

Agreement for Business Banking

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Introduction

Welcome to BMO Bank of Montreal® Business Banking

We would like to take this opportunity to welcome you to BMO Bank of Montreal® Business Banking.

We are committed to offering you simple, flexible and custom banking solutions. We want to help make your business banking a little easier and let you focus on what's important – running your business.

This Agreement contains the terms which govern your Account(s) with us and other services you may have in connection with your Account(s). By signing the Agreement for Business Banking: Execution and Account Information you have agreed to the terms contained herein.

In this Agreement “you” means the business entity entering into this Agreement, being a sole proprietorship, a partnership, a corporation or another type of business entity and “we”, “our”, “us” and “the Bank” mean Bank of Montreal. The other defined terms used in this Agreement are defined in Section VI, Glossary of Terms.

Section I contains terms which apply to each of your Accounts.

Section II contains the terms that will govern your Everyday Banking for Business Plan. These terms will apply if you select an Everyday Banking for Business Plan to govern your Account(s).

Section III of this Agreement contains terms which apply to BMO® Debit Card for Business and Telephone Banking/Online Banking services. These terms will apply should you subscribe for and be approved by us to utilise such services.

Section IV contains other general terms which apply to all services and Accounts.

Les conventions relatives aux services bancaires courants de la Banque de Montréal sont disponibles en français et en anglais. Si vous ne les avez pas reçues dans la langue de votre choix, nous serons heureux de vous faire parvenir la bonne version sur demande.

I. Operation of Business Account

This section I contains terms that apply to the operation of your Account(s) whether or not you have selected an Everyday Banking for Business Plan and whether or not you opt for the Card Service or Telephone Banking/Online Banking. You agree with us that the operation of each Account which you now or in future may have with us at any of our branches or agencies and the carrying on of other banking business by you with us at any of our branches or agencies shall be subject to the following terms:

1) Deposits to Account

You authorize us to endorse for deposit in your name any item(s) received for deposit in your Account(s) absent any such endorsement. We reserve the right to refuse to accept deposits or specific items for deposit to your Account(s).

2) Use of Cheques

You will draw encoded cheques only on the Account(s) for which the cheques are encoded. We will not be liable, in any circumstances, for any loss or damage arising from the wrongful acceptance of a cheque, or wrongful refusal by us to honour a cheque, drawn by you on an Account other than the Account for which the cheque is encoded.

In the event of insufficient funds to pay cheques which arrive for payment at the same time (or the same day) we may, but are not obligated, to honour some or all of the cheques and we will use our discretion in paying items to the maximum amount available in the Account.

3) Waiver of Protest

You waive presentment, notice of dishonour, protest, and notice of protest of any Instrument. You will be liable to us on any Instrument as if it had been duly presented, protested and notice of dishonour and protest had been given to all parties to it as provided by law. We may carry out any such formalities if, in our sole discretion, we consider it in either party's interest. We will not, in any circumstances, be responsible or liable for failure or omission to present, give notice, have protested or noted for protest any Instrument.

4) Use of Agents

We may use the services of any bank or agent as we may deem advisable in connection with any of your banking business. Such bank or agent is deemed to be your agent and we will not, in any circumstances, be responsible or liable to you by reason of any act or omission of such bank or agent, however caused, in the performance of such service or by reason of the loss, theft, destruction or delayed delivery of any Instrument while in transit to or from, or in the possession of such bank or agent.

5) Charges to Account

We may charge for our services and debit your Account(s) at any time with the following:

a. For Instruments Drawn on Accounts:

- the amount of any Instrument payable by you at any of our branches or agencies;

b. Unpaid Instruments:

- the amount of any Instrument cashed or negotiated by us for you or credited to your Account(s) (whether by means of deposits made by you or by payments received for you through electronic or other means) for which payment is not received by us on a final irrevocable basis, or is reversed, in whole or in part, and whether or not such non-payment or reversal complies with the rules of the Canadian Payments Association or other clearing organization for any reason (whether or not such Instruments were drawn on other accounts with us), and with the amount of any other of your indebtedness or liability to us and with any expenses incurred by us in connection with paying of a

dishonoured or unpaid Instrument. Notwithstanding such charging, all rights and remedies of us against all parties are preserved. No charging of unpaid Instruments shall be deemed to be payment of such Instruments;

c. Lost or Stolen Instruments:

- the amount of any Instrument received by us for your Account(s) by way of deposit, discount, collection or otherwise if it is lost or stolen or otherwise disappears by any cause whatsoever other than our gross negligence;

d. Costs of Compliance:

- any costs we incur in order to comply with any request or order issued under a statutory or court authority for information, documents or action to be taken by us respecting your Account(s);

e. For Account Operation and Services:

- any reasonable service charges and fees for the operation of the Account(s) and for any services or any EBB Plan which you subscribe for and we may provide from time to time;

f. For Taxes:

- all amounts collectible by us as taxes on the supply, sale or other provision of our products or services; and

g. Amounts Deposited in Error:

- any amount deposited to your Account(s) in error by us (you acknowledge that you do not acquire rights to funds deposited into your Account(s) in error merely by virtue of the fact that such deposit has been made, regardless of the length of time the funds remain in the Account(s)).

If sufficient funds are not available in your Account(s) for the foregoing, you agree to pay upon demand by us and will be liable to us for any such amounts owed including any overdraft, together with interest thereon at the interest rate charged by us from time to time for overdrafts.

We may set off or apply funds available in your Account(s) to the amount of any indebtedness or liability you may have to us, in any manner we consider necessary and without prior notice to you, unless we have specifically agreed otherwise.

6) Foreign Currency Transactions

Except as otherwise provided by us, all Transactions in respect of your Account in a currency different than that of the Account will be converted by us to the currency of the Account at the exchange rate in use by us at the time the Transaction is processed.

Notwithstanding the above, any Instrument received for deposit to your Account in a currency other than that of the Account may be declined by us.

7) US Dollar Account(s)

You acknowledge that all amounts deposited to any US dollar Account are not insured under the Canada Deposit Insurance Corporation Act.

8) Compliance with Laws

We may require deposits to comply in all respects with all applicable laws, rules, regulations and standards of the Bank and/or the Canadian Payments Association.

We may refuse to accept, honour, certify, pay or process Instruments which do not comply with all applicable laws, rules, regulations, requirements and standards. We will not be liable for such refusal.

9) Indemnity

You agree to indemnify and save us harmless from all costs, charges, complaints, expenses,

damages, liabilities, claims, actions and losses whether directly or indirectly incurred, sustained or suffered by us or you in connection with any Instruments; our enforcement of our rights hereunder, and the operation of any Account, including claims of any third party; for non-payment of any Instrument in accordance with instructions provided by you or non-acceptance of any Instrument or our dishonour, or refusal to certify Instruments; our acting, delaying in acting or declining to act upon any instructions received for Transactions including returning Instruments to other financial institutions for reimbursement under the rules of the Canadian Payments Association; and including, without limitation, legal costs and expenses (on a full indemnity basis) incurred by the Bank in connection with any of the foregoing.

This indemnity is in addition to and not in substitution for any other indemnity that you have provided to us and survives termination of the operation of your Account.

10) Stop Payment

We are not able to stop payment on any Instrument which has already been presented for payment to us or which has been certified by us and we are not able to reverse any previously requested stop payment if the Instrument has already been dishonoured.

11) Limitation of Liability

We are not responsible for confirming the accuracy of any information provided by you and are not responsible for any discrepancies between cheque numbers, serial numbers, amounts, payee names and other information provided.

We will not be responsible for or liable to you or any third party for any delay, damage, loss, liability, inconvenience or claim (other than any loss, liability or claim caused by our gross negligence or wilful misconduct) arising out of:

- any act or omission of any service organization or agent;
- any system failure, malfunctioning, delay or failure to provide any services;
- any use of any communications networks, either private, public or otherwise, operated by a third party, in connection with any services provided by us;
- any errors resulting from incomplete or incorrect data received by us; or
- unless otherwise agreed to by us in writing, your communication of any confidential or other information to us by fax, or by other electronic means including electronic mail or if we communicate such information to you by these means at your request or as a reply to a communication sent to you over the same channel.

In no event will we be liable for direct or indirect, special or consequential damages including, but not limited to, loss of profit or other economic loss in connection with, or arising out of, our providing, or ceasing to provide services in respect of an Account.

12) Holding of Funds

We may hold funds you deposit by cheque, or other non-cash deposits (money orders or drafts), for the time periods set out below prior to making them available to you for withdrawal.

For deposits of encoded Canadian dollar cheques, money orders and drafts for amounts \$1,500 or less, we may apply a hold for up to 4 business days after the day of the deposit if it is deposited in person with an employee at a branch. We may apply a hold for up to 5 business days after the day of the deposit if it is deposited through any other manner, including an Automated Teller Machine (ATM). Despite the above hold periods, during the first 90 calendar days after you open your Account we may apply a hold for up to 7 business days after the day of the deposit.

For deposits of encoded Canadian dollar cheques, money orders and drafts for amounts greater than \$1,500, we may apply a hold for up to 7 business days after the day of the

deposit if it is deposited in person with an employee at a branch. We may apply a hold for up to 8 business days after the day of the deposit if deposited through any other manner, including an ATM.

When you deposit a fully encoded US dollar cheque drawn on a financial institution's branch located in Canada, we may apply a hold for a maximum of 7 business days, before you are able to access the funds.

When you deposit an un-encoded or partially encoded Canadian dollar or US dollar cheque drawn on a financial institution's branch located in Canada, we may apply a hold for a maximum of 15 business days, before you are able to access the funds.

When you deposit a cheque drawn on a financial institution's branch located outside of Canada, or a fully encoded cheque in a currency other than Canadian dollars or US dollars drawn on a financial institution's branch located in Canada, we may apply a hold for a maximum of 30 business days, before you are able to access the funds.

A hold provides no guarantee that a cheque or other non-cash deposit will not be returned unpaid after the hold period has expired. If a cheque or other non-cash deposit is returned to us unpaid for any reason at any time, either during or after the expiry of the applicable hold period, we have the right to charge the amount of the cheque or non-cash deposit to your Account.

13) Processing and Verification by us

Our records respecting the time of presentment, payment or dishonour of any Instrument shall be conclusive evidence of same.

Some Transactions may require you to execute additional documentation. In that case, we will advise you of additional steps/procedures that will be required. The timing of the processing of such Transactions may depend on you returning the necessary documentation to us.

Transactions or any update of records of Transactions made on a weekend or local, municipal, provincial, federal or territorial holiday may be processed by us on our next banking day in the affected jurisdiction.

We may verify any communications or the source of a communication before we accept or act on them; however, we are not obligated to do so. We will not be responsible for any instructions or communications that are not accepted, or for delays in acting upon any instructions or communications. Our records will be conclusive evidence of your communications. We may tape record your verbal communications with us, and may inform you when we are doing so.

Any Transaction information that you may receive is solely for your convenience in keeping your banking records. In the event of any dispute as to the accuracy of any such information, our decision based upon our internal records will be conclusive and binding on you.

We may decline or delay acting on any instruction for any Transaction (including any post-dated Transactions) for any reason, including but not limited to, if instructions are incomplete, ambiguous, or cannot be processed due to insufficient funds or otherwise, or if the authenticity or lawfulness of any instruction is doubted. You agree that instructions acted upon by us will, in the absence of our gross negligence or wilful misconduct, be conclusively deemed to be valid instructions given or made by you, whether or not authorized by you and whether or not accurately communicated or received.

We may report any improper or unauthorized activity that is in any way connected to the Account(s) to any law enforcement agency or credit reporting agency.

14) Account Statements and Verification by you

We shall provide to you, unless you instruct us not to, a statement of your Account together with cheques or cheque images and other Transaction information and documents for amounts charged to your Account. You will advise us promptly if the statement has not been received within 10 days of the date when it is normally received.

You understand that in the event we elect to provide cheque images to you that you will not receive the original cheques with the statement of your Account. We may destroy the original cheques at any time in our sole discretion.

You are responsible for reviewing and verifying, at least monthly, the debit and credit entries to your Account, examining the cheques or cheque images and Transaction information and documents provided and determining their authenticity, and notifying us in writing of any errors, irregularities, omissions or any other objections to them or in respect of any other Transaction involving your Account (including, without limitation, if you become aware that an Instrument has forged signatures, has been altered, is a duplicate, is counterfeit or is otherwise unauthorized or fraudulent). You will provide your notice to us within 30 days after: (i) the statement date, if you receive monthly statements; and (ii) the last day of the month in which the Transaction was posted to your Account, if you do not receive monthly statements (the **“Review Period”**).

Upon the expiry of any Review Period (except as to any alleged errors, irregularities, omissions, or other objections outlined on the notice provided to us within such Review Period) you are deemed to have accepted all statements and reports of Account information pertaining to such Review Period and generated by us with respect to the Account as accurately reflecting all Transactions on the Account. Without limiting the foregoing, you acknowledge and agree that, after the expiry of any Review Period:

- (i) you have no claim that any cheques or any other payment instructions charged to the Account had forged signatures, were altered, were duplicated, were counterfeit or were for any reason unauthorized or fraudulent even if you or we did or did not verify the signature, instruction or authorization;
- (ii) all amounts charged to your Account that are properly charged to you include all interest and service charges, whether or not the statement discloses how interest and charges are calculated;
- (iii) it shall be conclusively settled, (subject to our right either during or after such Review Period to charge back items and amounts remitted to you for which payment has not been received or has been reversed, in whole or in part), that the relevant statement and the balance shown on it and reports of Account information pertaining to such Review Period and generated by us for the Account are correct and that the cheques or cheque images and other Transaction information and documents, and amounts, are authentic, authorized and properly charged to your Account; you are not entitled to be credited with any sum not credited to the Account in the relevant statement;
- (iv) you cannot claim that any entry on the relevant statement or posting during the relevant month, as applicable, is incorrect for any reason, and you will have no claim against us for reimbursement relating to any such entry or posting, as applicable, even if the instruction which resulted in the charge to your account was forged, unauthorized or fraudulent or was improperly charged for any other reason whatsoever, including our negligence; and
- (v) we will be released from any claim whatsoever relating to the statement of your Account and Transaction information and documents pertaining to such Review Period, whether for negligence, breach of contract, breach of trust, breach of fiduciary duty, conspiracy, unlawful interference or otherwise

We are not liable for any loss or claim arising from any breach by you or any third party of any fiduciary duty or trust in respect of the sums or dealings noted in the statements.

Notwithstanding the foregoing, you shall notify us immediately if (i) at any time prior to the expiry of the Review Period you become aware that an Instrument has been altered, is a duplicate or is otherwise fraudulent, or (ii) at any time you become aware of any unauthorized or forged endorsement on any Instrument.

15) Your Duty of Care

You will maintain procedures and controls to detect and prevent thefts of Instruments or losses due to fraud or forgery involving Instruments. You will diligently supervise and monitor the conduct and work of all Authorized Signatories and all agents and employees having a role in the preparation of your Instruments and your bank statement reconciliation or other banking functions. We shall have no responsibility or liability whatsoever for any loss due to a forged or unauthorized signature unless:

- the forged or unauthorized signature was made by a person who was at no time your agent, employee or Authorized Signatory;
- the loss was unavoidable despite you having taken all feasible steps to prevent loss arising from forgery or unauthorized signatures;
- the loss was unavoidable despite you having in place the procedures and controls to supervise and monitor your agents, employees and Authorized Signatories; and
- the loss was caused solely by our gross negligence, fault or wilful misconduct.

16) Transfer Funds by Wire

If you provide us with instructions to transfer funds by wire (domestically or internationally), we, our correspondents, and other financial institutions involved in processing the remittances may rely on any account or identification numbers provided and will not seek to confirm whether the number specified corresponds with the name of the beneficiary or the beneficiary's bank provided in the payment order. The payee designated by you may be required to provide identification to the satisfaction of the paying bank.

Wire payment instructions executed by us are irrevocable. Under certain circumstances we will, on a reasonable efforts basis, and upon your request, attempt to recall a wire payment, however, we cannot guarantee return of the funds. If funds are returned, we will credit your Account at our quoted rate of exchange (where you request foreign currency exchange on the date that such credit is made).

You will pay us fees in addition to all other service fees for transfers by wire and will reimburse us for any deductions and withholding or other taxes, and for any interest and penalties that may be paid by us in connection with any remittances. Other financial institutions may deduct a fee for processing remittances. You acknowledge that international remittances are subject to cut-off times, time zone differences and local regulations of the destination country.

For wire transfers, we are not responsible for any delay, failure or performance, damage, penalty, cost, expense or inconvenience resulting to you or any other person from causes beyond our control. We are not liable to you or any other person for incorrect or improper payment to any person arising out of the processing of any wire transfer, unless caused solely by our gross negligence or wilful misconduct.

17) Closing or Freezing Accounts

We may at any time, without notice to you, close any Account, or freeze or hold the funds in any Account, at our sole discretion, including, without limitation, for reasons of actual or suspected fraud or illegality, inaction on the Account or breach of your obligations under any agreement between us and you.

II. Everyday Banking for Business Plans

This section II contains terms that apply in respect of each Everyday Banking for Business Plan (EBB Plan) which you may subscribe for and which we have approved. Your Everyday Banking for Business Plan may be amended, subject to our approval, by completion of the Agreement for Business Banking: Amendment Information or by other means as we may permit.

By applying for an Everyday Banking for business Plan, you agree to the following:

1) Plan Features

You understand and agree to the features, fees, restrictions, terms and conditions of the EBB Plan as stated in this Agreement, the Better Banking Guide for Business and other relevant agreements or schedules executed by you for the EBB Plan.

Additional services and amendments to your EBB Plan may be identified in schedules or other documents provided to you by us from time to time, as part of the EBB Plan.

2) Fees

You agree to pay all fees applicable to the Account(s) which are in effect from time to time, including, without limitation, any applicable EBB Plan fees and additional service fees, in effect from time to time. You may obtain information from any of our branches in Canada concerning the amount of such fees in effect at the time, or may consult the Better Banking Guide for Business. Additional service fees include those fees and charges for services under the EBB Plan that are not included in the EBB Plan fees.

III. BMO® Debit Card for Business and Telephone Banking/Online Banking

This section III contains the terms that apply to your use of the Card Service and Telephone Banking/Online Banking (certain features of which you may change by completion of the Agreement for Business Banking; Amendment Information or you may supplement by completion of an Online & Mobile Banking Service for Business Agreement and/or a Tax Payment and Filing Agreement). By applying for an Account to which the Card Service and/or Telephone Banking/Online Banking apply you agree to the following:

1) Scope

This section governs your use of:

- the Card(s);
- Terminals;
- Telephone Banking;
- Online Banking/Mobile Banking;
- point of sale/debit card terminals at locations which permit you to use your Card(s) to make direct payment transactions on the Account; and
- any other access channels or channels of communication which we may enable you to use, which may include stored value/cash cards or similar devices when available.

2) Cardholder Authorization and Acceptance of Instructions

You authorize and designate each Cardholder to use a Card and to have access to the Services on your behalf.

The Card authorizes the Cardholder to have access to the Services under all Accounts and any applicable EBB Plans.

You authorize us to accept, without further verification, and you agree to be liable for:

- all instructions of the type that we accept given by your Cardholder(s), using Telephone Banking/Online Banking, when those instructions are accompanied by the Card, Secret ID Code, or Card Number, as the case may be, for Transactions;
- all Transactions made/entered into by your Cardholder(s) and instructions given by your Cardholder(s) as if such Transactions had been entered into pursuant to written agreements between us and you or such instructions had been given to us by you in writing; and
- the accuracy and adequacy of all activity on the Service, including the designation of Account(s) linked to the Card(s) and the Services.

You agree that we may need the opportunity to verify and accept all instructions given to us by you through or by way of the Services.

3) Acceptance, Use of Card and Secret ID Codes

You acknowledge receipt of the Card(s). By accepting one or more Card(s) from us, you assume responsibility for the Card(s) and their use in accordance with this Agreement. The use of the Card and a Secret ID Code is required to access various services.

Use of the Card or the Secret ID Code by you, by your Cardholder, or by any person with or without your consent or knowledge in connection with any Transaction, legally binds you and makes you responsible to the same extent and effect as if you had given signed, written instructions to us, unless you have previously notified us, in accordance with this Agreement, of the loss or theft of any Card or Secret ID Code or that the confidentiality of the Card Number or any Secret ID Code has been otherwise compromised by any means or that unauthorized use of Services may be occurring.

You will take all necessary steps, and will cause each Cardholder to take all necessary steps,

to guard against theft, loss or fraudulent use of your Secret ID Codes and Card(s) (including Card Numbers) and you undertake to cause each Cardholder, as applicable:

- to select Secret ID Codes which are not based on easily discoverable combination of numbers, letters and/or symbols which comprise information about the Cardholder, their family members, associates, or your business;
- in respect of a particular Card, select a Secret ID Code for Telephone Banking/Online Banking that differs from the Secret ID Code used at Terminals and point-of-sale/debit card terminals;
- to keep each Secret ID Code confidential to the Cardholder;
- not to keep any record of a Secret ID Code in close proximity to, or with, any Card;
- to change a Secret ID Code as soon as possible after learning or suspecting that its secrecy has been compromised in any way; and
- to cooperate in a reasonable manner with us in the event of any investigation into the possible misuse or unauthorized use of a Card.

4) Lost or Stolen Card

You agree to notify, and to cause your Cardholder(s) to notify, us by telephone or in writing as soon as possible, but in any event, within 24 hours of learning that either a Card or Secret ID Code has been lost or stolen or the confidentiality of a Card Number or Secret ID Code has been otherwise compromised by any means, except that this time period does not apply when there are exceptional circumstances preventing you from meeting it.

5) Customer Responsibility

Authorized Transactions

You are responsible for the full amount of all authorized activity resulting from the use of the Card and/or Secret ID Codes by any person including, but not limited to, your Cardholders. Careless handling of the Card and/or Secret ID Codes can result in serious financial losses.

Unauthorized Transactions

You will not be liable for any losses from unauthorized use of the Card or the Services due to circumstances beyond your control. These are situations where you could not have prevented and did not knowingly contribute to the unauthorized use and did not breach the provisions of this Agreement. Such circumstances include our errors, our gross negligence, technical problems or system malfunctions.

You may be liable for all losses from unauthorized use of the Card if you:

- knowingly contributed to its unauthorized use;
- willingly disclosed the Secret ID Codes;
- did not keep the Secret ID Codes separate from the Card; or
- did not notify us by telephone or in writing within 24 hours of learning that the Card or Secret ID Code was lost or stolen or that the confidentiality of a Card Number or Secret ID Codes was otherwise compromised by any means or that unauthorized use of Services may be occurring.

In those cases, your liability may exceed your Account balance, credit limit or any daily transaction limits.

In All Instances

You will not be liable for losses that occur after having notified us:

- of the loss, theft or misuse of the Card;

- that the Secret ID Codes were disclosed to or obtained by anyone else or may be known by anyone else; or
- that unauthorized use of Services may be occurring.

You will cooperate and assist in any investigation that we initiate into unauthorized use you report as a precondition to being reimbursed for any losses. This cooperation may include filing a report with law enforcement authorities.

We will not be liable to you or any third party for any losses that you may incur as a result of your confidential or other information being released to or obtained by a third party due to the theft or loss of a Card, or due to your compromising the confidentiality of a Card or any Secret ID Code.

6) Return of Card; Card Non-Transferable

Cards are not transferable and remain our property and, as such, may be cancelled and the privileges associated with them revoked by us at any time without prior notice to you or your Cardholder(s). Cards shall be surrendered to us upon demand.

7) Deposits at the Terminals

You will not include and will cause your Cardholder(s) not to include any coinage in deposits or to deposit any oversized packages. An oversized package is a deposit which exceeds a maximum thickness of 12.7mm (1/2 inch) or an envelope limitation of no more than 50 notes. You will be liable for any damage or resulting loss caused by a deposit of coinage, an oversized package or any other improper use of the Terminal.

You agree that we will not be responsible for the cash, cheques or other items enclosed in an envelope placed on your behalf in the Terminal until such envelope has been opened by our authorized employees or agents and the contents verified and deposited in your Account.

Any person(s) authorized by us are authorized to open the envelope placed on your behalf in the Terminal and to deposit the cash, cheques and other items we deem acceptable for deposit to the credit of your Account.

8) Processing, Verification and Acceptance of Instructions

We may take up to 5 business days to verify any deposits made with a Card to the Account, including any transfer between Account(s), before you can withdraw the amount deposited, or process bill payments.

Deposits made at a Terminal by 11 p.m. local time, Monday through Friday, will be credited to the relevant Account on the same business day, except that Transactions of any kind made on a weekend or holiday will be posted on the next banking day of your branch.

You acknowledge that the Card Service and Telephone Banking/Online Banking do not entitle you to overdraw your Account(s), except to the extent you have entered into a written agreement with us for the provision of an overdraft facility and have overdraft privileges.

9) Dispute Resolution

You and/or your Cardholder(s) will not hold us responsible for the quality of any goods or services obtained from a third party through use of the Card Service or Telephone Banking/Online Banking. You will settle all such issues directly with the merchant involved.

10) Bill Payment

You will make bill payments only from your Bill Payment Account(s). Each time you make a bill payment through Telephone Banking/Online Banking, you will receive a Reference Number from us and you will retain the Reference Number in your records, as your confirmation that we have received your payment instructions.

Bill payments and transfers, including without limitation, tax payments/remittances and post-dated bill payments and transfers, may not be completed if there are insufficient funds in your Account.

Bill payments made through a Terminal or through Telephone Banking/Online Banking will be reflected on the relevant Bill Issuer's records as of the date of payment. Some Bill Issuers may take up to 2 business days to reflect the payment in their records.

You agree that, if you have a dispute with a Bill Issuer concerning its failure to give credit for a bill payment, or the imposition of any additional charges such as late payment fees or interest penalties, you will settle such dispute directly with the Bill Issuer.

You are solely responsible for ensuring that we have accurate and complete information for each Bill Issuer to whom you wish to make an electronic payment through our systems including, without limitation, the Bill Issuer Account Information. Furthermore, you authorize and consent to our exchanging Bill Issuer Account Information with the Bill Issuer (including, without limitation, employees and agents of the Bill Issuer) for the purposes of updating your Bill Issuer Account Information to ensure that information in our records concerning your account with the Bill Issuer is accurate and up-to-date.

You agree that:

- we are under no obligation to keep Bill Issuer Account Information up-to-date or to contact the Bill Issuer to obtain, verify or update Bill Issuer Account Information; and
- we will not be liable to you or any third party by reason of a loss, liability or claim arising in connection with us not being in possession of complete, accurate or up-to-date Bill Issuer Account Information.

11) Tax Payments/ Remittances

Tax payments and remittances can be submitted through Online Banking and are subject to the terms of the Tax Payment and Filing Agreement which you may enter into with us through Online Banking.

12) Foreign Currency Transactions

We will convert withdrawals and purchases made with your Card in a foreign currency to Canadian dollars. The conversion takes place on the date the transaction is posted to your Account, at our exchange rate, which is 2.5% over the rate set by MasterCard International Inc., which runs the Cirrus[®] and Maestro[®] networks available using your Card. The conversion rate may not be the same as the rate that was in effect on the transaction date.

13) Fees

If you have applied and registered for Telephone Banking/Online Banking, you agree to pay the applicable fee set out in the Better Banking Guide for Business.

You agree to pay the Cirrus^{®**} Worldwide CashAssist Service^{®**} fee, and/or Maestro^{®**} fee, as stated in the Better Banking Guide for Business.

We reserve the right to assess charges for additional or replacement Cards.

14) Amendments and Termination

You may request that we change certain aspects of the Card Service and Telephone Banking/Online Banking as we permit (i.e. set up a new Cardholder, link additional Accounts) by completing the prescribed form available at any branch or by other means as we may permit.

You may terminate the Services upon 30 days notice to us:

- by completing the prescribed form available at any branch; or
- in writing addressed to us at any branch.

15) Limitation of Liability

We shall not be responsible or liable for any loss or damage that you or any third party may incur in using (i) any software, hardware or applications from a third party that we may make available to you and/or (ii) any communications networks, either private, public or otherwise, operated by a third party, in each case in connection with Telephone Banking/Online Banking.

IV. General Terms and Conditions

- 1) If you wish to take advantage of any credit services offered by us, you may need to apply for them separately.
- 2) Except as otherwise provided in this Agreement, you authorize us to give to, receive from, share and exchange with others, including credit bureaus and persons with whom you have or may have financial dealings, credit and other information about you.
- 3) This Agreement is binding upon you and your respective liquidators, successors, permitted assigns and legal representatives. You will not assign any of your rights or obligations pursuant to this Agreement without our prior written consent. We may assign our rights or obligations pursuant to this Agreement without your prior consent.
- 4) All notices to us, unless otherwise specified, are to be sent to your home branch.
- 5) If any term, condition or part of this Agreement is deemed invalid or unenforceable (to any extent) the remainder of the Agreement will not be affected, and such invalid or unenforceable term or condition will be severed from and no longer constitute part of this Agreement.
- 6) Words importing singular number also include the plural where appropriate and vice versa.
- 7) The headings in this Agreement are for ease of reference only and are not intended to limit the more detailed provisions following each heading.
- 8) Our relationship with you may also be governed by other agreements in force between us from time to time. Nothing in this Agreement shall be deemed to supersede, amend, repeal or otherwise modify any rights or obligations under any such other agreements, except as specified herein. If there is a conflict between this Agreement and any other agreement in force between us, the terms of this Agreement shall prevail.
- 9) You agree that we may, at any time and without notice to you, establish or change dollar and/or other limits on the use of the Card, the EBB Plan or any of the services under this Agreement.

We may change or end this Agreement at any time. You agree to such changes when notice is given in our Canadian branches or in any other manner which we may determine from time to time. In addition, use of any Service by you following any change to this Agreement will constitute acceptance by you to such changed terms as they pertain to such Service.

- 10) It is the express wish of the parties to this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que le présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.
- 11) You agree that in accordance with our internal document retention policies as amended or replaced from time to time, we may retain an electronic (imaged) copy of any and all documents in respect of your Account(s), including account opening documents and signature pages, instead of any original paper copies. Our records containing any such electronic (imaged) copies will be considered to be conclusive evidence of the original documents and their contents for all purposes.

V. Privacy Disclosure and Consent

This section V is applicable to each Authorized Signatory that executes the Agreement for Business Banking: Execution and Account Information and/or any Agreement for Business Banking: Amendment Information. In this section “you and “your” means each Authorized Signatory in their personal capacity, who signed the Agreement for Business Banking: Execution and Account Information and/or any Agreement for Business Banking: Amendment Information.

1) 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.

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 credit worthiness 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 laws and security regulations.

Your personal information is shared, to the extent permitted by law, within the BMO Financial Group (that is, us and our 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.

If you would prefer not to receive our direct marketing services and/or not have your personal information shared, 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.

Also, 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 respect and protect the privacy and confidentiality of personal information of individuals, please refer to our Privacy Code, which is available at any of our branches, by visiting our website at www.bmo.com/privacy/ or by calling 1-800-363-9992.

2) Business Information

Business information is information relating to a customer, other than personal information, which we have obtained through our relationship with you. Examples of business information include the fact that you have an account with us, contact information for you and other information about you obtained by us in maintaining the account.

We ask for business information:

- to understand your financial service requirements;

- to determine the suitability of products and services for you; and
- to determine your business needs for certain products and services offered by third parties.

If you would prefer not to receive our direct marketing service, you can have your business name deleted from our direct marketing lists. All you have to do is ask us.

In some cases, we also recommend to you that we share your business information with third parties which could provide your business with useful services, such as payroll processing and payment card processing companies. We will always obtain your consent before sharing your business information with third parties.

VI. Glossary of Terms

Account means any business deposit account you have with us.

Agreement means this Agreement for Business Banking together with the Agreement for Business Banking: Execution and Account Information form and the most recent version of the Better Banking Guide for Business, each as amended or replaced from time to time.

Authorized Signatory means your authorized signing officer(s) as identified by you on our prescribed form on file with us.

Better Banking Guide for Business means the Better Banking Guide for Business published by us and as amended or replaced from time to time.

Bill Issuer means those entities or individuals whose bills (including, tax payments/remittances) you indicate you would like to pay through the bill payment feature of any of the Services that we have registered to be an entity or individual which participates in the bill payment service.

Bill Issuer Account Information means the information for each Bill Issuer to whom you wish to make an electronic payment through our systems including, without limitation, the Bill Issuer's name and the billing account number.

Bill Payment Account means any Account(s) linked to the Card authorized to make bill payments (i) at any branch, by way of a customer service representative; (ii) through Telephone Banking, Online Banking; OR (iii) by way of a Terminal.

Card means the BMO Debit Card for Business card(s) provided to you by us or any other card that we permit you to use.

Card Number means the sixteen (16) digit number on the Card.

Card Service means the banking services offered by us to you accessed by use of the Card as amended or replaced by us from time to time, except the Card Service does not include Telephone Banking/Online Banking.

Cardholder means any person that you authorize and designate to use the Card and any other Service.

EBB Plan means the Everyday Banking for Business Plan.

Instrument means any bill of exchange, promissory note, cheque, draft, payment instruction, banker's acceptance, order for payment of money (including any wire transfer or electronic payment or transfer), security, coupon, note, clearing item or other item, whether a negotiable or non negotiable instrument, or contract for letter of credit or foreign exchange.

Online Banking means online and mobile banking services offered by us and includes (i) instructions given through the use of a computer connected via private communications networks or public networks such as the Internet, or via wireless communications networks or similar networks or devices when available, and (ii) instructions given through the use of a mobile device.

Reference Number means the number that is provided by us to the Cardholder at the time the Cardholder makes a bill payment by way of Telephone Banking/Online Banking.

Secret ID Code means a personal identification number (PIN), password or other identification code (whether provided to you or your Cardholder by us or selected by you or your Cardholder), which is required to access Telephone Banking/Online Banking, the Card Service and certain other services as we may determine and which may be used together with the Card (or other mutually agreed upon form of identification), as the case may be.

Service means either the Card Service or Telephone Banking/Online Banking, or any other access channel we may make available, as the context requires, and Services refers to all of them.

Tax Payment and Filing Agreement means the agreement between you and us which you enter into in order to remit payments and/or tax filing remittances through Online Banking, as it may be amended or replaced from time to time.

Telephone Banking means the telephone banking service offered by us and includes instructions given verbally over the telephone or through the use of an interactive voice response system (such as pressing the number buttons on a touch tone phone).

Terminal means our InstaBank® machines and other automated banking machines approved by us which a Cardholder may use to access an Account by means of a Card.

Transaction(s) means any debit or credit to the Account, including but not limited to any deposit to, or withdrawal, transfer or payment by cheque or any other form (including tax payment/remittance) from the Account and any other transaction permitted by us with the Account. Transactions also include applications for investments or credit through us, loan advances, loan repayments, orders for travellers cheques, money orders, drafts, foreign currency, large currency denominations, wire transfers and such other information, transactions or services that we may make available. Transactions also include any other instruction in respect of the Account, including the entering into of agreements on your behalf such as the Online & Mobile Banking Service for Business Agreement and the Tax Payment and Filing Agreement, conducted through the Card Service or Telephone Banking/Online Banking.

VII. Dispute Resolution

Four Steps Toward Resolution:

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

1. 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 Bank of Montreal®

Customer Contact Centre — Business Services

Call: 1-877-262-5907

bmo.com

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

BMO Bank of Montreal

District Vice President

(your local branch will have specific contact details)

or

President and Chief Executive Officer

Personal and Commercial Banking

BMO Financial Group

P.O. Box 1, First Canadian Place

Toronto, ON M5X 1A1

Call: 1-800-372-5111

Fax: 416-927-6658

BMO Financial Group Privacy Office

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

BMO Financial Group

Chief Privacy Officer

1 First Canadian Place, P.O. Box 150

Toronto, ON M5X 1H3

If you are still not satisfied, you can contact:

The Office of the Privacy Commissioner of Canada

112 Kent Street

Ottawa, ON K1A 1H3

Call: 1-800-282-1376

Visit: privcom.gc.ca

3. If your complaint is unresolved after following Steps 1 and 2, you may escalate to BMO Financial Group's Ombudsman. The Ombudsman's mandate is to maintain independence while reviewing your complaint. The Ombudsman will conduct a review of your complaint based on fairness, integrity and respect and make a non-binding recommendation in a timely manner. The Ombudsman does not investigate:
 - Credit granting policies or risk management decisions of the Bank
 - Levels of interest rates, service charges or fees that apply to all customers
 - Matters that are already before a court

BMO Financial Group Ombudsman

55 Bloor Street West, 8th Floor,

Toronto, ON M4W 3N5

Call: 1-800-371-2541

Fax: 1-800-766-8029

E-mail: bmo.ombudsman@bmo.com

bmo.com

4. Contact the Ombudsman for Banking Services and Investments (OBSI). Following Step 3, you may contact the Ombudsman for Banking Services & Investments within 180 days for a further review of your complaint. OBSI is an independent service for resolving banking services and investment disputes. You are encouraged to follow all of BMO Financial Group's Complaint Resolution steps prior to consulting OBSI. However, if you refer a complaint to us and it is not being dealt with to your satisfaction, you may refer your complaint to OBSI after 90 days of our receipt of your complaint at Step 2. OBSI is not a regulator, and doesn't advocate for consumers or the industry. Services are free to consumers.

Ombudsman for Banking Services and Investments

401 Bay St., Suite 1505, P.O. Box 5

Toronto, ON M5H 2Y4

Call: 1-888-451-4519

Fax: 1-888-422-2865

E-mail: ombudsman@obsi.ca

www.obsi.ca

Financial Consumer Agency of Canada (FCAC)

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 about a potential violation of a consumer protection law or a voluntary commitment or code of conduct relating to bank account, credit and insurance products, you may contact the FCAC at:

Financial Consumer Agency of Canada

427 Laurier Avenue West, 6th Floor

Ottawa, Ontario K1R 1B9

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

(Français): 1-866-461-ACFC (2232)

Fax: 1-866-814-2224

For a complete listing of federal consumer protection laws, voluntary commitments and codes of conduct, you may visit the FCAC website at: www.fcac-acfc.gc.ca

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®* Bank of Montreal is a licensed user of the Cirrus trade-mark and the Cirrus Worldwide CashAssist trade-mark owned by Cirrus System Inc. and the Maestro trade-mark owned by Maestro International Incorporated.