



(I) Definitions

1. Capitalized words used in the terms and conditions of the Program are defined as follows:

"Affiliate" means an entity which is related to the Customer in one of the following ways: the entity is the parent of the Customer, the entity is a subsidiary of the Customer, or the entity and the Customer are each subsidiaries of the same parent;

"Agreement" means the Commercial Card Agreement between the Customer and BMO, as such agreement may be amended and restated from time to time;

"AIR MILES Rewards Program" means the rewards program operated by LOI;

"BMO" means Bank of Montreal;

"BMO Rewards Program" means the AIR MILES Reward Miles Commercial Card reward program described in these terms and conditions;

"BMO Reward Rate" means the rate at which Reward Miles are earned under the BMO Rewards Program, and is subject to change from time to time without advance notice;

"Business Day" means a day on which BMO is generally open for business in Ontario, Canada and does not include Saturdays, Sundays or statutory holidays;

"Card" means a BMO AIR MILES Commercial MasterCard credit card issued by BMO in connection with the Customer Account;

"Card Account Statement" means the monthly statement listing the Transactions as of the stated Monthly Billing Date;

"Cardholder" means an employee of, or a contractor providing services to, the Customer or Affiliate to whom a Card is issued;

"Cash Advance" means each of the following: (a) an advance of cash obtained through the use of a Card from BMO or another financial institution accepting the Card; and (b) any purchase of Quasi-Cash items;

"Charges" means all charges posted to the Customer Account including all Transactions, fees and service charges;

"Collection Option" has the meaning given to it in section 4;

"Collector's Account" means an AIR MILES collector account associated with an AIR MILES collector number and **"Collectors' Accounts"** means more than one Collector's Account;

"Customer" means the entity that entered into the Agreement;

“**Customer Account**” means the Commercial MasterCard account established by BMO for the Customer;

“**Customer Account Statement**” means a monthly statement showing the outstanding balance of the Customer Account as of a Monthly Billing Date;

“**Good Standing**” means that there are no past due balances on the Customer Account, all fees have been paid, and there is no breach of one or more of the following: (a) the Agreement; and (b) the terms and conditions of the BMO Rewards Program;

“**LOI**” means LoyaltyOne, Inc.;

“**Monthly Billing Date**” means the approximate day in each month on which BMO prepares the Statements;

“**Open**” means the Customer Account has not been suspended or closed;

“**Program Administrator**” means an individual appointed by the Customer to act on behalf of the Customer in connection with the operation and administration of the Customer Account;

“**Purchase**” means the use of a Card to charge to the Customer Account the price of goods or services obtained from a Vendor;

“**Quasi-Cash**” means the following: money orders, gaming chips and other payment devices;

“**Reward Mile**” means an AIR MILES reward mile;

“**Statements**” means collectively the Card Account Statements and Customer Account Statements and a “**Statement**” refers to a Card Account Statement or Customer Account Statement;

“**Transaction**” means any use of a Card which results in a charge to the Customer Account including Purchases and Cash Advances, whether or not the Card was presented to a Vendor (such as in the case of an internet, mail or telephone order purchase) or the Cardholder's signature was obtained or by use of a personal identification number; and

“**Vendor**” means a merchant or supplier.

(II) Participation in the BMO Rewards Program

2. Only the BMO AIR MILES Commercial MasterCard is eligible to participate in the BMO Rewards Program.
3. The Customer Account must be enrolled in the BMO Rewards Program, Open, and in Good Standing in order to earn Reward Miles.

4. BMO will award Reward Miles earned on a Customer Account in one of the following two ways (each a “**Collection Option**”):
 - (a) Customer Collect: all Reward Miles earned on all Cards issued under a Customer Account will be awarded to a single Collector’s Account; or
 - (b) Individual Collect: all Reward Miles earned on a Cardholder’s Card will be awarded to that Cardholder’s Collector’s Account.
5. The Customer or a Program Administrator may subsequently change the Collection Option as well as provide BMO with updated Collector’s Account information from time to time.
6. Each individual participating in the BMO Rewards Program authorizes BMO to provide any personal information to LOI that may be reasonably required in connection with the BMO Rewards Program.

(III) Reward Miles

7. An Open and enrolled Customer Account in Good Standing will earn Reward Miles at the BMO Reward Rate, which is currently one Rewards Mile for every \$30.00 in eligible Charges charged to that Customer Account.
8. Reward Miles will not be earned in respect of any eligible Charges during any period that the Customer Account is not in Good Standing or is not enrolled in, or has been removed or suspended from, the BMO Rewards Program.
9. Reward Miles are issued and calculated as follows:
 - (a) If the Customer Collection option is selected, Reward Miles are calculated on a Customer Account Statement basis.
 - (b) If the Individual Collect option is selected, Reward Miles are calculated on a Card Account Statement basis.
 - (c) Reward Miles are rounded down to the nearest whole number (fractions of a Reward Mile will not be awarded). By way of example, if the BMO Reward Rate is one Reward Mile for every \$30.00 in eligible Charges, and there were \$248.00 in eligible Charges, then 8 Reward Miles would be awarded with the remaining \$8.00 disregarded and not accumulated.
 - (d) The following Charges are not eligible to earn Reward Miles:
 - (i) Cash Advances;
 - (ii) Payments and fees;
 - (iii) Other debits which, in accordance with BMO’s practice from time to time, are not treated as Charges that qualify for the issuance of Reward Miles; and
 - (iv) Any eligible Charges that are refunded. In this event, the following terms apply:

1. The Reward Miles that were earned in respect of any such refunded amount will be deducted from earned Reward Miles for Charges shown on the corresponding Statement; and
 2. If refunds shown on a Statement are not fully offset by new eligible Charges shown on that Statement, the difference will be deducted when calculating earned Reward Miles in the future.
- (e) Earned Reward Miles are awarded typically within two Business Days of the Customer's Monthly Billing Date.
10. Each Statement will show the number of issued Reward Miles.
 11. BMO reserves the right in its sole discretion to do each of the following:
 - (a) cancel or reverse any Reward Miles not properly issued;
 - (b) refuse to issue Reward Miles or withdraw Reward Miles already issued if the Customer is in breach of the Agreement or any agreement with LOI;
 - (c) in the event that the Customer ceases to be in Good Standing, then each of the following apply:
 - (i) BMO may refuse to transfer (in accordance with the Collection Option selected) any Reward Miles shown on a Statement; and
 - (ii) BMO may deem any earned Reward Miles to be forfeited if the Customer Account is cancelled or terminated.
 12. Records maintained by or on behalf of BMO of the number of Reward Miles awarded shall be conclusive, except for manifest error.

(IV) General Terms

13. The terms and conditions of the BMO Rewards Program are in addition to, and do not in any way affect, the agreement between LOI and the Customer and each Cardholder regarding participation in the AIR MILES Rewards Program.
14. Neither LOI nor any of its principals are BMO's agents.
15. BMO is not responsible for any of the following:
 - (a) Any tax liability that may arise through the issuance or redemption of Reward Miles;
 - (b) The AIR MILES Rewards Program including but not limited to each of the following:
 - (i) Any obligation in connection with the operation of the AIR MILES Rewards Program;

- (ii) Any change to the AIR MILES Rewards Program including its termination;
- (iii) Any failure or delay by LOI or any other person to provide goods or services;
- (iv) Any unauthorized redemption of Reward Miles;
- (v) Any loss or damage caused by goods or services supplied or requested in connection with the AIR MILES Rewards Program; and
- (vi) The termination of the AIR MILES Rewards Program.

Therefore neither the Customer nor any Cardholder will make any claims against BMO for any matter connected in any way with the AIR MILES Rewards Program.

16. BMO reserves the right to do each of the following:

- (a) Change any of the terms or conditions of the BMO Rewards Program without prior notice;
- (b) Change the BMO Reward Rate without prior notice;
- (c) Revoke a Customer's as well as any Cardholder's participation in the BMO Rewards Program at any time; and
- (d) Terminate the BMO Rewards Program upon 6 months' notice at any time.

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