

BMO® MASTERCARD®\* FOR  
BUSINESS ACCOUNT AGREEMENT

In this Agreement, the “**Customer**” means the business shown on a BMO MasterCard for Business 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 MasterCard for Business account
- *Agreement* means the BMO MasterCard for Business Account Agreement
- *Card* means a BMO MasterCard for Business credit card
- *Card Account* means a sub-account of the Account associated with a 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 MasterCard for Business cheque
- *PIN* means personal identification number
- *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 and Cards**

- 2.1 We will lend money to the Customer up to a pre-established credit limit as set out in the card carrier that accompanies the Owner’s Card sent with this Agreement (the “**Customer Credit Limit**”) by way of charges to the Account in accordance with this Agreement. We reserve the right, in its sole discretion, to modify the Customer Credit Limit.
- 2.2 We will issue to the Owner, and at the Customer’s written 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 The Customer shall request a credit limit for each Card (the “**Card Limit**”), subject to limitations which we may set.
- 2.5 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.

- 2.6 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 appropriate Card Account. All Transactions, interest and service charges posted to the Account, including by recording them on individual Card Accounts, 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 We will prepare monthly, as of the same date in each month (the "**Monthly Billing Date**"), a Card Account statement (the "**Account Statement**") for each Card Account in which there is an outstanding balance as of the Monthly Billing Date or in which a Transaction or other Charge has 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 to each Cardholder the Account Statement for such Cardholder’s Card Account. We will not send any Account Statement to the Customer. The Customer shall ensure that all required payments are made on each Card Account.

- 4.2 With respect to each Card Account, by the payment due date shown on an Account Statement the Customer must make, at a minimum, one of the following payments: (a) if the current balance shown on the Account Statement is \$10 or less, the Customer shall pay the full amount shown on the Account Statement; or (b) if the current balance is over \$10, the Customer shall pay at least 2% of the current balance plus any amount shown on the Account Statement as being past due, or \$10, whichever is greater.
- 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 your current 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 to each Card Account 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 Card Account chosen by the Customer, or if the Customer does not make a choice, by us. In respect of any Card Account, any payment will be applied towards Charges which have appeared 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 to a Card Account included 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 Customer Credit Limit or in excess of any Card 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;
- 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;
- there has not been more than one unauthorized use of a Card in the last 12 months; and
- the Account is in good standing.

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 and Card Account. 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 a Card Account, even after the Card Account is cancelled, unless the Customer previously advised the merchant in writing to stop debiting the Card 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 Card 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 Customer Credit Limit, change the Customer's business name, terminate the Account and other requests specified by us from time to time, must be made in writing. Other requests with respect to the operation and administration of the Account may be made 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. Amendment**

- 10.1 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 Customer Credit Limit or any Card 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.

## 11. General

- 11.1 The Customer and the Owner shall provide us with such business and personal financial information as we may from time to time reasonably request.
- 11.2 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.
- 11.3 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.
- 11.4 This Agreement shall be binding upon and enure to the benefit of each party and its respective successors and permitted assigns.
- 11.5 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 la volonté expresse des parties que la présente convention et tous documents y afférents soient rédigés en anglais.*

## 12. Our Privacy Disclosure

- 12.1 In this section, “you” means the Owner.
- 12.2 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 legal and regulatory requirements.

Your personal information is shared to the extent permitted by law, within 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 service 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 for the necessary form(s). 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 a member of BMO Financial Group.

Also, if you would prefer us not to use your SIN for administrative purposes, just ask us for the necessary form. 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 privacy, please refer to our Privacy Code, available at any BMO Bank of Montreal branch or online at [bmo.com/privacy](http://bmo.com/privacy).

We may obtain any credit or other financially related information about you from:

- you
- any credit bureau
- any person who has or may have financial dealings with you
- any references you have provided to us

We may disclose this information about you to:

- any credit bureau
- any person who has or may have financial dealings with you

We may monitor and record telephone calls between you and us for quality assurance purposes and for our mutual protection.

### **13. Term and Termination of Agreement**

13.1 This Agreement may be terminated by either party upon thirty (30) days prior notice in writing.

13.2 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.

13.3 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.

**Please retain this Agreement.**

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