

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 haven’t 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 card, 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 established in the name of the primary cardholder
- **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 card we issue and any renewals or replacements of it that we issue and any other payment device we provide you to enable you to use the account
- **card carrier** means the form that your card is attached to when you receive it
- **cash advance** means an advance of money from us that is charged to the account. We treat cash-like transactions, 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 including wire transfers, money orders, travellers cheques, gaming transactions (including betting, off-track betting, race track wagers, casino gaming chips and lottery tickets)
- **cheques** mean BMO credit card cheques that we may provide from time to time at the request of the primary cardholder
- **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 account balance, which is the balance you owe as of the statement date
- **purchase exchange rate** means the rate we pay to MasterCard International Inc. on the date the transaction is posted to the account plus the markup percentage shown on the card carrier or in any notice we may provide you
- **refund exchange rate** means the rate we pay to MasterCard International Inc. on the date the refund is posted to the account, minus the markup percentage shown on the card carrier or in any notice we may provide 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 the 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 the 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 the 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 the 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 applicable to your card 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

The total credit limit applies to the account, even if there is more than one card issued on the account. We show the credit limit on your card carrier and on your account statement. We need to obtain the express consent of the primary cardholder before increasing the credit limit. We may reduce the credit limit at any time without telling you in advance.

You do not have the right to exceed the credit limit. If we allow you to exceed the credit limit, you will pay the over limit fee set out in the card carrier or in any notice that we provide to you. We will only charge one over limit fee in any monthly statement period.

6. Your responsibility for the total debt

Subject to this section and 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. You must not use the account, or any other credit card account with us, to pay all or any part of the total debt.

However, if you are an additional cardholder then, despite anything else in this Agreement, you are not responsible for paying the total debt if *either*

(a) we opened the account on or after October 1, 2012, *or*

(b) we opened the account before October 1, 2012, but we have told the primary cardholder in writing that the additional cardholders on the account are not responsible for paying the total debt.

Note that it does not matter when you received your card. We use the term "*authorized users*" to refer to additional cardholders who are not responsible for paying the total debt. Authorized users cannot give us instructions about the account, such as issuing new cards or changing the credit limit.

If you are an additional cardholder and neither (a) nor (b) applies to you, you are responsible for paying the total debt individually and together (solidarily responsible in Quebec) with the primary cardholder and other additional cardholders. We use the term "*co-borrowers*" to refer to additional cardholders who are responsible for paying the total debt. As a co-borrower you are not responsible for paying any part of the total debt that accumulates after you tell us in writing that you are cancelling your card.

You expressly consent to us communicating information about you and your account to additional cardholders, whether or not they are responsible for the debt, and to contact additional cardholders for the purposes of communicating such information.

7. Your responsibility for lost, stolen or misused cards

You must take reasonable care to safeguard your card, PIN and cheques against loss, theft or misuse.

To safeguard your PIN:

- you must not voluntarily disclose your PIN
- you must keep your PIN separate from your card
- you must not choose a PIN selected from your name, date of birth, telephone numbers, address or social insurance number

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 contribute to the unauthorized use
- you used reasonable care to safeguard your card and PIN
- you notified us by telephone within 24 hours after you learned of the loss, theft or misuse of your card or cheques, or after you suspected that someone else knows your PIN

- you have not reported two or more unauthorized transactions 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

We will charge the account with the applicable fees shown on the card carrier or in any notice we provide 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 the purchase exchange rate in effect on the day the transaction is posted to the account. The 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 the 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 the account, we convert the transaction amount to U.S. dollars. We make the conversion at the refund exchange rate on the date the refund is posted to the account. The 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 the purchase exchange rate and the refund exchange rate means that the amount credited to the account for a refund of a foreign currency transaction will in most cases be less than the original amount charged to the account for the transaction.

10. Promotional interest rates and balance transfer

Occasionally, we may offer you time-limited promotional interest rates on new qualifying transactions related to balance transfers, cheques, cash advances and/or purchases. The promotional interest rates will only apply if the account remains in good standing and you do not exceed the credit limit at any time. When a promotional interest rate ends, your standard interest rate will apply. Promotional offers will also be subject to any additional terms that we set out in the offer.

11. Payments

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.

If your payment due date falls on a weekend or a holiday in the Province or Territory where our records show you live, a payment received by us on the next business day following such payment due date will be considered to have been paid on time. If your statement address is outside Canada, we will use the Federal holidays of Canada to determine whether your payment will be considered to have been paid on time.

12. Interest on cash advances, purchases and fees

We calculate interest on cash advances from the date of the cash advance until the date we receive payment in full. There are no grace days provided for cash advances.

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 within the number of grace days set out in your card carrier or in any notice we provide to you.

If you don't pay your new balance in full, interest charges on those purchases and fees will appear on your next monthly statement. We will charge interest retroactively from the date of the purchase or fee until the date we receive payment in full.

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 notice we provide to you; or
- any promotional interest rates that we may provide to you.

Your account statement shows your annual and daily interest rates.

If you do not make a minimum payment by the due date two times in any twelve-month period, your interest rate will increase as shown on the card carrier or any notice we provide to you. The amount of interest we charge you on each account statement is calculated as follows:

- first, we determine your average daily balance by adding the interest-bearing amount you owe each day and dividing that total by the number of days in the statement period.
- next, we determine the daily interest rate by dividing the annual interest rate by the number of days in a year.

Your interest charge is then calculated by multiplying the average daily balance by the daily interest rate by the number of days in a statement period.

If different interest rates apply to categories of transactions (such as purchases, cash advances, balance transfers), we calculate the interest charge based on the average daily balance for each rate. Your account statement shows the interest charges for each category.

If your interest rate changes during a statement period, we calculate interest using the rate in effect at the end of that period.

We add your interest charge to your balance at the end of the statement period. As a result, we charge interest on unpaid interest.

14. How we apply payments to your account

When we receive a payment, we use the money first to pay off the minimum payment amount appearing on your account statement in the following order:

- first, to any interest that appears on your account statement;
- second, to any fees that appear on your account statement including, but not limited to, annual card fees, fees for optional benefits and services, and cash advance fees;
- third, to credit card balance insurance premiums that appear on your account statement;
- fourth, to any transactions that appear on your account statement;
- fifth, to any fees which have not yet appeared on your account statement; and
- sixth, to any transactions which have not yet appeared on your account statement

Your payment will be applied to balances within each of the above categories beginning with the lowest interest rate item(s) within the category and continuing to the highest interest rate item(s) within the category.

If you pay more than the minimum payment due, we will apply that excess amount of your payment to the remaining balance on your account statement, as follows:

- First, all items that have the same interest rate will be placed into the same category;
- Second, we will allocate the amount of your payment that is in excess of your minimum payment amount to the different interest rate categories in the proportion that the amount in each category represents of the remaining balance. For example, if your purchases represent 60% of your remaining balance and your cash advances represent 40% of your remaining balance, we will apply 60% of your excess payment towards your purchases and 40% of your excess payment towards your cash advances.

If you pay more than your new balance on your account statement, the excess payment will be applied to transactions that have not yet appeared on your monthly statement, using the same payment allocation described above.

15. Your minimum payment

You may pay your account balance in full at any time. By the payment due date shown on your account statement, you must pay at least the minimum payment.

To calculate your minimum payment, we add \$10 to the amount of interest and fees shown on your account statement. In addition to that amount, we also add to your minimum payment the larger of:

- any amount past due on your account statement; or
- the amount by which your new balance exceeds your credit limit.

If your new balance is \$10 or less, you must pay the full amount.

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.

If a merchant gives you a refund and we receive a credit note from the merchant, we will credit it to the account on the day we receive it. A merchant refund is not counted towards the minimum payment required by this agreement.

18. Limitations on our liability

We try to ensure that you can always use your card. Occasionally, however, you may not be able to do so because of systems or communication problems involving a merchant, MasterCard International Inc. or us. We may also block use of your card without telling you if we suspect unauthorized or fraudulent use of the card. We are not liable to you if you cannot use your card.

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 the account and no interest or fees have been charged to the account, in which case we will provide 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 the 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 won't send you any more account statements, and we may not allow you to use the 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 the account, even after you or we cancel the 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. 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.

22. Cancellation of your card

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

- cancel any card on the account
- cancel your rights and privileges related to your card
- close the account
- require you to immediately return all your cards and cheques to us

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

The primary cardholder may cancel their card or any additional cards at any time by contacting us (see Section 27). If the primary cardholder cancels their card, we will also cancel all additional cards associated with the account.

23. 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.

24. Providing you with account statements and other notices

We will provide account statements and other notices to the primary cardholder and any co-borrowers 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.

25. Assigning this agreement

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

26. 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.

27. 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)

We're here to help - Resolving Customer Complaints

Whenever you need to talk to us, we'll be here to help.

You come first in everything we do. If you have a complaint, we encourage you to let us know and give us the opportunity to resolve the issue. We promise to address your complaint quickly, efficiently, and professionally, as retaining your confidence and trust is of the utmost importance.

1. Talk to Us

Talk to a representative at the branch or office where your complaint originated, or where you normally conduct your business. If your concerns are not resolved, please involve the Manager/Supervisor. Alternatively, contact:

BMO Credit Card

Call: 1-800-263-2263

TTY: 1-866-859-2089

Visit: bmo.com/creditcards

2. Escalate to a Senior Officer

If your complaint is unresolved after following Step 1, you may escalate to the appropriate business group Senior Officer, listed below:

BMO Credit Card

Office of the Head, North American Customer Contact Centre

P.O. Box 3400

RPO Streetsville

Mississauga, ON L5M 0S9

Call: 1-800-372-5111

Fax: 1-866-868-1827

3. Escalate to the BMO Ombudsman

If your complaint is unresolved after following Steps 1 and 2, you may escalate to the BMO Ombudsman.

The BMO Ombudsman's mandate is to conduct impartial reviews of unresolved financial services complaints for customers of Canadian operating groups. The process is based on fairness, integrity and respect, and considers: the interests of all parties, any relevant documentation, applicable laws, rules, regulations, policies and industry practices, as well as the overall fairness of the situation. At the conclusion of a review, the BMO Ombudsman may facilitate a resolution between the parties or make a recommendation to settle the complaint.

The BMO Ombudsman does not investigate certain types of complaints, including:

- Credit granting policies or risk management decisions
- Decisions to close accounts
- Business decisions to change product or service offerings
- Levels of interest rates, service charges or fees that apply to all customers
- Transaction or other product or service issues for which BMO records no longer exist
- Matters that are, or have been, before a Court, tribunal, or other independent dispute resolution body

BMO Financial Group Ombudsman

1 First Canadian Place

P.O. Box 150

Toronto, ON M5X 1H3

Call: 1-800-371-2541

Fax: 1-800-766-8029

Email: bmo.ombudsman@bmo.com

Escalate to BMO Financial Group Privacy Office If your complaint is regarding the privacy of your personal information and remains unresolved after following Steps 1 and 2, you may contact the Privacy Office at:

Email: privacy.matters@bmo.com

Subject line: Attn: Chief Privacy Officer

BMO Financial Group Office of the Chief Privacy Officer

1 First Canadian Place

P.O. Box 150

Toronto, ON M5X 1A1

If you are still not satisfied, you can contact:

The Office of the Privacy Commissioner of Canada

Call: 1-800-282-1376

Visit: privcom.gc.ca

4. Contact an Ombuds Service

Ombudsman for Banking Services and Investments

If your complaint relates to one of the following entities:

- BMO Bank of Montreal (Including clients of BMO Private Banking, BMO Creditor Insurance Clients, and BMO Credit Card)
- BMO Investments Inc.
- BMO InvestorLine Inc.
- BMO Nesbitt Burns Inc.

You also have the additional option of escalating your complaint to the Ombudsman for Banking Services and Investments (OBSI).

OBSI is an independent service for resolving **banking services and investment disputes**. It is your right to bring your case to OBSI for an impartial, informal and confidential review. OBSI is not a regulator, and does not advocate for consumers or the industry. Services are free to consumers.

Ombudsman for Banking Services and Investments (OBSI)

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

Visit: obsi.ca

Voluntary Commitments and Codes of Conduct

BMO Financial Group has participated in the development of and is committed to the following Voluntary Commitments and Codes of Conduct, designed to protect consumers.

1. Canadian Code of Practice for Consumer Debit Card Services
2. Online Payments
3. Guidelines for Transfers of Registered Plans
4. CBA Code of Conduct for Authorized Insurance Activities
5. Principles of Consumer Protection for Electronic Commerce: A Canadian Framework
6. Model Code of Conduct for Bank Relations with Small and Medium Sized Businesses
7. Plain Language Mortgage Documents
8. Low-Cost and No-Cost Bank Accounts
9. MasterCard – Zero Liability
10. Undertaking on Right of Rescission of Principal Protected Notes
11. Code of Conduct for the Credit and Debit Card Industry in Canada
12. Commitment on Modification or Replacement of Existing Products and Services
13. Code of Conduct for Federally Regulated Financial Institutions – Mortgage Prepayment Information
14. Commitment to Provide Information on Mortgage Security
15. Commitment on Powers of Attorney and Joint Deposit Accounts

Let's connect

For more information about the Voluntary Commitments and Codes of Conduct:

Visit: bmo.com

Call: 1-877-225-5266, select language and then select option 3.

Alternative Options

Regulators and Provincial Securities Commissions

Financial Consumer Agency of Canada (FCAC)

The FCAC supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws and voluntary commitments and codes of conduct. For example, financial institutions are required to provide consumers with information about complaint handling procedures, fees, interest rates and branch closures.

If you have a complaint concerning a consumer protection law or a voluntary commitment or code of conduct, you may contact the FCAC at:

Financial Consumer Agency of Canada

427 Laurier Avenue West, 6th Floor

Ottawa, ON K1R 1B9

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

Call (French): 1-866-461-ACFC (2232)

Visit: fcac-acfc.gc.ca

Note: The FCAC does not provide redress or compensation and cannot get involved in individual disputes.

Tips: For a complete listing of federal consumer protection laws, voluntary commitments and codes of conduct, visit: fcac-acfc.gc.ca

Our Commitment to You

BMO Financial Group appreciates and values the opportunity to assist you in meeting your financial objectives today, and in the future. We're committed to a strong customer focus: to service, to excellence, and to being responsive to help you reach your goals. This demands that we listen to you, constantly seek ways to enhance your experience with us, and help us earn the right to be your financial services provider.

^{®*} MasterCard is a registered trademark of MasterCard International Incorporated.

[†] Bank of Montreal is member of BMO Financial Group which includes Bank of Montreal Mortgage Corporation, BMO InvestorLine Inc., BMO Investments Inc., BMO Trust Company and BMO Nesbitt Burns Inc.