

# Credit Line for Business Mastercard®\*\* Cardholder Agreement





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# Your Credit Line for Business Mastercard®<sup>®</sup>

## Cardholder Agreement

We appreciate you choosing a Credit Line for Business with BMO. This agreement is between you and us in relation to your account and card.

It also applies to any renewal or replacement of your card.

In this agreement, **“you”** and **“your”** mean the Business shown on a Credit Line for Business application and **“Owner”** means collectively each business owner who is shown on that application or who is subsequently added to the Account as an Owner, and for greater certainty references to the **‘owner’** in this agreement means **‘each owner’** unless otherwise indicated. **“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 Credit Line for Business Account, 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 Credit Line for Business Account established in the name of the business and primary cardholder who is one of the owners of the business.

**additional card** means a card we have issued to someone other than the primary cardholder.

**additional cardholder** means each person other than the primary cardholder to whom we have issued a card on the same account.

**agreement** means the most recent terms and conditions of this cardholder agreement, the card carrier and any other terms or notices that we may provide to you related to the card and your account balance transfers and purchases using cheques the same as cash advances.

**card carrier** means the form that your card is attached to when you receive it.

**card** means a Credit Line for Business Mastercard 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.

**cash advance** means an advance of money from us that is charged to the account. We treat cash-like transactions.

**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 Credit Line for Business cheques that we may provide from time to time at the request of the owner.

**co-applicant** means an owner of the business other than the primary cardholder who cosigned for a Credit Line for Business Account.

**good standing** means you are in compliance with this agreement.

**network** is the payment card network identified on the front of your card.

**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.

**payment due date** means the date on your account statement on which payment of the minimum payment is due.

**personal information** includes information you provided to us or information we collected from other sources about you, such as your name, address, age, financial data, Social Insurance Number, or employment records, and other information that could be used to identify you.

**PIN** means personal identification number.

**primary cardholder** means one of the owners of the business who applied for a Credit Line for Business account and in whose name have provided a credit card in along with the business name.

**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.

**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.

**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.

**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. Account for business purposes only**

The Account will be opened in the name of the business shown on the Credit Line for Business application. The Account is established only for the purpose of purchasing goods and/ or services or obtaining cash advances to be used for business, commercial or organizational purposes on behalf of the business. You agree that Cardholders may use the Account only for business, commercial or organizational purposes, and not for personal, family or household purposes. You understand that this agreement not to use the Account for personal, family or household purposes means that certain important duties imposed upon creditors, and certain important rights conferred upon consumers, pursuant to federal or provincial laws will not apply to the Account.

## **3. Ownership of the card and cheques**

Your card and cheques belong to us and you can't transfer them to anyone else. The primary cardholder and any additional cardholder(s) approved by the Bank are the only person(s) permitted to use your card and cheques. The Bank will only accept instructions relating to the account from the primary cardholder or any other owner. The Bank will not accept instructions relating to the account from an additional cardholder that is not also an owner. The Bank will not issue card(s) to employee(s) who are not the business owner(s).

## **4. 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 applicable law. You may only use your card and cheques as allowed in this agreement. We may monitor unusual transactions for security reasons.

## **5. Digital/mobile and contactless payments**

This agreement applies to all types of transactions on your card or account, including contactless transactions and any transactions using a digital or mobile wallet (example: Apple Pay or Google Pay). BMO and/ or participating merchants may, in their discretion, establish a maximum dollar limit from time to time for a single contactless or digital or mobile transaction. As a result, you may need to use your physical card to complete a transaction if you exceed these limits, even if your account is in good standing.

## **6. 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.

## **7. 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 may increase or decrease your Credit Limit and/or Cash Limit from time to time.

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.

## **8. Your responsibility for the total debt**

Subject to this section and section 9, 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 or when you received your card. You must not use the account, or any other credit card account with us, to pay all or any part of the total debt.

Each owner agrees to be liable as primary obligor, both individually and together with you for all amounts for which you are liable, under this agreement, such that we shall have the option of pursuing you and/or each owner individually or together for payment of such amounts. Each owner hereby acknowledges that we are relying on their joint and several liability (solidarily in the Province of Quebec) in respect of the total debt in agreeing to extend credit to you.

You expressly consent to us communicating information about you and your account to owners and additional cardholders and to contact owners and additional cardholders for the purposes of communicating such information.

## **9. Your responsibility for lost, stolen or misused cards**

### **Safeguarding the use of your PIN, card and account**

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 write your PIN on your card

- you must not choose a PIN selected from a primary cardholder or additional cardholder or owner's name, date of birth, telephone numbers, address or social insurance number.

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.

### **Unauthorized use and liability**

You must notify us by telephone immediately about any actual or suspected loss, theft or unauthorized use of any card, PIN, cheque or account information for the account. You may contact us as set out in Section 27. We may take whatever steps that we consider necessary to recover any affected card and, additionally, may report the loss, theft or unauthorized use to the appropriate authorities.

In general, your maximum liability for the loss, theft or unauthorized use of any card, PIN, cheque or account information for the account is \$50 per transaction unless you have demonstrated gross negligence or, in Quebec, gross fault, in safeguarding those cards, PINs, cheques or account information for the 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, and
- 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.

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.

## **10. Fees we charge**

We will charge the account with the applicable fees shown on the card carrier or in any notice we provide you.

## **11. Foreign currency transactions**

If you have a Canadian dollar Mastercard, we convert transactions made in a foreign currency to Canadian 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. 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.

## **12. 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.

## **13. Payments**

### **a) Your minimum payment**

You may pay your account balance in full at any time; however, you must make sure that we receive at least your minimum payment on or before the payment due date shown on your account statement.

Your minimum payment calculation is described in the card carrier or in any notice we may provide to you. 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.

### **b) Payment methods**

You may pay your account by cheque, bill payment, pre-authorized debit or transfer. Please review the back of your statement for more details. If you pay by cheque or bill payment, you must allow enough time to process your payment. If you register your account for pre-authorized debit, you must make sure the funds are available in your bank account on the due date shown on your account statement. If you make a payment using the option to internally transfer funds from a BMO account to your Credit Line for Business account, your available credit will be updated immediately, but the payment may not be posted to your Credit Line for Business account and your balance may not be updated for up to two business days. In some cases where you make a payment at the end of your billing cycle, your balance may not be updated until your next statement.

### **c) 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 any transactions that appear on your account statement;
- fourth, to any fees which have not yet appeared on your account statement; and
- fifth, 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.

#### **d) Returns and chargebacks**

In case of returns and chargebacks, credits will be allocated according to the payment allocation described above.

### **14. Interest on cash advances, purchases and fees**

We calculate interest on purchases, fees and cash advances from the transaction date until the date we receive payment in full.

We will charge interest retroactively from the date of the purchase or fee until the date we receive payment in full.

### **15. How we calculate interest and applicable fees**

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.

We will calculate an annual percentage rate (APR) based on the interest and applicable fees you have been charged and we may refund any charges, at our discretion, that would result in your APR exceeding the maximum that we are permitted by law to charge.

## **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 for any loss or damages arising directly or indirectly from this Agreement (including, without limitation, loss or damages suffered if you cannot use your card), except for damages as a result of our gross negligence or willful misconduct. In no event are we liable for any special, indirect or consequential damages, including but not limited to, lost profits and lost revenues.

## **19. Your account statements and notices**

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

Account statements will be sent monthly. However, if 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 inform 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 inform 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 or notice 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. Changes in Terms**

Subject to any requirements and limitations of applicable law, we may change any of the terms of this Agreement. Such changes may include revising or removing existing terms and adding new terms or replacing your Card with a different Card, which may have different benefits and features. The terms changed may include, for example, interest rates, fees and this Changes in Terms provision. We will give you notice of any change as required by applicable law.

## **22. Cancellation of your card**

### **How we can cancel your card:**

In addition to any remedies available to the Bank pursuant to any other agreement between you and the Bank, 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

### **How you can cancel your card:**

The owner may cancel the 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. Assigning this agreement**

We can assign this agreement or any of its terms to a third party at any time. You shall not assign any of your rights or obligations under this agreement to a third party without the prior written consent of the Bank.

## **24. Language**

Applicable in the Province of Quebec only: It is the express wish of the parties that this agreement and any related documents be drawn up in English. Il est la volonté expresse des parties que la présente convention et tous documents y afférents soient rédigés en anglais.

## **25. Your personal information**

To learn more about how we collect, use, disclose and safeguard your personal information, your choices, and the rights you have, please see our Privacy Code (available at [bmo.com/privacy](https://bmo.com/privacy), or from any of our branches).

### **Sharing your personal information**

Your personal information is shared with the card network (e.g., Visa, Mastercard) in order to operate or administer the payment card system that supports the products, services or accounts you have with us (including any products or services provided or made available by the card network as part of your product, service or accounts with us), or for any promotions the card network may make available to you.

BMO Financial Group consists of Bank of Montreal and its affiliates. Your personal information, including information about your authorized representatives and beneficiaries, is shared within BMO Financial Group, to the extent permitted by law, to: ensure we have accurate information about you, and your authorized representatives and beneficiaries; manage our total relationship; provide a better customer experience; meet your needs as they change and grow; and manage our business.

### **Your Choices**

**Sharing:** You may choose not to allow us to share account-specific information within BMO Financial Group, but you understand we will share your personal information where two or more BMO Financial Group affiliates provide you with jointly offered products or services.

**Direct marketing:** You may choose not to allow us to use your contact information for direct marketing, such as mail, telemarketing or email informing you about products and services we think may be of interest and value to you.

Please see “Contact Us” in our Privacy Code for more details on how to opt-out.

**Automated decisions:** We will also use your personal information to make decisions in real time by using tools to automate the processing of your personal information, for example, whether to approve or decline your transaction. These decisions can affect the products, services or features we may offer you and are also used to protect you from fraud.

## **26. Severability**

If any provision of this Agreement is finally determined to be unenforceable under any law, rule or regulation, all other provisions of this Agreement are still valid and enforceable.

## **27. How to contact us and complaint resolution**

### **How to contact us:**

#### **Customer Contact Centre**

1-844-305-5055 8:00 am - 11:00 pm (local time), 7 days a week

For clients who are deaf or hard of hearing, BMO supports calls (24/7) from third party relay service providers trained to relay communications through message relays (MRS) or video relays (VRS).

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

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

1-514-877-0330 (International call collect)

#### **We're here to help – Resolving Customer Complaints**

If you have a complaint or concern, we encourage you to let us know and give us the opportunity to make it right. BMO's complaint resolution process is outlined in the We're here to help – Resolving Customer Complaints brochure, which is available online at [www.bmo.com/main/about-bmo/resolving-a-complaint](http://www.bmo.com/main/about-bmo/resolving-a-complaint) and at all BMO Bank of Montreal branches.

## **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.



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