

Relationship Disclosure (RD)

BMO Nesbitt Burns believes the best way to help you meet your investment goals is to work with your Investment Advisor to develop a plan that is right for your needs. Our aim is to help you better manage your wealth. We can do this most successfully if we both know what to expect from each other.

Securities regulators have recommended that we promote active client participation for a mutually successful relationship. In order to achieve this goal, we encourage you to:

- **Keep us up to date** by providing full and accurate information on your financial situation and objectives. Promptly inform your Investment Advisor of any changes to account information or life circumstances.
- **Remain informed** and ensure that you understand the potential risks and returns on investments. Where appropriate, consult professionals, such as a lawyer or an accountant, for legal or tax advice.
- **Ask us questions** and request information from your Investment Advisor or Branch Manager to resolve concerns or uncertainties.
- **Stay on top of your investments** by thoroughly reviewing all account documentation provided and regularly review account statements, confirmations, and other reporting about your portfolio holdings and performance.



This disclosure is to be read in conjunction with the BMO Nesbitt Burns "Client Account Agreement."

If you have any questions about this disclosure, please contact your Investment Advisor.



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Our Firm and how we are regulated

About our Firm

BMO Nesbitt Burns is a core part of the success of BMO Financial Group. We have an extensive network of approximately 1,300 Investment Advisors across Canada. Since 1912, BMO Nesbitt Burns has had an unwavering belief in the power of the client-advisor relationship. We focus on meeting the needs of individual investors through a customized approach to wealth management.

Our regulators

BMO Nesbitt Burns is a regulated investment dealer and your Investment Advisor is registered to provide advice and perform other services under the rules and oversight of the Investment Industry Regulatory Organization of Canada (IIROC). IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. IIROC sets high-quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

Canada also has other comprehensive securities regulatory rules and regulations, many of which are directed at protecting investor interests. For more information, please refer to the websites or publication of the provincial securities commissions through the Canadian Securities Administrators (CSA) website at securities-administrators.ca

The Canadian Investor Protection Fund (CIPF) provides protection to investors who are clients of firms regulated.

The services and products we offer

BMO Nesbitt Burns offers a wide range of solutions and services that are right for you. Our Investment Management products include but are not limited to equities, fixed income, mutual funds, derivatives (including options), exchange traded funds, precious metals certificates, alternative investments (such as principal protected notes and cash management services), fee-based, managed, and registered plans.

Depending on your investment needs, our dedicated Investment Advisors can offer you a full range of advisory services, including but not limited to financial planning, retirement planning, business planning, life changes, wealth building, estate and insurance services, and philanthropic planning.

We also provide access to insurance products, including segregated funds, through our affiliate, BMO Nesbitt Burns Financial Services Inc. (NBFSI) which provides insurance sales, service, and advice. All insurance products, including segregated funds, are offered through NBFSI by licensed life insurance agents, and in Quebec, by financial security advisors. Many of our advisors and other employees are both securities and insurance licensed.

When our dually licensed advisors and employees deal with you:

- in respect of insurance products, they are acting on behalf of NBFSI,
- in connection with the investment products, that we offer they are acting on behalf of BMO Nesbitt Burns.

For a comprehensive list of products and services, please visit our web site at bmo.com/nesbittburns or contact your Investment Advisor.

The account(s) you have and how they operate

Your Investment Advisor will work with you to determine the right account(s) and services to best suit your needs.

If you opened the following:

Advisory accounts

Your Investment Advisor is responsible for providing suitable and unbiased investment recommendations to you that meet the standard of care expected of a trained investment professional based on the client information that you provide to us. You (or your authorized representative) direct(s) all trading and are(is) responsible for all investment decisions in your account.

Managed accounts

Your Investment Advisor will work with your personal and financial goals and investment objectives. In consultation with you, your Investment Advisor will prepare an Investment Policy Statement that will govern and guide all investment activity in the account. Once the Investment Policy Statement is defined, your Investment Advisor will recommend an overall investment strategy that incorporates your tolerance for risk and will then help you to select the managed account program best suited to your needs. The day to day management of the investments is determined by a team of institutional portfolio managers or your Investment Advisor if he or she is registered as a Portfolio Manager.

The above accounts can be further categorized as follows:

Non-registered accounts

- Cash account: For clients who intend to pay cash for each purchase
- Margin account: For clients that may wish to borrow money against securities they currently own or intend to purchase

Registered accounts

- Self-Directed Registered Retirement Savings Plan (RRSP) and Registered Retirement Income Fund (RRIF): For clients wanting to shelter eligible investments from immediate tax
- Tax-Free Savings Account (TFSA): For clients wanting to earn tax-free income with the flexibility to withdraw money for emergencies or other purposes without tax consequences
- Registered Education Savings Plan (RESP): For clients to accumulate tax-free income while saving for a child's education

We offer other specialized accounts. For further information, please speak with your Investment Advisor. In addition, the Client Account Agreement and Terms and Conditions set out the specific limitations that may exist for your accounts.

“Know Your Client” and Investment Suitability Assessment

“Know Your Client” (KYC)

In order to conduct suitability assessments for your account(s) where applicable, securities laws require BMO Nesbitt Burns to fully understand, among other things, your current financial situation, investment knowledge, investment objectives, target asset allocation, investment time horizon, and investment risk tolerance. These can only be assessed by collecting from you accurate information about your personal and financial circumstances, including but not limited to, your marital status, age, occupation, income and net worth, and number of dependants. This requirement is part of the KYC rule and is one of the cornerstones of securities regulation.

The “Client Account Agreement” (CAA) setting out your personal and financial information, which you have provided to us will be available to you at the time of account opening, and when a material change in your KYC information has come to the attention of BMO Nesbitt Burns.

Investment Suitability Assessment

Investment Objectives and Target Asset Allocation

Your investment objectives are account-specific, and define what you want to achieve from your account. For each of your account(s) you are required to define an investment objective and complete the target asset allocation section. While we are required to record specific percentages, these percentages are intended to be a source of general guidance about your preferences. We will use these percentages to monitor and review your account.

Risk Tolerance

Risk Tolerance is characterized as low, medium, and high. As with the target asset allocation, while we require specific percentages, these percentages are intended to be a source of general guidance about your preferences. We will use these percentages to monitor and review your account.

If you opened one of the following:

Advisory Account

BMO Nesbitt Burns will perform due diligence to ensure that the suitability of the positions held in your account(s) is reviewed when:

- a trade is accepted,
- a recommendation is made by us,
- securities are transferred or deposited into your account,

- there is a change in the Investment Advisor responsible for the account, or
- there is a material change to the client's "know your client" information as maintained by us.

The investment suitability assessment will evaluate factors, including but not limited to, your current financial situation, investment knowledge, investment objectives, target asset allocation, time horizon, risk tolerance and your account's current investment portfolio holdings and risk level, using the information you have provided to us upon account opening and updated with us as required. In the case where an order from you is accepted and/or a recommendation is made by us, we will also assess whether a specific investment product, order type, trading strategy and method of financing the trade is suitable for you. When an assessment is made, you will receive appropriate advice in response to the suitability review that has been conducted.

BMO Nesbitt Burns does not necessarily assess the suitability of the investment in your account(s) in the absence of the triggering events noted above. For example, the occurrence of a significant market fluctuation would not generally trigger a suitability assessment.

Managed Accounts

BMO Nesbitt Burns will use due diligence to ensure that the suitability of the positions held in your account(s) is reviewed on an initial and ongoing basis in accordance with the applicable managed account agreement.

If you have any questions on the process of gathering KYC or determining an investment suitability assessment, please contact your Investment Advisor.

Statements and Confirmations

With the exception of managed accounts, BMO Nesbitt Burns will provide you with a trade confirmation on the business day following the date of any trade conducted in your account(s), other than transactions resulting from systematic plans such as dividend reinvestment or pre-authorized purchases or sales of securities.

If you are a managed account client you will not receive a trade confirmation for trades executed. This is due to the fact that the institutional portfolio manager, or your registered Portfolio Manager Investment Advisor, is responsible for the decision to buy or sell an investment. If you wish to receive confirmations, please speak to your Investment Advisor. Please refer to the applicable managed account agreement for details.

BMO Nesbitt Burns will provide you with account statements:

- On a quarterly basis if you held any cash or investments in your account during the quarter; or
- At the end of the month if:
 - You have requested to receive statements on a monthly basis or
 - There has been activity in the account during the month (other than interest or dividend entries).

Your account statement confirms your current holdings, the value of your portfolio, all account activity, including purchases and sales of securities, contributions and withdrawals, dividends, interest earned and paid, transfers, and any other transactions that have occurred in your account over the reporting period. BMO Nesbitt Burns will also include two additional sections:

- On the December year-end statement, **Your Performance Report**, which includes your total percentage return - on both a Time-Weighted and Money-Weighted basis, and;
- On each statement you receive, a **Year-to-Date Fees Summary** which includes all fees paid directly by you (Operating and Transaction charges), and any compensation we received through third parties, for the current calendar year.

Additional Reports

Your Investment Advisor can provide you with additional reporting specific to account performance, cash flows, realized gains and losses, at your request. Please speak to your Investment Advisor to review the additional reports that are available to you.

Benchmarks

Benchmarks provide you with a means of measuring the relative performance of your portfolio against a standardized or “benchmark” portfolio over a prescribed period of time. Although a singular benchmark index may be used (i.e. a broad stock market or bond index), a blend of benchmarks may be appropriate for portfolios which include different asset classes and/or investments. You are reminded that past performance is not necessarily an indicator of future performance. We encourage you to work with your Investment Advisor to build a portfolio that meets with your short- and long-term investment goals and to determine the most relevant and appropriate benchmark to measure and monitor your portfolio.

Conflicts of Interest

Actual, potential, and perceived conflicts of interest arise where an action or decision by someone has the effect of benefiting others at that person’s expense. Such conflicts exist in almost all human interactions and, as we are an intermediary, acting for both buyers and sellers, conflicts will arise from time to time:

- between you, your Investment Advisor and BMO Nesbitt Burns;
- between you and other BMO Nesbitt Burns clients. We act for many clients and must allocate investment opportunities among everyone fairly, so as not to favour intentionally one client over another;
- between BMO Nesbitt Burns and our related or associated companies.

We have policies and procedures in place to address the handling of conflicts of interest.

- **We avoid** conflicts prohibited by law, as well as conflicts that we cannot effectively control.

In situations that we cannot avoid, or where our interests may compete with yours, your interest is always given priority by our acting in one of two ways:

- **We control** or manage acceptable conflicts by physically separating different business functions, restricting the internal exchange of information in person or through systems, reducing the possibility of one part of our organization unsuitably influencing another, removing the financial incentive of an employee to favour a particular product or service over another that may be more suitable, and setting up and testing our operational review and approval processes.
- **We disclose** information about any remaining conflicts to you, so that when you evaluate our recommendations and actions, you can assess independently if conflicts are significant for you.

For current and detailed information relating to the material conflicts of interest that may exist between you, your Investment Advisor, and BMO Nesbitt Burns, please visit our website at bmo.com/nesbittburns/COI, or contact your Investment Advisor. Any future material conflicts of interest situations, where not avoided, will be disclosed to you as they arise.

Fees and Charges

Advisory Accounts

We offer two pricing approaches, commission and fee-based. Your Investment Advisor will recommend the pricing approach that is appropriate for you based on how you expect to use the account (for example, if you expect to buy and hold securities for a long time or intend to be buying and selling more frequently), as well as your personal preferences. Client households (all accounts for persons in the same family, living at the same address) are subject to a minimum annual fee of \$500. If a household does not generate at least \$500 in commissions and certain applicable fees, the difference will be calculated over the 12-month period ending September 30, and charged the following month.

- For a **commission based advisory account**, the commission you pay is based on the value of the trade and the security type. Please speak to your Investment Advisor to discuss the specific commission on a specific trade. Below is an explanation of the different types of securities and how the commission is calculated:
 - For equity trades, the commission you pay is based on the value of the trade. Your advisor will obtain your consent to these charges prior to the execution of the trade and they will be included on the transaction confirmation we send you.
 - For fixed income trades, commission you pay is based on the term to maturity and the value of the trade. The commission on the transaction will be added to the price in the case of a purchase or deducted from the price in the case of a sale.
 - For mutual fund trades, mutual fund managers usually charge a percentage called a Management Expense Ratio (MER) and transaction costs by deducting charges from fund performance.
 - For alternative investments, please speak to your Investment Advisor regarding the commission that will be charged.
 - For further information, please refer to the BMO Nesbitt Burns Fees, Interest Rate and Foreign Currency Conversion Schedule.
 - For a **fee-based advisory account**, the fee is charged based on the value and type of your investments and the number of trades. The Billing Group or Stand-Alone Account is subject to a minimum fee for each billing cycle. The minimum fee is determined by pro-rating an annual charge, \$2,250, plus applicable taxes, by the number of days in the billing cycle. We reserve the right to limit the amount of trades. Please speak to your Investment Advisor regarding these limits and any additional charges that may be applied if you exceed the limit.

Managed accounts

Pricing of a managed account is based on the size of the asset holdings in your account. Your Investment Advisor will discuss with you the fee schedule for your specific managed account, including the minimum investment required and the minimum annual fee.

Our BluePrint Managed Account Program is managed internally or sub-advised by BMO Nesbitt Burns Inc., BMO Asset Management Inc., BMO Asset Management Corp., BMO Capital Markets Corp., or Pyrford International Ltd. This program has lower operating fees than programs where a third party money manager is engaged and Investment Advisors, therefore, may receive a higher percentage of fees charged.

Other dealer compensation

In certain circumstances, BMO Nesbitt Burns may earn fees directly from the issuer of a security in the form of; sales commissions, trailing service fees, and underwriting and investment banking advisory fees. Such securities may include initial public offerings, new issue securities in the secondary market, mutual funds, closed-end funds and structured investment funds.

For more information on the fees associated with the specific securities in your account, please contact your Investment Advisor or consult the simplified prospectus, mutual fund fact sheet or other offering documents.

Fees for other services

We also charge other fees that may be related to the ongoing maintenance of your account. Please refer to the BMO Nesbitt Burns Fees, Interest Rates and Foreign Conversion Schedule in your client Welcome Package. You can request a copy of this brochure from your Investment Advisor.

We may also charge for other services that we provide to you. Your Investment Advisor will discuss these fees prior to engaging in the delivery of these services.

Notice of price changes

We will provide you with at least 60 days' prior written notice of any new fee or changes in charges.

Account Documents

The following account opening documents are used to open most types of accounts:

- Client Account Agreement, containing your completed KYC information and the Terms and Conditions, is a legally binding contract between you, your Investment Advisor, and BMO Nesbitt Burns, and
- a Welcome Package is also provided to you that includes but is not limited to the following documents:
 - An investor's Guide to making a complaint,
 - Conflicts of Interest Statement,
 - Canadian Listed Equity Trade Execution Disclosure and Relationship Disclosure.
- Depending on your account type (e.g. Individual, RRSP, RRIF) you may be instructed to complete additional stand-alone forms.

Complaint Handling Procedures

We Can Help

Our clients come first in everything we do. 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 the utmost importance. We will also provide you with a copy of the IIROC brochure: An Investor's Guide to Making a Complaint, at the time you open your account(s) with us.

Complaint Handling Procedures

The following summarizes our complaint handling procedures.

1. Talk to Us

For service related matters, talk to a representative at the branch where your complaint originated, or where you normally conduct your business. If your concerns are not resolved, please contact (in writing or verbally) the Branch Manager, as listed on your account statement.

2. Escalate to a Senior Officer

If your complaint is unresolved after following Step 1 or involves the conduct, standards or practices of the Firm or its registered employees that are the subject of securities laws, rules or regulations, you may escalate to the Designated Complaints Officer, listed below:

BMO Nesbitt Burns, Retail Compliance
 Attention: Designated Complaints Officer
 1 First Canadian Place
 P.O. Box 150
 Toronto, ON M5X 1A1
 Call: 1-866-391-5897

Within five (5) business days of receiving the complaint, the Compliance Department will acknowledge receipt of your complaint in the form of a letter. The letter will provide you with the contact information for the person responsible for reviewing your concerns. It is the Compliance Department's goal to resolve the complaint within 90 days of receipt of the complaint letter. If it appears the complaint will not be resolved within 90 days, as may be the case when dealing with more complex complaints, the Compliance Department will send a second letter advising you of the anticipated response date.

All complaints will receive a substantive response letter. The letter will provide an outline of issues raised in your complaint and the Firm's findings. The letter will also address any requests for compensation. You will also be provided with additional information regarding your options to escalate your concerns

further in the event that you are not satisfied with the outcome of the review. This includes the contact information for the BMO Financial Group's Ombudsman Office, the Ombudsman for Banking Services and Investments (OBSI) and IIROC.

3. Escalate to the BMO Ombudsman

If your complaint is unresolved after following Steps 1 and 2, you may escalate to the BMO Ombudsman.

The BMO Ombudsman's mandate is to conduct impartial reviews of unresolved financial services complaints for customers of Canadian operating groups. The process is based on fairness, integrity and respect, and considers: the interests of all parties, any relevant documentation, applicable laws, rules, regulations, policies and industry practices, as well as the overall fairness of the situation. At the conclusion of a review, the BMO Ombudsman may facilitate a resolution between the parties or make a recommendation to settle the complaint.

The BMO Ombudsman does not investigate certain types of complaints, including:

- Credit granting policies or risk management decisions
- Decisions to close accounts
- Business decisions to change product or service offerings
- Levels of interest rates, service charges or fees that apply to all customers
- Transaction or other product or service issues for which BMO records no longer exist
- Matters that are, or have been, before a Court, tribunal, or other independent dispute resolution body

BMO Financial Group Ombudsman
1 First Canadian Place
P.O. Box 150,
Toronto, ON M5X 1H3

Call: 1-800-371-2541

Fax: 1-800-766-8029

Email: bmo.ombudsman@bmo.com

Visit: bmo.com

Contact the Ombudsman for Banking Services and Investments (OBSI)

You may also contact the Ombudsman for Banking Services & Investments within six months for a further review of your complaint. OBSI is an independent service for resolving banking services and investment disputes.

If you are not satisfied with BMO's decision on your complaint, it is your right to bring your case to OBSI for an impartial and informal review. OBSI is not a regulator and does not advocate for clients or the industry. The services are free to clients.

OBSI

P.O. Box 896, Stn. Adelaide
Toronto, ON M5C 2K3

Tel: 1-888-451-4519

Fax: 1-888-422-2865

Email: ombudsman@obsi.ca

Visit: obsi.ca

4. Contact the Investment Industry Regulatory Organization of Canada (IIROC)

In Canada, regulation of the securities industry is carried out by provincial securities commissions and self-regulatory organizations (SROs), which includes IIROC. IIROC monitors client complaints and disciplinary matters to proactively identify emerging regulatory issues at Member firms. IIROC requires its Members to report client complaints and disciplinary matters, including internal investigations, denial of registration, disciplinary actions, settlements, and civil, criminal or regulatory action against the firm or its registered employees.

We will also provide you with a copy of the IIROC brochure, An Investor's Guide to Making a Complaint, at the time you open your account(s) with us. This brochure outlines avenues of dispute resolution that are available as well as the various statutes of limitations you should be aware of.

How you can always reach us

We've taken measures to ensure you will be able to reach us during business hours in the event of unexpected circumstances (for example, a local emergency or weather phenomenon). If you cannot contact your Investment Advisor to make a trade or get current information due to extraordinary events, simply dial the main number of your BMO Nesbitt Burns branch indicated in the top right-hand corner of your account statement. You will receive recorded instructions or automatically be redirected to a BMO Nesbitt Burns office that can assist you.

Please check your most recent account statement and record the main phone number for future reference. A complete list of branches and contact information is available online, under "Contact Us" at bmo.com/nesbittburns.

For further details, please contact your Investment Advisor.

