

BMO[®] Business
Mastercard[®] Account
Agreement

BMO



In this Agreement, the “**Customer**” means the business shown on a BMO Business Mastercard application (the “Application”). The “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” means Bank of Montreal. Some words in this Agreement have special meanings, which we have explained in section 1 below. The Customer and the Owner have asked us to open an Account and we have agreed to do so on the terms set out in this Agreement. This Agreement should be read carefully, and kept for reference, by the Owner and the Customer. The Customer and the Owner will not be bound by this Agreement if the Account has not been activated and all Cards and Cheques are returned to us (in such a situation please call us to ensure that we have received all Cards and Cheques and that the Account has been closed). We will provide the Customer with supplementary terms for any Card benefits and services which the Customer accepts.

1. About Some of the Words in this Agreement

Here are the definitions of some of the words used in this Agreement in their singular form though the definitions are equally applicable to the plural forms of such words:

- **ABM** means an automated banking machine
- **Account** means a BMO Business Mastercard account
- **Agreement** means the BMO Business Mastercard Account Agreement
- **Card** means a BMO Business Mastercard credit card
- **Card Carrier** means the form that the Card is attached to when it is received by the Customer or Owner
- **Cardholder** means a person to whom a Card is issued
- **Cash-Like Transactions** mean Transactions involving the purchase of items directly convertible into cash
- **Cheque** means a BMO Business Mastercard cheque
- **PIN** means personal identification number
- **Primary Owner** means the Owner identified on the Application as the primary owner
- **Our 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 send to the Customer

- **Our 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 send to the Customer

2. Account, Credit Limit and Cards

- 2.1 We show the credit limit for the Account (the "Credit Limit") on your Card Carrier and on your Account Statement. The Credit Limit applies to the Account even if more than one Card is issued on the Account. We may reduce the Credit Limit at any time without telling you in advance. You do not have the right to exceed the Credit Limit. If we allow you to exceed the Credit Limit, you will pay the over limit fee set out in the card carrier or in any notice that we provide to you. We will only charge one over limit fee in any monthly statement period.
- 2.2 We will issue to the Owner, and at the Customer's request we will issue to other employees of the Customer, Cards to access the Account. We may issue renewal and replacement Cards for any Cardholder.
- 2.3 The Customer agrees that if a Card is issued, the only person permitted to use it is the person for which the Card was issued.
- 2.4 We may issue each Cardholder a PIN enabling the Cardholder to use the Card at an ABM accessible with the Card to obtain cash advances. The Customer shall instruct each Cardholder not to disclose the Cardholder's PIN to any other person. Transaction records issued by ABMs are solely for the Customer's convenience and, in the event of any dispute as to the accuracy of such records, our internal records shall be conclusive.
- 2.5 We may provide Cheques that the Owner may draw against the Account. The Customer shall ensure that blank Cheques are kept securely and shall take all reasonable steps, including procedures and controls, to detect and prevent thefts or losses due to Cheque fraud or forgery. Any one Owner shall immediately notify us of any losses, theft or unauthorized use of Cheques by calling the published number for reporting lost or stolen Cards.

3. Charges

- 3.1 The Customer shall pay the annual fee for each Card. The Customer shall also pay our service charges for retrieval of a sales draft, issuance of a replacement statement, dishonoured payments and other services that we provide from time to time.

- 3.2 Cardholders may use the Card and the Owner may use Cheques to charge to the Account the following: (a) the price of goods or services obtained from a merchant honouring the Card (a "**Purchase**"), (b) the price of goods or services obtained from a merchant paid by means of a Cheque, or (c) cash advances obtained through use of the Card or a Cheque either directly from us, including through use of ABMs, or from financial institutions honouring the Card or accepting the Cheque. Any such use of a Card or Cheque which results in a charge to the Customer Account, whether or not the Card was presented to a merchant (such as mail, telephone or Internet order purchases), the Cardholder's signature was obtained, or a PIN was used, is called a "**Transaction**". A "**Cash Advance**" means any Transaction referred to in (b) above and any cash advance referred to in (c) above. We treat Cash-Like Transactions (including wire transfers, money orders, and travellers' cheques) and gaming transactions (including betting, off-track betting, race track wagers, casino gaming chips and lottery tickets) as Cash Advances.
- 3.3 We will record all Transactions with respect to each Card, as well as all interest, service charges, credit notes and adjustments relating to such Card on the Account. All Transactions, interest and service charges posted to the Account, shall constitute a charge to the Account, (a "**Charge**").
- 3.4 Upon receipt of a credit note issued by a merchant for goods or services charged to the Account, we will post the credit to the Account. If we do not receive the credit note prior to the time the related charge is included in an Account Statement (as defined below), the Customer shall make the required monthly payment based on the balance shown on the Account Statement.
- 3.5 If the Card is a Canadian dollar Mastercard, we convert Transactions made in a foreign currency to Canadian dollars. If the Card is a U.S. dollar Mastercard, we convert Transactions made in a currency other than U.S. dollars to U.S. dollars. We make the conversion at Our Purchase Exchange Rate in effect on the day the Transaction is posted to the Account. Our Purchase Exchange Rate may not be the same as the rate that was in effect on the Transaction date.
- 3.6 If the Card is a Canadian dollar Mastercard and a foreign currency Transaction is refunded to the Account, we convert the Transaction to Canadian dollars. If the Card is a U.S. dollar Mastercard and a Transaction in a currency

other than U.S. dollars is refunded to the Account, we convert the Transaction amount to U.S. dollars. We make the conversion at Our Refund Exchange Rate on the date the refund is posted to the Account. Our 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 Our Purchase Exchange Rate and Our 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.

4. Statements and Interest

- 4.1 As of the same date in each month (the “**Monthly Billing Date**”), we will prepare a statement for the Account (the “**Account Statement**”) that will include Charges to the Account that have been recorded during the period commencing the day after the immediately preceding Monthly Billing Date and ending on the current Monthly Billing Date (the “**Billing Period**”). We will provide the Account Statement to the Primary Owner shown in the Application.
- 4.2 The Customer may pay the account balance in full at any time. By the payment due date shown on the Account Statement, the Customer must pay at least the minimum payment.
- To calculate the minimum payment, we add \$10 to the amount of interest and fees shown on the Account Statement. In addition to that amount, we also add to the minimum payment the larger of:
- any amount past due on the Account Statement; or
 - the amount by which the account balance shown on the Account Statement exceeds the Credit Limit.
- If the account balance is \$10 or less, the Customer must pay the full amount.
- 4.3 Interest shall be charged on the amount of all Purchases, Cash Advance, service charges and fees from the date of the Transaction until payment is received. We will waive the interest charges on Purchases and service charges which are included in an Account Statement for the first time if payment in full of the new balance is received by us by the payment due date shown on that Account Statement (The Customer must pay interest on all Cash Advances).
- 4.4 Interest will be charged at an annual interest rate that is either (a) shown on the Card Carrier or (b) equal to our

Prime Rate (the annual interest rate announced by us from time to time as its prime interest rate for Canadian dollar loans) plus the margin shown on the Card Carrier. If clause (a) applies, we may change the interest rate from time to time by giving the Customer at least 30 days notice. If clause (b) applies, the interest rate will change automatically upon a change to the Prime Rate, and we may change the margin by giving the Customer at least 30 days notice. Interest is calculated on a daily basis by multiplying each daily interest-bearing balance of Charges by a daily rate of interest equal to the interest rate divided by the actual number of days in the year. The Account Statement will show the total amount of interest for the Billing Period.

- 4.5 We will apply each payment to the Account towards Charges which appear on an Account Statement in the following order: (a) interest, (b) service charges, (c) Cash Advances and interest-bearing Purchases; and (d) non-interest bearing Purchases. The remainder, if any, will then be applied towards Charges which have not yet appeared on an Account Statement in the same order as shown above.
- 4.6 The Customer shall make the required monthly payments even if the Customer disputes with us any Charge or other issue, pending resolution of the disputes.
- 4.7 If the Customer does not notify us of an error or omission with regard to any Charge in an Account Statement within thirty (30) days after the Monthly Billing Date, the Customer agrees that the Account Statement shall be deemed conclusively to be correct.
- 4.8 Notwithstanding section 4.7, the Customer shall be liable for any Cheque bearing a forged or unauthorized signature unless (a) the forged or unauthorized signature was made by a person who was at no time an Owner or an agent or employee of the Customer and (b) the Customer and the Owner had complied with sections 2.6 and 5.2.

5. Customer and Owner Liability

- 5.1 The Customer shall pay all Charges even if the aggregate of all outstanding Charges are in excess of the Credit Limit, and even if as between the Customer and a Cardholder any Charge resulted from improper use of a Card by the Cardholder.
- 5.2 The Customer and each Cardholder must take reasonable care to keep the Cards and Cheques safe

from loss, theft or misuse. The Customer or Cardholder must notify us by telephone within 24 hours if either of them learns of the loss, theft or misuse of one or more Cards or Cheques, or if they know or suspect that someone else knows one or more PINs to one or more of the Cards.

The Customer must not allow any person other than a Cardholder to use a Card or the Account. If this happens, the Customer 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 placed on the use of the Card or Account.

If someone uses a Card or Cheque without the Customer's authorization, the Customer is not liable if:

- Neither the Customer nor the Cardholder knowingly contributed to the unauthorized use;
- Each of the Customer and the Cardholder used reasonable care to keep the Card or Cheque safe from loss, theft or misuse;
- Each of the Customer and the Cardholder kept the PIN confidential and separate from the Card;
- And either the Customer or the Cardholder notified us by telephone within 24 hours once they learned of the loss, theft or misuse of one or more Cards or Cheques, or they knew or suspected that someone else knows one or more PINs to one or more Cards.

If the criteria set out above are not met, the Customer will be liable for all charges incurred in connection with the unauthorized use of the Card or Cheque. The Customer agrees to cooperate and help with any investigation that we initiate into the unauthorized use that is reported to us before we will consider reimbursing the Customer for any losses. This cooperation may include filing a report with law enforcement authorities.

- 5.3 In the event a Cardholder makes a claim against us for loss or damage allegedly suffered by the Cardholder because of acts or omissions by us in connection with the Cardholder's use or attempted use of a Card, the Customer agrees to indemnify and hold us harmless from such claims, unless such acts or omissions resulted from our gross negligence or willful misconduct.
- 5.4 The Customer shall pay, on a solicitor and client basis, any legal fees and costs incurred by us in an action to recover any money payable to it pursuant to this Agreement.

5.5 Notwithstanding section 5.1, our BMO Mastercard Liability Waiver Program (the "Program") may result in the waiver of the Customer's liability for wrongful charges made by Cardholders. This waiver is subject to certain conditions, limitations and exclusions as set out in the Program description which the Customer acknowledges having received from us. Program terms are subject to change and the Program may be terminated.

5.6 In consideration of our extension of credit to the Customer, each Owner agrees to be liable both individually and together with the Customer for all amounts for which the Customer is liable under this Agreement, and that we shall have the option of looking to each Owner as well as the Customer for payment of such amounts. Each Owner acknowledges that we are relying on their liability in agreeing to extend credit to the Customer.

6. Certain Rights and Responsibilities of the Customer

6.1 The Customer shall be solely responsible for establishing and monitoring internal procedures for the use of Cards and Cheques. We shall have no obligation to enquire or verify whether any use of a Card or Cheque, or any Charge to the Account, is in accordance with any such procedures.

6.2 Benefits or enhancements available to a Cardholder may only be available through separate Agreements. Some benefits or enhancements may be supplied by firms independent of us and we are not responsible or liable for anything in connection with those benefits or enhancements.

7. Cards and Cancellation of Cards

7.1 Cards remain at all times our property and cannot be transferred. Notwithstanding any other provision in this Agreement, we have the right at any time without prior notice to any Cardholder or the Customer, to cancel, revoke or withdraw all rights or privileges of any Cardholder in respect of a Card and to demand immediate return of any or all Cards and Cheques in circumstances where we reasonably suspect fraudulent or any other use of a Card or Cheque which we consider could lead to financial loss or other injury to us. In addition, we may close the Account due to inactivity if the Account has not been used for at least nine (9) consecutive months. All Cards and Cheques shall be surrendered to us upon demand.

7.2 The Customer may request us to cancel any Card and we shall take steps to revoke or withdraw all rights or benefits of the Customer and the Cardholder in respect of such Card. The Customer shall continue to be liable for all charges to the Account through use of any such Card or any Cheque made prior to the time the Card and all Cheques are returned to us.

7.3 The Customer is responsible for any pre-authorized payments charged to the Account, even after the Account is cancelled, unless the Customer previously advised the merchant in writing to stop debiting the Account. The Customer must provide us with a copy of the written request received by the merchant if we request it.

8. Disclaimers

8.1 Management reports provided to the Customer are provided without representation or warranty as to the accuracy of information provided.

8.2 We are not liable for any loss or damages suffered by the Customer arising directly or indirectly from this Agreement, except for damages which the Customer suffers 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.

8.3 We always attempt to respect any available Credit Limit or any available Transaction limit requested by the Customer; however, we cannot warrant that such limits will be respected if we experience systems problems.

8.4 We are not responsible for any defects in, or poor quality of, the merchandise or services obtained by means of any Card or Cheque nor for any losses resulting from any Cardholder's disclosure to a merchant by mail or telephone of a Card number. Any claim or dispute between the Cardholder or Customer and a merchant will be settled between such parties and any such dispute shall not affect the Customer's obligations under this Agreement.

9. Notices

9.1 All correspondence to the Customer and the Owner in connection with this Agreement shall be sent by us to the Customer's address shown in our Mastercard records.

9.2 Requests to issue a Card, change the Credit Limit, change the Customer's business name, terminate the Account and other requests with respect to the operation and

administration of the Account may be made in writing, through online banking or by telephone. All requests must be made by at least one Owner.

9.3 We may allow the requests referred to in section 9.2 to be submitted through the Internet. If so, we will provide sign-on instructions, a user ID, and a password to the Owner. The Owner shall protect the user ID and password from fraudulent use and shall immediately notify us of any unauthorized disclosure of the user ID and password. Until such notification, we may rely on any request received using the user ID and password and shall have no duty to confirm such requests.

10. Administration

10.1 At the request of an Owner, we will add an administrator to the Account who will be authorized to perform the actions listed in Schedule 1 to this Agreement. Any request to add an administrator to the Account may be made in writing, through online banking or by telephone and must be made by at least one Owner.

10.2 By adding an administrator to the Account, the Customer and each Owner, (a) authorize us to accept and act on instructions from the administrator in connection with the actions listed in Schedule 1 and (b) acknowledge that we have no obligation to accept instructions from the administrator and we may refuse to act on instructions in our sole discretion.

10.3 The Customer and each Owner agree to:

- indemnify, defend and hold us harmless, and our directors, officers, employees, representatives and agents, from any and all claims, loss, liability, expenses or damages that result from us accepting and acting on instructions from the administrator as set out in this Section 10; and
- release us, and our directors, officers, employees, representatives and agents, from any and all claims related to us accepting and acting on instructions from the administrator as set out in this Section 10.

11. Amendment

11.1 We may, from time to time, (a) upon thirty (30) days prior written notice to the Customer amend any service charges, Card features, obligations or rights under this Agreement, and (b) upon written notice to the Customer, immediately modify (i) the Credit Limit, or (ii) this Agreement to ensure compliance with its Mastercard licence or other legal or regulatory

requirements. Any amendment or modification is effective as at a date stipulated in the notice.

12. General

- 12.1 The Customer and the Owner shall provide us with such business and personal financial information as we may from time to time reasonably request.
- 12.2 No term of this Agreement shall be deemed waived and no breach excused, unless the waiver or consent is in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, does not constitute a consent to, waiver of, or excuse for, any other different or subsequent breach.
- 12.3 This Agreement may not be transferred or assigned by the Customer, voluntarily or involuntarily without our prior written consent, which may be arbitrarily withheld. If transferred or assigned without our prior written consent, this Agreement will be deemed to be terminated, unless we agree in writing otherwise.
- 12.4 This Agreement shall be binding upon and enure to the benefit of each party and its respective successors and permitted assigns.
- 12.5 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 l'avis des parties que la présente convention et tous documents y afférents soient rédigés en anglais.*

13. 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, 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.

14. Term and Termination of Agreement

- 14.1 This Agreement may be terminated by either party upon thirty (30) days prior notice in writing.
- 14.2 We or the Customer may immediately terminate this Agreement without notice, in the event of the bankruptcy or insolvency of the other party or if the other party fails to make any payment when due under this Agreement or if the other party is in default in the performance of any of its other obligations.
- 14.3 Upon termination of this Agreement: (a) all outstanding Cards shall be cancelled and all rights or benefits of the Customer or any Cardholder with respect to the Cards shall be revoked or withdrawn; (b) the Customer shall continue to be liable for, and to pay, the aggregate of all Charges on the Account whether or not then posted to the Account, including without limitation Charges not yet incurred, accrued service charges and interest accrued or to accrue, and all such Charges shall immediately be due and payable by the Customer; and (c) all Cards and Cheques shall be immediately returned to us.

15. How to contact us and complaint resolution

How to contact us

Customer Contact Centre

1-844-385-5055

8:00 am - 11:00 pm (local time), 7 days a week
(TTY) TeleTypewriter for the deaf or hard of hearing:

1-866-859-2089

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

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

514-877-0330 (International call collect)

We're here to help - Resolving Customer Complaints

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 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.

SCHEDULE 1

LIST OF PERMITTED ADMINISTRATOR ACTIONS

The administrator may perform the following actions on the Account:

- Add or cancel an employee Card
- Change or correct the following information for an employee Card: cardholder name, address, phone number and Card limits
- Change Owner or company address
- Activate Cards
- Change or correct the Customer (business) name supported by required business documents
- Report lost/stolen Card
- Request an Account statement
- Add or remove optional enhancements
- Cancel an existing preauthorized payment setup
- Advise the Bank of a deceased cardholder (i.e. Owner or Employee)
- Request to reissue an expired Card
- Report unrecognized transactions
- Request or cancel a credit balance refund or credit adjustments
- Request a balance transfer
- Request to change to a different small business Mastercard product
- Request to change or merge an AIR MILES collector number belonging to the Customer or Owner.

Please retain this Agreement.

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