

**NOTICE REGARDING CHANGES TO YOUR BMO CARDHOLDER AGREEMENT, ALL
BMO[®] REWARDS TERMS & CONDITIONS, AND MINIMUM PAYMENT**

We want to notify you of changes being made to your BMO Cardholder Agreement (the “**agreement**”), loyalty programs available with certain BMO credit cards, and minimum payment calculation.

A. BMO Cardholder Agreement

The updated agreement will become effective on **August 1, 2019**.

There are certain terms outlined in this communication (required by the Quebec Consumer Protection Act) that vary from your current Cardholder Agreement. We have outlined them below:

Terms currently used in the Cardholder Agreement	Terms in the Consumer Protection Act (Quebec)
Credit Limit	Credit extended
Interest Charges	Credit charges
Annual Interest Rate	Credit Rate
Interest-free Grace Period	Period given to pay outstanding amounts without having to pay credit charges, except as regards money advances
Minimum Payment	Minimum periodic payment required
Annual Fees ; Other Fees	There may be other charges under this Agreement that we disclose to the Borrower, including fees for returned payments, duplicate statements, cash advances, cash-like transactions, bill payments, cheques, redemptions, inactive accounts, among others.

The following sets out paragraphs of the agreement that have been amended. For your convenience, the added text has been underlined. Only the paragraphs within each section identified below have been changed (a section might have more than one paragraph)

1. About some of the words in this agreement

The definition of “cash-like transactions” has been amended as follows:

cash-like transactions mean transactions involving the purchase of items that are similar to and/or can be converted into cash. Cash-like transactions include but are not limited

to: wire transfers, money orders, travellers cheques, casino gaming chips and gaming transactions (including betting, off track betting and race track wagers), securities, government owned lottery tickets, court costs (including alimony, child support), fines, bail, bond payments, and tax payments.

5. Other card benefits and services

The first paragraph of section 5 of the agreement is amended as follows:

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. If you reside in Quebec, notice of any change or withdrawal will be provided in accordance with the applicable terms and conditions relating to those extra benefits and services. 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.

6. Your credit limit

The last two sentences of the second paragraph of section 6 of the agreement are deleted and replaced with the following sentence:

Unless you reside in Quebec, if you 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.

8. Your responsibility for lost, stolen or misused cards

Immediately after the third bullet under the third subtitle (unauthorized use and liability), the agreement is amended by adding a new paragraph as follows:

If you reside in Quebec, your liability for any fraudulent or other unauthorized use of your card will be limited to \$50 during the period that you did not notify us of the fraudulent or other unauthorized use unless you committed a gross fault regarding the safeguarding and protection of your card and PIN. You will be considered to have committed a gross fault (and we will claim all charges incurred in connection with the fraudulent or other unauthorized use from you) if:

- you contributed to the fraudulent or other unauthorized use
- the fraudulent or other unauthorized use consists of a chip and PIN transaction
- you learned (or ought to have learned, upon receipt of your statement or otherwise) of the loss, theft or misuse of your card or you suspected that someone else knows your PIN and you did not notify us in a timely manner

Renumbered Sections

Sections 24 (Changes to this agreement), 25 (Assigning this agreement) and 26 (French Language Clause) are renumbered as sections 25, 26 and 27 respectively.

New section 24

The following clause is added as a new section 24:

Clause required under the Consumer Protection Act. (Clause of forfeiture of benefit of the term)

Before availing himself of this clause, we must send you a notice in writing and a statement of account. Within 30 days following receipt by you of the notice and the statement of account, you may:

- (a) either remedy the fact that you are in default;
- (b) or present an application to the court to have the terms and conditions of payment prescribed in this agreement changed.

It is in your interest to refer to sections 104 to 110 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.

Renumbered Section

Section 27 (Your personal information) is renumbered as section 29.

New section 28

The following clause is added as a new section 28:

Clause required under the Consumer Protection Act. (Open credit contract for the use of a credit card)

(1) If you use all or part of the credit extended to make full or partial payment for the purchase or the lease of goods or for a service, you may, if the open credit contract was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the open credit merchant collaborated with a view to granting credit, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider.

The consumer may also, in the circumstances described in the first paragraph, exercise against the open credit merchant, or against the merchant's assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The open credit merchant or the merchant's assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the open credit merchant at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the open credit merchant received if he assigned the debt.

(2) A consumer who is solidarily liable with another consumer for the obligations arising from an open credit contract is released from the obligations resulting from any use of the open credit account after notifying the merchant in writing that he will no longer

use the credit extended and no longer intends to be solidarily liable for the other consumer's future use of the credit extended in advance, and after providing proof to the merchant, on that occasion, that he informed the other consumer by sending him a written notice to that effect at his last known address or technological address. Any subsequent payment made by the consumer must be applied to the debts contracted before the notice was sent to the merchant.

(3) A consumer who has entered into a preauthorized payment agreement with a merchant under which payments are made out of credit obtained under a credit card contract may end the agreement at any time by sending a notice to the merchant. On receipt of the notice, the merchant must cease to collect the preauthorized payments. On receipt of a copy of the notice, the card issuer must cease debiting the consumer's account to make payments to the merchant.

(4) The consumer is not liable for debts resulting from the use of a credit card by a third person after the card issuer has been notified, by any means, of the loss, theft or fraudulent use of the card or of any other use of the card not authorized by the consumer. Even if no notice was given, consumer liability for the unauthorized use of a credit card is limited to \$50. The consumer is held liable for the losses incurred by the card issuer if the latter proves that the consumer committed a gross fault as regards the protection of the related personal identification number.

(5) Without delay at the end of each period, the merchant must send the consumer a statement of account. The merchant is not required to send a statement of account to the consumer at the end of any period if there have been no advances or payments during the period and the outstanding balance at the end of period is zero.

(6) If the consumer makes a payment at least equal to the outstanding balance at the end of the preceding period within 21 days after the date of the end of the period, no credit charges may be required from the consumer on that outstanding balance, except as regards money advances. In the case of a money advance, charges may accrue as of the date of the advance until the date of payment.

(7) The consumer may demand that the merchant send, without charge, a copy of the vouchers for each of the transactions charged to the account during the period covered by the statement. The merchant must send the copy of the vouchers requested within 60 days after the date the consumer's request was sent.

(8) Until the consumer receives a statement of account at his address or technological address if expressly authorized by the consumer, the merchant must not claim credit charges on the unpaid balance, except as regards money advances.

It is in the consumer's interest to refer to sections 103.1, 122.1, 123, 123.1, 124, 126, 126.2, 126.3, 127 and 127.1 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur.

Renumbered Section

Current section 28 (How to contact us, complaint resolution and the Financial Consumer Agency of Canada) is renumbered as section 30. Immediately under the text "Customer Contact Centre", the number "1-800-263-2263" is amended as follows: "If you have any questions on this agreement, please contact us at: 1-800-263-2263".

B. BMO[®] CashBack Rewards Terms & Conditions

The updated BMO CashBack Rewards Terms & Conditions will become effective on **August 1, 2019**.

Section 9 or section 10, as applicable, of the BMO CashBack Rewards Terms & Conditions is amended and restated as follows:

Amendment and Cancellation

If you reside outside Quebec:

We have the right at any time to amend these terms or cancel the CashBack Reward program or the BMO Roadside Assistance Program. If we cancel the CashBack Rewards program, we will credit your account for the CashBack rewards you have previously earned, unless your account is not in good standing at that time.

If you reside within Quebec:

We may change any terms and conditions of the CashBack Reward program (including but not limited to the CashBack Reward earn rate, the cancellation of the BMO Roadside Assistance Program and the cancellation of the CashBack Reward program) at any time by giving you notice at least 60 days (but not more than 90 days) before such change comes into force. The notice will be drawn up clearly and legibly and will either set out the amended clause of the terms and conditions or both the amended clause and the clause as it read formerly as well as the date of the coming into force of the amended clause. If we cancel the CashBack Rewards program, we will credit your account for the CashBack rewards you have previously earned, unless your account is not in good standing at that time.

C. BMO Rewards[®] Terms and Conditions

The updated BMO Rewards Terms and Conditions will become effective on **August 1, 2019**.

Section 17 of the BMO Rewards Terms and Conditions is amended and restated as follows:

17. Amendments

If you reside outside Quebec:

We may make changes to the program including but not limited to:

- changes to any reward;
- changes to the points required to be redeemed for any reward; and
- changes to the earn rate.

We may also:

- cancel, change or substitute rewards at any time with or without notice;
- introduce fees or change the fees that we charge for the program services; and
- change the terms and conditions of the program.

If you reside within Quebec:

We may make changes to the program including but not limited to:

- changes to any reward; and
- changes to the points required to be redeemed for any reward.

We may also:

- cancel, change or substitute rewards at any time with or without notice.

With respect to all other program related matters other than those captured by the points addressed above under the subtitle “If you reside within Quebec”, we may change any terms and conditions of the program (including but not limited to the earn rate, and fees that we charge or otherwise introduce for the program services) at any time by giving you notice at least 60 days (but not more than 90 days) before such change comes into force. The notice will be drawn up clearly and legibly and will either set out the amended clause of the terms and conditions or both the amended clause and the clause as it read formerly as well as the date of the coming into force of the amended clause.

D. AIR MILES^{®†} Rewards Terms & Conditions

The updated AIR MILES Rewards Terms & Conditions will become effective on **August 1, 2019.**

Section 14 or section 16, as applicable, of the AIR MILES Rewards Terms & Conditions is amended and restated as follows:

Our Participation in the Program

If you reside outside Quebec: We have the right at any time without notifying you in advance, to change or terminate these terms and conditions or cancel our participation in the program.

If you reside within Quebec: We may change any terms and conditions of the program (including but not limited to the AIR MILES Reward Miles earn rate, the termination of these terms and conditions, and the cancellation of our participation in the program) at any time by giving you notice at least 60 days (but not more than 90 days) before such change comes into force. The notice will be drawn up clearly and legibly and will either set out the amended clause of the terms and conditions or both the amended clause

and the clause as it read formerly as well as the date of the coming into force of the amended clause.

E. Minimum Payment

Your minimum payment is calculated as follows, effective **August 1, 2019**:

If you reside outside Quebec:

Your minimum payment will be **\$10.00** plus any interest, plus any fees, plus the greater of the following: (i) any amount past due on your account statement; or (ii) any amount by which your new balance exceeds your credit limit. If your new balance is **\$10.00** or less, you must pay the full amount.

If you reside within Quebec:

If your credit card account was opened on or after August 1, 2019, the following minimum payment terms apply: Your minimum payment will be the greater of the following: (i) **5.00%** of the outstanding balance plus any amount past due on your account statement; or (ii) any amount by which your new balance exceeds your credit limit; or (iii) **\$10.00**. If your new balance is **\$10.00** or less, you must pay the full amount.

If your credit card account was opened before August 1, 2019, the following minimum payment terms apply: Your minimum payment will be the greater of the following: (i) the percentage of your outstanding balance indicated below plus any amount past due on your account statement; or (ii) any amount by which your new balance exceeds your credit limit; or (iii) **\$10.00**. If your new balance is **\$10.00** or less, you must pay the full amount.

Credit Card Statements Generated During the Following Periods	Percentage of the Outstanding Balance Payable
August 1, 2019 to July 31, 2020	2.50%
August 1, 2020 to July 31, 2021	3.00%
August 1, 2021 to July 31, 2022	3.50%
August 1, 2022 to July 31, 2023	4.00%
August 1, 2023 to July 31, 2024	4.50%
August 1, 2024 or later	5.00%

Frequently Asked Questions (FAQs):

If you have any questions regarding these changes, please visit bmo.com/August2019FAQs

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