

BMO MASTERCARD®
CARDHOLDER AGREEMENT

Your BMO MasterCard cardholder agreement

In this agreement, *you* and *your* mean the primary cardholder and any additional cardholders. *We*, *our* and *us* mean Bank of Montreal. Some words in this agreement have special meanings, which we have explained in section 1 of this agreement.

Please read this agreement carefully and keep it to refer to later. It replaces any other agreements we may have sent to you. You won't be bound by this agreement if you return your card and cheques to us, as long as you haven't activated your account (if you have not activated your account and do not wish to be bound by this agreement please call us to ensure that your account is closed). When you applied for your BMO MasterCard, you agreed to the terms of this agreement as follows:

1. About some of the words in this agreement

Here are the definitions of some of the words in this agreement:

- *account* means a BMO MasterCard account
- *additional cardholder* means each person to whom we have issued a card on the primary cardholder's account, at the primary cardholder's request
- *additional card* means a card we have issued to an additional cardholder
- *card* means a BMO MasterCard we issue and any renewals or replacements of it that we issue
- *card carrier* means the form that your card is attached to when you receive it
- *cash advance* means an advance of money from us or another financial institution that is charged to your account. We treat cash-like transactions, electronic balance transfers and purchases using cheques the same as cash advances
- *cash-like transactions* mean transactions involving the purchase of items directly convertible into cash
- *cheques* mean BMO MasterCard cheques that we may provide to you from time to time
- *grace days* mean the number of days between the date of your account statement and the payment due date shown on your account statement
- *new balance* means the amount shown on your account statement as the new balance, which is the balance you owe as of the statement date
- *our purchase exchange rate* means the rate we pay to MasterCard International Inc. on the date the transaction is posted to your account plus the markup percentage shown on the card carrier or in any notice we may send you
- *our refund exchange rate* means the rate we pay to MasterCard International Inc. on the date the refund is posted to your account, minus the markup percentage shown on the card carrier or in any notice we may send you
- *PIN* means personal identification number
- *primary cardholder* means the person who applied for a card and in whose name we opened an account
- *purchase* means an advance of money from us charged to your account that equals the amount you paid for goods or services by using your card
- *total debt* means the total of all purchases, cash advances, interest charges and fees and any other amounts that may be charged to your account under this agreement
- *transaction* means any purchase, cash advance, interest charge, fee, payment, credit or debit adjustment and any other amounts that may be charged to your account.

2. Ownership of the card and cheques

Your card and cheques belong to us and you can't transfer them to anyone else. You are the only person permitted to use your card and cheques.

3. Using your card and cheques

You can make a purchase or get a cash advance by using your card, writing a cheque or in any other ways we allow. You authorize us to charge the amount of any purchases or cash advances you make to your account.

You must not use your card or cheques to get a cash advance from a merchant. If you make a purchase or get a cash advance by providing your card number without presenting your card, we'll treat the transaction the same

as if you had used your card and signed a purchase or cash advance slip.

You must sign your card as soon as you receive it. You must not use your card after the expiry date shown on your card. You must not use your card or account for any illegal purpose, including buying any goods or services prohibited by law where you live. You may only use your card and cheques as allowed in this agreement. We may monitor unusual transactions for security reasons.

4. Other card benefits and services

The terms and conditions of your card's benefits and services are contained in this agreement. If any extra benefits or services are added to your card, we'll send you separate terms and conditions relating to those extra benefits and services. We may change or withdraw any card benefit or service at any time without telling you in advance.

You may receive information about other products and services offered by us or selected third parties, including our affiliates. We are responsible only for products and services that we offer.

5. Your credit limit

Your total credit limit applies to your account, even if there is more than one card issued on your account. You must not go over your credit limit unless we allow you to. We show your credit limit on your card carrier and on your account statement. We need to obtain your express consent before increasing your credit limit. We may reduce your credit limit at any time without telling you in advance.

6. Your responsibility for the total debt

Subject to section 7, you are responsible for and must pay the total debt. This applies whether or not you incurred the total debt, whether or not the total debt exceeds your credit limit, and regardless of how the total debt was incurred. Additional cardholders are responsible for the total debt individually and together (solidarily responsible in Quebec) with the primary cardholder and other additional cardholders. If you are an additional cardholder, you are not responsible for any part of the total debt that accumulates after you tell us in writing that you are cancelling your card. You must not use your account to pay all or any part of the total debt.

7. Your responsibility for lost, stolen or misused cards

You must take reasonable care to keep your card and cheques safe from loss, theft or misuse. You must notify us by telephone within 24 hours if you learn of the loss, theft or misuse of your card or cheques, or if you know or suspect that someone else knows your PIN.

You must not allow any person other than a cardholder to use a card or the account. If this happens, you will be liable for all resulting transactions and any interest, fees and losses incurred, even if the other person was a minor or did not comply with any limitations you placed on their use of the card or account.

If someone uses your card without your authorization, you are not liable if:

- you did not knowingly contribute to the unauthorized use
- you used reasonable care to keep your card safe from loss, theft or misuse
- you kept your PIN confidential and separate from your card
- you notify us by telephone within 24 hours if you learn of the loss, theft or misuse of your card or cheques, or if you know or suspect that someone else knows your PIN
- there has not been more than one unauthorized use of your card in the last 12 months, and
- your account is in good standing.

If you don't meet these criteria, you will be liable for all charges incurred in connection with the unauthorized use.

You agree to cooperate and help with any investigation that we initiate into unauthorized use you report before we will consider reimbursing you for any losses. This cooperation may include filing a report with law enforcement authorities.

8. Fees we charge

You authorize us to charge your account with the applicable fees shown on the card carrier or in any notice we send you.

9. Foreign currency transactions

If you have a Canadian dollar MasterCard, we convert transactions made in a foreign currency to Canadian dollars. If you have a U.S. dollar MasterCard, we convert transactions made in a currency other than U.S. dollars to U.S. dollars. We make the conversion at our purchase exchange rate in effect on the day the transaction is posted to your account. Our purchase exchange rate may not be the same as the rate that was in effect on the transaction date.

If you have a Canadian dollar MasterCard and a foreign currency transaction is refunded to your account, we convert the transaction to Canadian dollars. If you have a U.S. dollar MasterCard and a transaction in a currency other than U.S. dollars is refunded to your account, we convert the transaction amount to U.S. dollars. We make the conversion at our refund exchange rate on the date the refund is posted to your account. Our refund exchange rate may not be the same as the rate that was in effect on the date the transaction was refunded. The difference between our purchase exchange rate and our refund exchange rate means that the amount credited to your account for a refund of a foreign currency transaction will in most cases be less than the original amount charged to your account for the transaction.

10. Cash-like transactions

We treat cash-like transactions (including wire transfers, money orders, and travellers' cheques) and gaming transactions (including betting, off-track betting, race track wagers, casino gaming chips and lottery tickets) as cash advances.

11. Interest charges

We calculate interest on purchases, cash advances and fees, from the date of the transaction or fee until the date we receive payment in full. You authorize us to charge this interest to your account. In Section 12, we explain that we do not charge interest to your account if you meet certain conditions. We never charge interest on interest charges.

See your card carrier for the number of grace days that apply to your account.

12. When we don't charge interest

We don't charge interest on purchases and fees appearing on your account statement for the first time if you pay your new balance in full by the payment due date. You must pay interest on all cash advances.

13. How we calculate interest

The interest rates we charge are:

- the annual cash advance and purchase interest rates shown on the card carrier, or
- any amendment we make to those rates.

If we amend the interest rates we charge, we will provide you with written notice of the amended rates.

The annual and daily rates appear on your account statement.

To calculate interest charges on cash advances, we multiply the daily closing balance of your cash advances by the daily cash advance interest rate, which is equal to the annual cash advance interest rate divided by 365. To calculate interest charges on purchases and fees, we multiply the daily closing balance of your purchases and fees by the daily purchase interest rate, which is equal to the annual purchase interest rate divided by 365.

14. How we apply payments to your account

When we receive a payment, we use the money first to pay off transactions that have appeared on your account statements, in the following order: interest, fees, cash advances, purchases and other charges on which you're paying interest, and purchases and other charges on which you're not paying interest. If there is money left from your payments after we've applied them to the above items, we use the balance to pay for transactions that have not yet appeared on an account statement but which have been posted to your account. We pay these off in the following order: interest, fees, cash advances, and purchases and other charges.

Your payments are processed the day we receive them. You must make sure that we receive your payment on or before the payment due date shown on your account statement.

15. Your minimum payment

You may pay your account balance in full at any time. If you don't pay in full, you must make one of the following minimum payments by the payment due date shown on your account statement:

- you must pay the full amount of the new balance if it is \$10 or less, or
- you must pay at least the minimum payment amount shown on your account statement if the new balance is more than \$10. The minimum payment amount is a percentage of the new balance on your account statement. The percentage is shown on the card carrier or in any notice we may send you.

16. Estimated Time to Repay

In calculating the number of years and months required to repay an account balance shown on an account statement if you pay only the minimum payment due each month on the payment due date, we assume that the current annual interest rate for purchases will apply throughout the repayment period. We also use such other assumptions as are required or permitted by applicable law.

17. If you have a problem with a merchant

We are not responsible for any problem you have with a merchant or if a merchant does not accept your card or cheques. Even if you have a problem with a merchant, you are still responsible for the total debt. You must settle any problems you may have directly with the merchant.

18. When you receive a refund from a merchant

If a merchant gives you a refund and we receive a credit note from the merchant, we will credit it to your account on the day we receive it. Until we receive the credit note, you must make at least the minimum payment required by this agreement.

19. Your account statements

We'll provide you an account statement every month, unless you have a monthly outstanding balance of less than \$10 and no payments or transactions have been posted to your account and no interest or fees have been charged to your account, in which case we will send you an account statement every three months. You must tell us in writing, no later than 30 days after your account statement date, of any mistakes or missing information in your account statement. If you don't tell us, you agree that your account statement is correct, except for any amount we applied incorrectly to your account, which we may reverse at any time. If we can't send your account statement on time for any reason, such as a mail strike, you must contact us at least once a month to get the information you need to continue making your payments as required.

If your account statement is returned to us because of an incorrect address, we will not send you any more account statements, and we may not allow you to use your account until you give us your correct address. It's your responsibility to give us this information.

20. Pre-authorized payments to merchants

You are responsible for any pre-authorized payments charged to your account, even after you or we cancel your account, unless you tell the merchant in writing to stop debiting your account. If we ask for it, you must give us a copy of the written notice you give the merchant.

You are responsible for giving your new account number or expiry date to merchants with whom you have pre-authorized payment arrangements.

If we issue you a replacement card, your automatic bill payments will continue uninterrupted to merchants who are registered for the MasterCard Automatic Biller Updater (ABU) service. MasterCard ABU automatically informs those merchants of the details of your new account number, so that your automatic bill payments are not interrupted.

21. Your PIN

You must keep your PIN confidential. You must also keep your PIN separate from your card. You must not select a PIN that can be easily guessed, such as PIN combinations selected from your name, date of birth, telephone numbers, and address or social insurance number. Your PIN must be different from any other PINs you may have.

22. About MasterCard international emergency service

If you lose your card or it's stolen and we give you an emergency replacement card or an emergency advance of money, the advance of money is the same as a cash advance and any transactions you make with the emergency replacement card are the same as transactions you make using your card.

We may not be able to give you an emergency replacement card or an emergency advance of money. Some merchants may not honour your emergency replacement card, and some card benefits and services may not be available with your emergency replacement card.

23. Cancellation of your card

We may do any of the following without telling you in advance:

- cancel any card on your account
- cancel your rights and privileges related to your card and account
- require you to immediately return all your cards and cheques to us
- close your account due to inactivity if the account has not been used for at least nine (9) consecutive months.

If we cancel your card, withdraw your rights and privileges, or close your account:

- we may refuse to honour cheques you write before or after cancellation, withdrawal or closure
- we may seize your cards and cheques
- you may not use your card or account
- you must destroy your card and cheques
- you must pay the total debt immediately. If you don't, we may apply any money you have on deposit with us or any of our affiliates against the total debt
- you must pay the legal fees and expenses we incur to recover amounts you owe us
- you must cancel all pre-authorized merchant payments from your account.

The primary cardholder may cancel their card or any additional cards at any time by telling us in writing. If the primary cardholder does not cancel any of the additional cards, the additional cards remain in effect and the primary cardholder remains responsible for the use of any additional cards.

24. Changes to this agreement

We can change this agreement or anything disclosed on the card carrier (for example, changes to interest rates and fees), by telling you in writing as we are required to by law. Any changes we make apply to your account balance at the time we make the change and to your account balance after we make the change.

25. Sending account statements and other notices

We will provide account statements and other notices to the primary cardholder and any additional cardholders who ask for copies. We will provide the information by mail to the addresses in our MasterCard records unless you and we agree on another method. You must tell us immediately of any changes to these addresses.

26. Assigning this agreement

We can assign this agreement or any of its terms to a third party at any time.

27. About your personal information

Personal information is information that identifies you as an individual. It includes not only your name and address, age and gender, but also your personal financial records, identification numbers, including your social insurance number (SIN), personal references and employment records.

Why does the bank ask you for your personal information?

There are some purposes for using your personal information which are self-evident, such as asking for information concerning your credit history to help determine your creditworthiness if you are applying for a loan or mortgage. Self-evident purposes should be clear, but if you have any questions, just ask us. In addition to those purposes which are self-evident, we ask you for your personal information for the following purposes:

- to verify your identity and protect against fraud
- to understand your financial service requirements
- to determine the suitability of products and services for you

- to determine your eligibility for certain of our products and services, or those of others, and offer them to you
- to set up and manage products and services you have requested, and
- to comply with legal or regulatory requirements.

Sharing your personal information

Your personal information is shared to the extent permitted by law, within BMO Financial Group (that is, BMO and its subsidiaries and affiliates) which provide deposit, loan, investment, securities, brokerage, insurance, trust and other products and services. With this more comprehensive understanding, we are better able to meet your needs as they grow and change.

Your choices

If you would prefer not to receive our direct marketing service and/or not have your personal information shared with a member of BMO Financial Group, you can have your name deleted from our direct marketing and/or shared information lists. All you have to do is ask us. Please note that you cannot opt out of sharing your personal information where you have requested a product or service which is jointly offered by us and another member of BMO Financial Group.

If you would prefer not to have us use your SIN for administrative purposes, just ask us. This option does not apply where we are required to use your SIN for income tax reporting purposes. For complete details on our commitment to privacy, please refer to our privacy code, available at any BMO Bank of Montreal branch or online at bmo.com/privacy.

We may obtain any credit or other financially-related information about you from:

- you
- your employer
- any credit bureau
- any person who has or may have financial dealings with you
- any references you have provided to us.

We may disclose this information about you to:

- any credit bureau
- any person who has or may have financial dealings with you.

We may monitor and record telephone calls between you and us for quality assurance purposes and for our mutual protection.

28. How to contact us, complaint resolution and FCAC

How to contact us

Customer Contact Centre

1-800-263-2263

8:00 am - 11:00 pm (local time), 7 days a week

(TTY) TeleTypewriter for the deaf or hard of hearing: 1-866-859-2089

Lost or stolen cards and emergency travel 7/24 help line:

1-800-361-3361 (Toll free Canada & U.S.)

514-877-0330 (International call collect)

Send correspondence to:

P.O. Box 300

Station M,

Toronto, ON M6S 4X2

Fax: 1-866-517-7428

Complaint resolution

Four steps toward resolution:

1. Talk to MasterCard contact centre staff. If your complaint is not resolved, please involve the supervisor.

Call: 1-800-263-2263

TTY: 1-866-859-2089

or write to:

Senior Manager, Customer Contact Centre

BMO Bank of Montreal - Customer Contact Centre

P.O. Box 3400, RPO Streetsville

Mississauga, Ontario

L5M 0S9

Fax: 1-877-887-9991 (English)

Fax: 1-877-227-6428 (Français)

2. If your complaint is unresolved after following Step 1, you may contact:

Vice President, Customer Contact Centre
BMO Bank of Montreal - Customer Contact Centre
P.O. Box 3400, RPO Streetsville
Mississauga, Ontario
L5M 0S9

Call: 1-800-372-5111

Fax: 1-866-868-1827

3. If your complaint is still unresolved after following Step 1 and 2, you may escalate to BMO Financial Group's Ombudsman for further review of your complaint.

BMO Financial Group Ombudsman
55 Bloor Street West, 8th Floor
Toronto, Ontario M4W 3N5

Call: 1-800-371-2541

Fax: 1-800-766-8029

Email: bmo.ombudsman@bmo.com

4. If your complaint has been reviewed by BMO's Ombudsman and you are not satisfied with the recommendation on your complaint, you have 180 days after receiving this recommendation to contact the Ombudsman for Banking Services and Investments (OBSI).

Ombudsman for Banking Services and Investments
401 Bay Street, Suite 1505
P.O. Box 5
Toronto, ON M5H 2Y4

Call: 1-888-451-4519

Fax: 1-888-422-2865

Email: ombudsman@obsi.ca

www.obsi.ca

Financial Consumer Agency of Canada

The Financial Consumer Agency of Canada (FCAC) supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws. For example, financial institutions are required to provide consumers with information about complaint handling procedures, fees and interest rates. If you have a complaint about a potential violation of a consumer protection law, you may contact the FCAC in writing at:

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

Call (English): 1-866-461-FCAC (3222)

(Français): 1-866-461-ACFC (2232)

Fax: 1-866-814-2224

www.fcac-acfc.gc.ca

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