal information against unauthorized access, theft or misuse.

Each Fairstone employee is responsible for ensuring the confidentiality of all personal information accessed. As a condition of employment, every employee must sign a Code of Conduct, which includes comprehensive provisions ensuring the protection of your personal information.

Any personal information collected from you will be used for the purposes identified at the time of collection and will be retained for as long as is necessary to fulfill the service, or as required by law. We do not collect any personal information from visitors browsing our websites, although personal information may be requested if a visitor chooses to send us an email message.

Contacting Fairstone to File a Privacy Complaint or to Make a Request:

To file a privacy complaint, an opt-out request, to request access to your personal information, to report incorrect personal information, or to obtain information about our policies and practices including our use of third parties and affiliates with whom we share your personal information, please contact us at the following address or telephone number:

630 Rene Levesque Blvd. West
Suite 1400
Montreal, Quebec H3B 4Z9
Attention: Privacy Officer
Telephone: 866-915-9423

To request more information about your Fairstone account, you can visit the Fairstone website at FairstoneCanada.ca or call us toll-free at the telephone number noted above that applies to your Fairstone account.

We will investigate all complaints and will generally respond within 30 days of receipt of your complaint. If we find a complaint to be justified, we will take all appropriate measures, including, if necessary, amending our policies and practices.