



USAA Credit Card Agreement Arbitration Addendum

This Arbitration Addendum is part of the USAA Credit Card Agreement. All capitalized words that are not defined in this Arbitration Addendum have the same meanings as in the Universal Terms and Conditions of the Agreement. The terms "each of us," "either of us," "neither of us," "both of our," or "both of us" refer to "you and we" or "you and us."

This Arbitration Addendum provides that either of us may elect to have a dispute resolved by arbitration rather than in a court by a judge or a jury. When arbitration is elected, both of our rights to go to court, have a trial by jury, conduct discovery, appeal, and to participate in a class action or any similar proceeding will be substantially limited.

A.1 How will disputes and claims be resolved?

- Any Covered Claim, upon election by either of us, shall be resolved by arbitration according to the terms of this Arbitration Addendum. Arbitration is a method of resolving claims and disputes between parties without having to file a lawsuit in court. Parties in an arbitration present their claims and disputes to a neutral third person — an arbitrator — instead of a judge or jury. Arbitration is the way all parties to this Agreement will resolve any Covered Claim, except those subject to small claims courts as described below in section A.5.
- All Covered Claims must be submitted to arbitration, including without limitation (a) those based in contract; tort; state or federal statutes, regulations or ordinances; state or federal common law; state or federal constitutional law; and (b) those seeking any form of equitable or declaratory relief or money damages.

A.2 What is a covered claim?

A Covered Claim is (without limitation) any pre-existing, present, or future dispute, claim, or controversy that in any way arises out of or relates to:

- This Agreement as it has been or will be amended from time to time, or the scope, validity, and enforceability of any Terms (including the Universal Terms and Conditions, the Pricing

Schedule, this Arbitration Addendum, and any other document we provide that indicates it is part of the USAA Credit Card Agreement).

- The Account or Account disclosures, including for example any application, advertisement, disclosure, promotion, or oral or written statement related to the Account, or the establishment, operation, or termination of your Account, whether occurring or made before your Account was opened or after it was closed or terminated.
- A Purchase, Balance Transfer, or Cash Advance, Convenience Check, interest, finance charge, fee, or other charge.
- A payment (or returned payment) or credit (or the failure to provide a credit).
- Your Account balance or any billing or collections matters relating to your Account.
- Any products, services, or benefit programs related to or offered in connection with your Account (including any insurance, debt cancellation, rewards program, rebates, sweepstakes, discounts, coupons, or benefits listed in your Account's Guide to Benefits).
- Our receipt, use, or disclosure of any information about you or your Account (including but not limited to any credit reporting or information sharing).
- The terms or method of financing (including the amount of fees, finance charges, or your credit limit).
- Any other matters relating to your Account or your past, present, or future relationship with us.

Any questions about whether a claim or dispute is a Covered Claim subject to arbitration shall be resolved by interpreting this Arbitration Clause in the broadest way it may be enforced, consistent with the Federal Arbitration Act ("FAA") and the terms of this Agreement.

A.3 Should either of us try to resolve a covered claim with the other party before filing arbitration?

We prefer to resolve any dispute directly with you. Before starting arbitration, the party who has the claim or dispute shall notify the other party in writing and describe the dispute in reasonable detail. Both of us shall attempt in good faith to resolve the claim or dispute. However, if the dispute remains unresolved for thirty (30) days, then either of us may start arbitration. This provision shall not apply when one of us files a lawsuit against the other and the other party elects to arbitrate.

A.4 Are covered claims by you against our third parties also subject to arbitration?

Any Covered Claim between you and any of the following persons must be arbitrated pursuant to the terms of this Arbitration Addendum upon the election of either of us:

- Our employees, representatives, or affiliated companies,
- Any other company that provides or offers any product, service, or benefits relating to the Account, or
- Any other person or entity that could be jointly liable with either of us if a Covered Claim is successfully pursued.

A.5 Can covered claims be litigated in small claims courts as an alternative to arbitration?

Instead of proceeding to arbitration, either of us has the option to pursue a Covered Claim in a Small Claims Court (or the equivalent) so long as (1) the Covered Claim remains in that court, and (2) is made solely on behalf of the person making the Claim. If you or we file a Covered Claim in a Small Claims Court, and the other party files a counterclaim, cross-claim, or third-party complaint seeking injunctive relief, damages in an amount greater than the jurisdictional limit of the Small Claims Court or to obtain relief on behalf of other persons, then neither you nor us will have waived any arbitration rights and either of us may require the other's individual claims be arbitrated in accordance with the procedures set forth in this Arbitration Addendum.

A.6 Where must arbitration be filed?

All arbitrations will be conducted by the following Arbitration Administrator:

American Arbitration Association ("AAA")

335 Madison Avenue, Floor 10

New York, NY 10017-4605

www.adr.org

If the AAA is unable or unwilling to serve as Administrator, then whoever initiates the arbitration may choose an Administrator from a list maintained by USAA. If you do not agree with the Administrator we chose, then you have the right to require use of a different

Administrator from our list. You may contact us or the Administrator to obtain information about arbitration and to obtain the Administrator's arbitration rules ("Arbitration Rules"), as well as any claim forms and fee schedules. We will also provide that information to you if you ask for it.

A.7 How does either of us start arbitration?

Both of us must follow the Administrator's Arbitration Rules to begin arbitration. If you choose to begin arbitration, you must send arbitration notices to us at:

USAA General Counsel
9800 Fredericksburg Road
San Antonio, Texas 78288

If we choose to begin arbitration, we must send notices to you at your last physical address contained in our records. Both of us have the right to be represented by an attorney in the arbitration proceedings.

A.8 How is the arbitrator selected?

The Administrator maintains a list of approved arbitrators. Upon request, the Administrator will provide the names of seven (7) possible arbitrators. Both of us shall then have an opportunity to strike three (3) persons from that list. You will make the first strike, and then each of us shall alternate making strikes after that. After the last strike, the remaining person shall serve as the arbitrator.

A.9 Who pays the arbitration fees and costs?

The Administrator charges certain fees in connection with arbitration proceedings ("Arbitration Fees"). We will pay any Arbitration Fees for any Covered Claim we file against you. If you file a Covered Claim and cannot afford to pay the Arbitration Fees, and if the Administrator determines that it will not waive any or all of the Arbitration Fees, then at your request we will advance those fees on your behalf. At the end, the arbitrator will ultimately decide who will be responsible for paying those and any other arbitration fees. Unless inconsistent with applicable law or the Administrator's rules, the parties will pay for their own arbitration costs (including fees and expenses of their own attorneys, experts, and witnesses), regardless of which party prevails in the arbitration.

A.10 Where will arbitration be conducted?

The arbitration will be conducted at a place within the federal judicial district where your physical address is located or in the federal judicial district within which a lawsuit between you and us is pending and in which a motion to compel arbitration is made, unless both of us agree on a different location. The arbitration proceedings shall be conducted by telephone conference unless either of objects in writing to the Arbitrator.

A.11 What rules and laws will apply to the arbitration proceedings?

The arbitrator must follow the Administrator's Arbitration Rules in effect at the time of the arbitration, unless they conflict with the terms of this Agreement. The arbitrator must (a) apply substantive law consistent with the FAA, (b) recognize and enforce all applicable statutes of limitation, and (c) honor all privileges recognized at law (including without limitation the attorney/client privilege and the attorney work product doctrine). The arbitrator's findings, reasoning, decision, and award shall be set forth in writing and must be based upon the laws governing this Agreement.

A.12 What limitations on proceedings and other rights apply?

The arbitrator shall be restricted to resolving only the Covered Claims between both of us. Unless both of us consent in writing, the arbitrator shall NOT have the authority to conduct any class-wide arbitration proceedings. The arbitrator may not consolidate or join together any Covered Claims either of us has against the other with any claims or disputes either of us may have with other persons or account holders, unless both of us consent in writing. You may not pursue any type of collective action or class action against us in court or in arbitration. You will not have the right to act as a class representative or participate as a member of a class of claimants with respect to any Covered Claim as to which arbitration has been elected. If one or more of the above limitations on proceedings and other rights is deemed to be unenforceable or interpreted to not prevent a collective or class action, then such collective or class action shall proceed in a court of law and not in arbitration.

A.13 What limitations apply to the arbitrator's authority.

The arbitrator may award any damages or other relief permitted by applicable substantive law, including punitive damages. But the arbitrator may award punitive damages only under

circumstances where a court of competent jurisdiction could award such damages. In awarding punitive damages, the arbitrator must abide by all applicable state and federal laws regarding the amount of such damages, and the arbitrator must state the precise amount of any punitive damages award. Before the decision becomes final, the arbitrator must also conduct a post-award review of any punitive damages, allowing the parties the same procedural rights and using the same standards and guidelines that would apply in a judicial proceeding in the state where the arbitration is located. Any ruling based on this post-award review must be set forth in writing with a reasoned explanation. The arbitrator may award injunctive or declaratory relief that would benefit either of us, but the arbitrator may not award injunctive or declaratory relief for the benefit of others who are not named parties to the arbitration proceedings.

A.14 How is the arbitration decision enforced? Can the decision be appealed?

The decision and judgment by the arbitrator shall be final, binding and enforceable in any court having jurisdiction. The decision will become final and binding after 15 days unless either of us seeks an appeal or review of the decision. Either of us has the option to appeal the arbitrator's decision to a panel consisting of three new arbitrators who will be selected by the strike process described in Section A.8 above. These arbitrators will consider all factual and legal issues anew, will conduct the appeal in the same manner as the initial arbitration, will make a decision based on the vote of the majority, and will issue a written decision consistent with all of the previous terms of this Agreement. Whoever decides to appeal may waive the three-arbitrator appeal process and directly seek judicial review of the arbitrator's decision pursuant to 9 U.S.C. § 10. The arbitrator's decision (and, if appropriate, the panel's decision) may be judicially reviewed on all grounds set forth in 9 U.S.C. § 10, as well as on the grounds that the decision is manifestly inconsistent with the terms of the Agreement or any applicable laws or regulations.

A.15 Can we use a court to enforce our rights to arbitrate?

Nothing in this Agreement shall prevent either of us from enforcing all rights under this Arbitration Addendum if a Covered Claim is filed in court.

A.16 Miscellaneous

The transactions between us involve interstate commerce and the FAA governs this Arbitration Addendum. State arbitration laws and procedures shall not apply to this Agreement. This Arbitration Addendum shall survive bankruptcy and termination or modification of the Online Agreement. If either of us do not request arbitration for a Covered Claim, it shall not be considered a waiver of the right to request arbitration for another Covered Claim. In the event of any conflict between this Arbitration Addendum and any other provision of the Credit Card Agreement, this Arbitration Addendum shall control. This Arbitration Addendum apply to and run to the benefit of both of our successors, assigns, transferees, executors, heirs, and representatives.

You understand and agree that if either of us elect to arbitrate a covered claim, this arbitration addendum precludes both of us from litigating claims through court or having a jury trial on that claim, or engaging in pre-arbitration discovery except as provided for in the arbitration rules. Further, neither of us will have the right to participate as a representative or member of any class of claimants pertaining to any claim subject to arbitration. The arbitration decision will generally be final and binding. Other rights that you would have if you went to court may also not be available in arbitration.