

# BMO Nesbitt Burns Client Account Agreements and Disclosures

# Welcome to BMO Nesbitt Burns

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Since 1912, we've been providing our clients with sound financial advice to help ensure they reach their long-term goals. Today, BMO Nesbitt Burns Investment Advisors across Canada are recognized for delivering an extraordinary client experience based on integrity, professionalism and expertise.

As part of the BMO Financial Group, you can feel confident that your Investment Advisor has access to a complete range of products and services to address your personal objectives and aspirations. By fully understanding the purpose of your wealth, we provide solutions that create a better outcome, and allow you to make decisions with confidence.

We appreciate that the most consequential wealth decision you make may be the wealth management team you select. In choosing BMO Nesbitt Burns, you have a team that is experienced, passionate and committed to putting the client first in everything we do.

Welcome to BMO Nesbitt Burns.

Sincerely,

A handwritten signature in black ink, appearing to read 'BF', with a stylized flourish extending from the bottom right.

Bruce Ferman  
Chief Operating Officer  
BMO Private Wealth Canada

BMO Private Wealth is a brand name for a business group consisting of Bank of Montreal and certain of its affiliates in providing Private Wealth management products and services. Not all products and services are offered by all legal entities within BMO Private Wealth. Banking services are offered through Bank of Montreal. Investment management, wealth planning, tax planning, philanthropy planning services are offered through BMO Nesbitt Burns Inc. and BMO Private Investment Counsel Inc. Estate, trust, and custodial services are offered through BMO Trust Company. Insurance services and products are offered through BMO Estate Insurance Advisory Services Inc., a wholly-owned subsidiary of BMO Nesbitt Burns Inc. BMO Private Wealth legal entities do not offer tax advice. BMO Nesbitt Burns Inc. is a member of the Canadian Investor Protection Fund and the Canadian Investment Regulatory Organization. BMO Trust Company and BMO Bank of Montreal are members of CDIC. BMO (M-bar roundel symbol)™ is a registered trademark of Bank of Montreal, used under licence.

# Introduction

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Thank you for choosing BMO Nesbitt Burns for your investing needs. This package contains copies of Client Account Agreements between you, BMO Nesbitt Burns Inc., and BMO Trust Company, as well as other information and disclosures.

This package is divided into seven sections.

- **Section One** contains the BMO Nesbitt Burns Inc. Relationship Disclosure applicable to all clients. It describes the products and services offered by BMO Nesbitt Burns, the nature of the accounts offered, the manner in which the accounts will operate, and the responsibilities of BMO Nesbitt Burns to its clients.
- **Section Two** contains the Client Account Agreements. The Agreement(s) that apply to you will depend on the type of account(s) you have opened with us. Unless an agreement indicates otherwise, the terms and definitions of a particular agreement apply only to that agreement and not to any other agreement. Part One and Part Two include headings and text boxes that explain certain sections in broad terms.
  - **Part One: BMO Nesbitt Burns Investment Account Agreement**  
This agreement forms the foundation of your relationship with BMO Nesbitt Burns Inc., your investment dealer.
  - **Part Two: BMO Nesbitt Burns Joint Account Agreement**  
If you are opening a Joint Investment Account with one of more people, you and your co-applicant(s) will enter into this agreement.
- **Section Three** contains the Declarations of Trust and Terms and Conditions, as applicable, that govern registered plans. The agreement(s) that apply to you will depend on the type of account(s) you have opened with us. BMO Trust Company acts as the trustee of registered plans.
- **Section Four** contains our managed account agreements. If you have elected to participate in a managed program, the agreement(s) that apply to you will depend on the type of account(s) you have opened with us.
- **Section Five** contains our Meridian account agreement, if you have elected to participate in the Meridian program.
- **Section Six** contains our Preferred and Preferred Plus account agreements. If you have elected to participate in a Preferred or Preferred Plus program, the agreement(s) that apply to you will depend on the type of account(s) you have opened with us.
- **Section Seven** contains other information and disclosures regarding your relationship with BMO Nesbitt Burns.

**NOTE:** If you have opened a BMO SmartFolio account, please see [https://www.bmo.com/img/smartfolio/pdf/en/Relationship\\_Disclosure.pdf](https://www.bmo.com/img/smartfolio/pdf/en/Relationship_Disclosure.pdf) for the applicable Relationship Disclosure and [https://www.bmo.com/img/smartfolio/pdf/en/Terms\\_En.pdf](https://www.bmo.com/img/smartfolio/pdf/en/Terms_En.pdf) for the applicable client account agreement.

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\* BMO Trust Company acts as the Trustee of Registered Plans, where applicable.



## Relationship Disclosure (RD)

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At BMO Nesbitt Burns, we believe the best way for you to meet your investment goals is to work closely with your Investment Advisor to develop a wealth management plan that's right for your personal situation. Our priority is to work with you to help you manage your wealth. To be successful, it's important that we both know what to expect from each other. BMO Nesbitt Burns has prepared this Relationship Disclosure ("RD") document to provide you with an overview of BMO Nesbitt Burns, including: the oversight provided by our industry's regulators; our products, services and account offerings; fees; reporting; and our complaint handling process. We encourage you to keep this document in your files for future reference.

Please review this disclosure in conjunction with your BMO Nesbitt Burns Client Account Agreements. If you have any questions about this disclosure, please contact your Investment Advisor. To learn more about BMO Nesbitt Burns, visit our website: [bmo.com/privatewealth](http://bmo.com/privatewealth)

### Stay Involved

Your active participation in the wealth management process is important to ensuring a mutually successful relationship. We recommend that you:

- **Keep us up to date:** Provide full and accurate information on your financial situation, personal investment objectives and tolerance for risk.
- **Stay informed:** Ensure that you understand the potential risks and returns of your investments. Where appropriate, consult independent professionals, such as a lawyer or an accountant, for any legal or tax advice.
- **Ask us questions:** Request information from your Investment Advisor or Branch Manager to resolve any concerns or uncertainties you have with respect to your account(s) or investments.
- **Keep on top of your investments:** Thoroughly review all account documentation provided and keep updated on your portfolio by reviewing your account statements, trade confirmations, and other reporting you receive about your account holdings and performance.

 This disclosure is to be read together with the BMO Nesbitt Burns Client Account Agreements (by which we mean the BMO Nesbitt Burns Investment Account Agreement, the BMO Nesbitt Burns Joint Account Agreement, if applicable, and any applicable trust agreement for registered plans) as well as any other agreement specific to the type of account you have with BMO Nesbitt Burns. If you have any questions about this disclosure, please contact your Investment Advisor.

### Our Firm and how we are regulated

#### About our firm

BMO Nesbitt Burns is a subsidiary of Bank of Montreal and a member of BMO Financial Group. We have an extensive network of Investment Advisors located in branches across Canada. Since 1912, BMO Nesbitt Burns has had an unwavering belief in the power of the client-advisor relationship, and building a customized wealth management plan for our clients to help them meet their financial objectives.

#### Our regulators

BMO Nesbitt Burns is a regulated investment dealer firm and your Investment Advisor is licenced to provide advice and perform other services as applicable under the rules of the Canadian Investment Regulatory Organization (CIRO), the national self-regulatory organization that oversees its member firms and their representatives as well as trading activity on Canada's debt and equity marketplaces. For further information about CIRO, please visit [www.ciro.ca](http://www.ciro.ca). Client accounts held with CIRO member firms are also protected by the Canadian Investor Protection Fund within specified limits. A brochure describing the nature and limits of coverage is available upon request or at [www.cipf.ca](http://www.cipf.ca).

Securities regulators from each province and territory comprising CIRO's recognizing regulators have also formed the Canadian Securities Administrators ("CSA") mandated to foster fair and efficient capital markets across Canada. For more information, please refer to the websites of the provincial and territorial securities commissions, available through the CSA website at [www.securities-administrators.ca](http://www.securities-administrators.ca).

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## The services and products we offer

BMO Nesbitt Burns offers a full range of products and services, available on Canadian and global markets, to meet the investment objectives of clients. This includes equities, fixed income, mutual funds, derivatives (options), exchange-traded funds, precious metals certificates, alternative investments (such as Principal Protected Notes), and cash management solutions. BMO Nesbitt Burns offers both proprietary and third-party products for its accounts. We offer advisory, fee-based and managed accounts, along with a wide range of registered plans. You may invest in certain securities through BMO Nesbitt Burns that will have restrictions on your ability to liquidate or resell the security; for example, there may be a “hold” period (applicable to private placements, for instance), or a restriction on redemption or the securities may be thinly traded.

Depending on your investment needs, our dedicated Investment Advisors can offer you a full range of wealth management planning services, including: financial; retirement; estate; business succession; and philanthropic planning.

Through our affiliate, BMO Estate and Insurance Advisory Services Inc. (“EIASI”), and our insurance-licensed Investment Advisors (Financial Security Advisors in Quebec), we provide insurance sales, service, and advice, including a full range of insurance products, such as segregated funds. Please note the following when our dual-licensed Advisors and employees deal with you:

- in respect to insurance products, they are acting on behalf of EIASI; and
- in respect to investment products, they are acting on behalf of BMO Nesbitt Burns.

For a comprehensive list of products and services, please visit our web site at [www.bmo.com/privatewealth/](http://www.bmo.com/privatewealth/) or contact your Investment Advisor.

## The account(s) you have and how they operate

Together, you and your BMO Nesbitt Burns Investment Advisor will determine the right account(s), products and services for your needs. The following is an overview of the main account types available through BMO Nesbitt Burns:

### Advisory accounts

Your Investment Advisor is responsible for providing investment recommendations to you that meet the standards expected of a trained investment professional based on the client information that you provide to us. You are responsible for, and direct, all trading activities and investment decisions with respect to the account.

### Managed accounts

In consultation with you so that we can confirm your personal goals, investment objectives and tolerance for risk, your Investment Advisor will prepare an Investment Policy Statement that will govern and guide all investment decisions and activities in the account. Once the

Investment Policy Statement is defined and agreed to by you, your Investment Advisor will recommend a managed program that aligns with your IPS and is suitable for your personal situation. Once a program has been selected, the day-to-day management of the investments held in the account will be the responsibility of the designated team of institutional portfolio managers, or your BMO Nesbitt Burns Portfolio Manager/Associate Portfolio Manager, if they are a registered BMO Nesbitt Burns Portfolio Manager/Associate Portfolio Manager.

BMO Nesbitt Burns offers the following types of managed programs: Managed Portfolio Account Program, Quadrant Program, and Architect Program. Until October 30, 2020, BMO Nesbitt Burns also offered the BluePrint Program to new clients. You will need to enter into a separate account agreement that further describes the terms and conditions applicable to that specific program for any account(s) that you open in one of these programs.

### Registered and non-registered accounts

Generally available as an Advisory or Managed account, BMO Nesbitt Burns offers a range of registered and non-registered accounts. The following provides an overview of some of the accounts available; however, we offer other specialized accounts that may be suitable to your situation.

#### Non-registered accounts

- Cash account: For clients who intend to pay “cash” for all transactions executed in their account; and
- Margin account: Provides clients with the ability to borrow money against the value of the securities held in the account. Clients will be charged interest on the funds borrowed, using the securities held in the account as collateral.

#### Registered accounts

- Self-Directed Registered Retirement Savings Plan (RRSP): Used to save for retirement; contributions to the plan are tax deductible and grow tax-free within the account until the money is withdrawn.
- Registered Retirement Income Fund (“RRIF”): An extension of the RRSP; instead of making contributions to the plan, withdrawals are made to provide retirement income, while assets within the plan remain tax-deferred until withdrawn.
- Tax-Free Savings Account (TFSA): Tax-deferred savings account that allows you to accumulate and withdraw funds on a tax-free basis.
- Registered Education Savings Plan (RESP): Account designed to help save for a child’s post-secondary education. Funds within an RESP are not taxed until withdrawn by the plan’s beneficiary.
- First Home Savings Account (“FHSA”): A registered plan that enables prospective first-time home buyers with the ability to contribute toward saving for their first home on a tax-free basis.

Your Client Account Agreements and any other agreement specific to the type of account you have with BMO Nesbitt Burns will detail the terms and conditions of your account, including any limitations. For further information, please speak with your Investment Advisor.

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## "Know your client" matters and investment suitability assessments

### "Know Your Client" (KYC)

In order to conduct suitability assessments for your account(s) where applicable, securities laws require BMO Nesbitt Burns to understand, among other things, your personal and financial situation, investment needs and objectives, investment time horizon, risk profile (risk capacity and risk tolerance) and investment knowledge and experience. These can only be assessed by collecting from you accurate information about your personal and financial circumstances, including your marital status, age, occupation, income and net worth, and number of dependents. This is known as KYC, and defines your Investor Profile, and is one of the cornerstones of securities regulation. Your Investor Profile is account-specific and defines 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.

Your Risk Profile is a reflection of both Risk Tolerance and Risk Capacity. Risk Tolerance represents the amount of risk you are willing to take. Risk Capacity represents your ability to endure potential financial loss based on your personal and financial circumstances. Your Risk Profile will be determined by the lower of the two. For example, if your Risk Tolerance is Medium, and your Risk Capacity is Low, your Risk Profile will be Low.

Your Risk Tolerance, Risk Capacity and Risk Profile can be characterized as Limited, Low, Medium, or 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.

Your client account application incorporates all of your personal and financial information which you have provided to us. You will receive a copy of your client account application, which will indicate the type of account(s) and service(s) you have established with BMO Nesbitt Burns. If significant changes are made to your KYC information following a discussion you have had with your Investment Advisor, you will receive a notification regarding this new KYC and will have the opportunity to review it and obtain details. This new KYC information will then be used for our suitability assessments.

Your KYC information is reviewed with you at least every 36 months if you have an advisory account; and on an annual basis if you have a managed account.

### Investment Suitability Assessments

BMO Nesbitt Burns will determine that any investment action it takes, recommends or decides on, for you is suitable and puts your interests first, including when:

- i. securities are received into or delivered out of your account, by way of deposit, withdrawal or transfer,

- ii. there is a change in the Investment Advisor, Portfolio Manager or Associate Portfolio Manager responsible for the account,
- iii. we become aware of a change in your KYC information that could result in a security or your account no longer being suitable for you, or
- iv. we become aware of a change in a security in your account that could result in the security or account no longer being suitable for you.

In determining the suitability of any investment action, BMO Nesbitt Burns will consider the following factors: your KYC information, our understanding of the securities in your account, the impact of the investment action, including concentration and liquidity of securities, potential and actual impact of costs on your returns, and a consideration of a reasonable range of alternative actions available to the Investment Advisor.

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.

## Statements and confirmations provided

### Trade confirmations

With the exception of any accounts that you hold in one of BMO Nesbitt Burns' managed accounts, BMO Nesbitt Burns will issue a trade confirmation on the first business day following the date of any trade effected in your account(s). This excludes transactions resulting from systematic plans such as dividend reinvestments, and pre-authorized purchases or sales of securities.

If you have a managed account, you will not receive trade confirmations for any trades executed in your account(s). This is because the institutional portfolio manager, or your BMO Nesbitt Burns registered Portfolio Manager/Associated Portfolio Manager, has authority and responsibility for the buy and sell decisions with respect to the investments held within your account(s). If you wish to receive trade confirmations for your managed account(s), please speak to your Investment Advisor. For further information, please refer to the Managed Account Agreement applicable to your account(s).

### Account statements

BMO Nesbitt Burns will provide you with account statements according to the following schedule:

- 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,
  - There was activity in the account during the month (other than interest or dividend entries), or
  - You hold open, unexpired, or unexercised listed options, even if there is no activity in the account.
  - There was activity in the account during the month (other than interest or dividend entries).

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You will also be provided with an October month-end account statement each year that you maintain an account at BMO Nesbitt Burns, to coincide with the fiscal year end of BMO Financial Group.

Based on the reporting period of your account statement, it will confirm: the value of your portfolio; your current holdings; the portfolio position cost, all account activity, including purchases and sales of securities; contributions and withdrawals; dividend payments; interest earned and paid; transfers; and any other transactions that took place in your account over the reporting period.

In addition, included on each statement you receive, is a Year-to-Date Fees Summary for the current calendar year. This summary details all fees paid directly by you (for example, management fees, and operating and transaction charges), as well as any compensation we received on your behalf from third parties.

On your December month-end statement, BMO Nesbitt Burns will include a section titled "Your Performance Report", which includes your total percentage return – on both a time-weighted and money-weighted basis.

### **Additional Reports**

Upon request, your Investment Advisor can provide you with additional reporting that is specific to your account performance, cash flows, and realized gains and losses. The adjusted Cost Base (ACB) of your holdings may differ from the book value provided in your gain/loss statement. As BMO Nesbitt Burns does not report ACB, you are responsible for determining your ACB for tax purposes. Please speak to your Investment Advisor to review the additional reports 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 (for example, a broad stock market or bond index), a blend of benchmarks may be appropriate for portfolios that include different asset classes and 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 relevant and appropriate benchmark to measure and monitor your portfolio. We do not currently provide benchmark comparisons in our account reporting.

### **Conflicts of interest**

A conflict of interest may arise where (i) the interests of BMO Nesbitt Burns and the interests of its clients are inconsistent or different; (ii) clients may perceive BMO Nesbitt Burns to be influenced to put its interests ahead of its client's interests, or (iii) monetary or non-monetary benefits available to BMO Nesbitt Burns, or potential negative consequences for BMO Nesbitt Burns, may affect the trust its clients have in BMO Nesbitt Burns.

BMO Nesbitt Burns has adopted policies and procedures to identify and address the handling of material conflicts of interest. BMO Nesbitt Burns addresses existing or reasonably foreseeable material conflicts of interest with you in your best interest. If a conflict cannot be so addressed, it is avoided.

More information about BMO Nesbitt Burns' material conflicts of interest is set out in the BMO Nesbitt Burns Conflicts of Interest Statement which was previously provided to you. The current version of this Statement is available on our website.

Please ask your Investment Advisor if you have any questions about conflicts of interest and how we address them in your best interest.

### **Fees and charges**

BMO Nesbitt Burns discloses to you the fees and charges associated with your account(s) in the BMO Nesbitt Burns Fees, Interest Rate and Foreign Currency Conversion Schedule, provided to you on account opening and available on our website. Fees impact the investment returns of your portfolio. Fees charged directly to your account(s) reduce the market value of your account(s) directly, while fees embedded within certain investment instruments reduce the market value of those securities held in your account(s). The impact of fees reduces your investment returns and this impact, due to the effect of compounding, increases over time. Every dollar taken out to cover fees is one less dollar left to invest in the portfolio to compound and grow over time.

If you invest in investment funds, including ETFs and mutual funds, you should remember that funds pay management fees to their manager and are charged operating expenses and administrative fees. These fees and expenses are disclosed in the prospectus for each investment fund and are generally disclosed as a Management Expense Ratio (MER). The MER of a fund is important because the fees and expenses affect the return on your investments. Fund fees and costs vary by fund manager and product type. You should speak to your Investment Advisor to understand the charges and review the prospectus documents for each fund.

Fee-based accounts may include securities that pay BMO Nesbitt Burns a trailing commission. Ongoing trailing commissions may be paid to us by managers of investment funds for the services and advice we provide you. You are not directly charged the trailing commission. But this fee affects you because it reduces the amount of the fund's return to you. BMO Nesbitt Burns removes the value of the securities that pay trailing commissions from fee calculations for all fee-based and managed programs.

Regulatory charges may also be imposed by regulators to complete the purchase or sale of securities normally related to specific countries or jurisdictions (e.g., U.S. Securities and Exchange Commission fees and Financial Transaction Tax).

For further information on fees and charges, please refer to the BMO Nesbitt Burns Fees, Interest Rate and Foreign Currency Conversion Schedule.



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## Advisory Accounts

We offer two primary pricing models for our advisory services, commission-based and fee-based. Your BMO Nesbitt Burns Investment Advisor will recommend the account type and pricing model that is suitable for you, based on the recommended investment program, purpose of the account (for example, whether you expect to buy and hold securities for the long term, or you intend to buy and sell more frequently), as well as your personal preferences.

Before accepting an instruction from you, to purchase or sell a security, your Investment Advisor will disclose to you:

- i. the charges you will be required to pay, directly or indirectly, in respect of the purchase or sale, or a reasonable estimate if the actual amount of the charges is not known at the time of disclosure,
- ii. in the case of a purchase to which deferred charges apply, that you might be required to pay a deferred sales charge on the subsequent sale of the security and the fee schedule that will apply,
- iii. whether BMO Nesbitt Burns will receive trailing commissions in respect of the security, and
- iv. whether there are any investment fund management expense fees or other ongoing fees that you may incur in connection with the security.

For a **commission based advisory account**, the commission you pay is based on the value of the trade and the type of security being traded. Please speak to your Investment Advisor to discuss the commission on each trade executed in your account. The following is an overview of the different types of securities that are commonly traded and how the commission is calculated:

- **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.
- **Fixed income trades:** The commission you pay is based on the term to maturity of the fixed income security, and value of the trade. The commission applicable to the transaction will be added to the price of the security, in the case of a purchase, or deducted from the price of the security in the case of a sale.
- **Mutual fund trades:** A mutual fund may or may not charge a commission for the purchase and/or sale of the mutual fund. However, on an ongoing basis, mutual fund managers charge investors a management fee, as well as operating and transaction fees. Combined, these fees are referred to as the MER. These costs are deducted as a percentage of the fund's average assets for the year, directly from the mutual fund's performance.
- **Alternative investments:** For alternative investments, please speak to your BMO Nesbitt Burns Investment Advisor regarding commissions charged on these products.

For a **fee-based advisory account**, the client pays an annual fee, which includes the costs applicable to the management of the account. This fee is generally charged as a percentage of the value of the account or group of accounts (referred to as the Billing Group), and can also be based on the type of investments held in the account and,

in certain account types, the number of trades placed in the account. The account/Billing Group fee is charged and payable based on the client's preferred billing cycle, throughout the duration of time that the account remains in the fee-based program. The fee is determined by pro-rating the annual fee, based on the number of days in the billing cycle, plus applicable taxes.

The applicable fee that may be charged is outlined in the Investment Policy Statement. Your BMO Nesbitt Burns Investment Advisor will discuss with you the fee schedule applicable to your specific fee-based account, including the minimum investment required and the minimum annual fee. Please note that BMO Nesbitt Burns reserves the right to limit the number of trades. Please speak to your Investment Advisor regarding these limits, and any additional charges that may be applied if you exceed these limits.

Generally our fee-based advisory accounts do not have minimum fees; however, accounts within the Meridian Program may be subject to minimum fees. Please see your Meridian Account Agreement for more details.

## Managed accounts

For managed accounts, the client pays an annual fee, which includes the costs applicable to the management of the account. This fee is generally charged as a percentage of the value of the account or Billing Group, and can also be based on the type of investments held in the account and, in certain account types, the number of trades placed in the account. The account/Billing Group fee is charged and payable based on the client's preferred billing cycle, throughout the duration of time that the account remains in the managed program. The fee is determined by pro-rating the annual fee, based on the number of days in the billing cycle, plus applicable taxes.

The applicable fee that may be charged is outlined in the Investment Policy Statement. Your BMO Nesbitt Burns Investment Advisor will discuss with you the fee schedule applicable to your managed account, including the minimum investment required and the minimum annual fee.

Accounts within the Managed Portfolio Account Program are subject to minimum fees. Please see your Investment Policy Statement for more details and any eligibility for minimum fee reductions based on Billing Groups.

## Other dealer compensation

In certain circumstances, BMO Nesbitt Burns may earn fees directly from the issuer of a security including: sales commissions; trailing service fees; and underwriting and investment banking advisory fees. These fees may be applicable to 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, fund facts document or other offering documents.

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## Fees for other services

BMO Nesbitt Burns may also charge other fees related to the ongoing maintenance of your account, including registered plan administration fees. We may also charge you for other services that we provide to you, including for foreign exchange currency conversions. Please refer to the BMO Nesbitt Burns Fees, Interest Rates and Foreign Conversion Schedule provided to you on account opening. You can request a copy of this brochure from your Investment Advisor.

## Notice of new or increased fees and charges

We will provide you with at least 60 days' prior written notice of any new fee or increase in charges, as described in the BMO Nesbitt Burns Client Account Agreements and Disclosures Booklet.

## Account documents

The following account opening documents are provided across most account types when opening a new BMO Nesbitt Burns account:

- Client Account Application, containing your completed KYC information, a legally binding contract between you, your Investment Advisor, and BMO Nesbitt Burns, and
- the BMO Nesbitt Burns Client Account Agreements and Disclosures booklet that includes the following documents:
  - Investment Account Agreement
  - Registered Account Agreements
  - Managed Account Agreements
  - Conflicts of Interest Statement
  - Fees, Interest Rates & Foreign Currency Schedule
  - Complaint Resolution Process
  - How to Make A Complaint
  - How CISO Protects Investors
  - Listed Equity Trade Execution Disclosure
  - Strip Bonds and Strip Bond Packages Information
  - Protecting Your Information

Depending on your account type (e.g. managed accounts, Individual, RRSP, RRIF, TFSA, etc.) you may be instructed to complete additional stand-alone forms when opening a new account.

## Use of trusted contact person and temporary holds (for individuals)

Canadian securities regulations require us to ask you for the name and contact information for a person that you trust (Trusted Contact Person or TCP), so that we may contact your TCP to assist us in protecting your financial interests and assets in certain circumstances. We may contact your TCP if we notice signs of financial exploitation or if you exhibit signs of diminished mental capacity which we believe may affect your ability to make financial decisions relating to your account(s). We may also contact your TCP to confirm your contact information if we are unsuccessful in contacting you after repeated attempts, particularly

if our failure to contact you is unusual. We may also ask your TCP to confirm the name and contact information of a legal guardian, executor, trustee or any other personal or legal representative such as an attorney under a power of attorney. In providing us with the name and contact information of your TCP, you confirm to us that you have your TCP's permission to give us this information and your TCP has agreed to act in this capacity.

- If we have a reasonable belief that you are being financially exploited or that you are experiencing diminished mental capacity which may affect your ability to make financial decisions relating to your account(s), we may place a temporary hold on your account or a particular transaction. We will provide you with a verbal or written notice explaining our actions, in addition to contacting your TCP, as described above.

## Our complaint handling process

### We Can Help

Our clients are our priority and we work hard to deliver an exceptional client experience. However, 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 because retaining your confidence and trust is of utmost importance to us.

Please see the "Investment Complaints" section of the BMO Financial Group Complaint Resolution Process brochure provided to you at account opening, which is available at [bmo.com/pdf/resolving-complaint-en.pdf](https://bmo.com/pdf/resolving-complaint-en.pdf) for details on the complaint handling procedures.

In addition, upon opening your account at BMO Nesbitt Burns, you will be provided with a copy of the CISO brochure *How to Make A Complaint*, which provides information on how to make a complaint to CISO or a CISO-regulated firm.

## How you can always reach us

We have measures in place so that you can reach us during business hours in the event of unexpected circumstances (for example, a local emergency or weather phenomenon). If you cannot contact your BMO Nesbitt Burns Investment Advisor to make a trade or get information on your account due to extraordinary events, simply dial the main number of your BMO Nesbitt Burns branch, which is indicated in the top right-hand corner of your account statement. You will receive recorded instructions on how to proceed, or will be automatically redirected to an alternate 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/privatewealth/contact/](https://bmo.com/privatewealth/contact/)

For questions on any of the information included in this Relationship Disclosure, please contact your BMO Nesbitt Burns Investment Advisor.

# Part One: BMO Nesbitt Burns Investment Account Agreement

## 1.0 Investment Account Agreement (for individual and non-individual accounts)

Once your Client Account Application is accepted by BMO Nesbitt Burns, a securities trading account (referred to in this Booklet as the "Investment Account") will be opened for you. BMO Nesbitt Burns' duties, responsibilities and services associated with the Investment Account and your obligations to BMO Nesbitt Burns will be governed by the terms and conditions in Part One.

In consideration of BMO Nesbitt Burns opening or maintaining one or more Investment Accounts for the Client, the Client understands and agrees to the following terms and conditions for the operation of each Investment Account.

The Client hereby represents and warrants that the information, instructions and consents contained in the Account Application completed by the Client are true, complete and accurate. The Client hereby acknowledges that the Account Application and the BMO Nesbitt Burns Account Agreements shall be read together and shall govern the conduct of the parties hereto.

### 1.1 Definitions

A glossary of the capitalized terms that are used throughout the Agreements in Part One and Part Two are set out here. Please refer back to this section whenever one of these capitalized terms is used in one of the Agreements in Parts One or Two of this Booklet. Unless an Agreement or Trust document indicates otherwise, the terms and definitions of a particular Agreement or Trust document apply only to that Agreement or Trust document and not any other Agreement or Trust document.

For the purpose of the BMO Nesbitt Burns Account Agreements (defined below), the following words and phrases shall have the meanings set out below:

1. **"Access Devices"** means any telephone, cellular phone, portable phone, personal computer, tablet, intelligent terminal or similar device, that the Client uses to access the Services;
2. **"Account Application"** means the BMO Nesbitt Burns Account Application which is delivered with this Booklet;
3. **"Bank"** means Bank of Montreal;
4. **"BMO Integrated Employee"** means an individual who is employed by the Bank or an affiliate of the Bank and who, as part of his or her normal duties, has access to confidential and proprietary information of BMO Nesbitt Burns and/or its clients;
5. **"BMO Nesbitt Burns Account Agreements"** means the BMO Nesbitt Burns Agreements contained in this Booklet and includes: (i) Investment Account Agreement; and (ii) Joint Account Agreement (if applicable);
6. **"BMO Nesbitt Burns"** means BMO Nesbitt Burns Inc.;
7. **"Carrier"** means a mobile, wireless, Internet or other communications service provider;
8. **"Client"** means the applicant and, if applicable, co-applicant applying to open an Investment Account with BMO Nesbitt Burns who executes the Account Application;
9. **"Collateral"** means all of the Client's Securities, Derivatives and cash, including any free credit balances, which may now or hereafter be held by BMO Nesbitt Burns;
10. **"Derivatives"** means options;
11. **"Fee Brochure"** means the BMO Nesbitt Burns Fees, Interest Rates and Foreign Currency Conversion Schedule delivered separately to the Client;
12. **"including"** means including without limitation;
13. **"Gateway"** means the online, password-protected client information center provided by BMO Nesbitt Burns;
14. **"Indebtedness"** means indebtedness of the Client to BMO Nesbitt Burns represented by the debit balance, if any, of the Investment Account or any guaranteed account at that time;
15. **"Investment Account"** means the Client's securities trading account with BMO Nesbitt Burns through which Transactions will be executed;
16. **"Investment Account Agreement"** means the Agreement, as may be amended from time to time, between the Client and BMO Nesbitt Burns governing the Investment Account;
17. **"Investment Advisor"** means a registered representative of BMO Nesbitt Burns;
18. **"Joint Account"** means an Investment Account with one or more co-account holders, each of whom has signed the Account Application as co-applicants;
19. **"Joint Account Agreement"** means the Agreement, as may be amended from time to time, governing the Clients' Joint Account;
20. **"Precious Metals Bullion"** means physical gold or silver bullion;
21. **"Referral Agreement"** means the referral agreement amongst BMO Nesbitt Burns Financial Services Inc., BMO Private Investment Counsel Inc., BMO InvestorLine Inc., BMO Trust Company, BMO Investments Inc., the Bank, and such other parties thereto, if any, as may be amended from time to time;

22. **"Referring Entity"** means an entity that refers clients to a Receiving Entity;
23. **"Referred Client"** means a client that has been referred to a Receiving Entity by a Referring Entity in accordance with the Referral Agreement;
24. **"Receiving Entity"** means a party that has received a referral in accordance with the Referral Agreement;
25. **"Referring Employee"** means an individual employee of a Referring Entity that made a referral in accordance with the Referral Agreement;
26. **"Regulatory Authorities"** means any relevant governmental authority, agency, securities commission, exchange, self-regulatory organization, market, clearing corporation or association of brokers or dealers, law enforcement, or similar authority whether domestic or foreign;
27. **"Right of Survivorship"** means, in respect of a Joint Account, the surviving Client(s) right to the entire interest in the Joint Account upon the death of the other Client;
28. **"Securities"** includes shares, share certificates, installment receipts, scrip certificates, deposit receipts, warrants, rights, bonds, debentures, notes, and any other securities or financial instruments of any kind whatsoever;
29. **"Transaction"** means the purchase, sale or exercise of, or otherwise dealing in, Securities, Derivatives or Precious Metals Bullion, whether or not on margin;
30. **"Two-step Verification"** and **"TSV"** means the multi-step verification service described in this Agreement;
31. **"us"** and **"we"** each means BMO Nesbitt Burns; and
32. **"you"** means the Client, signing on his or her own behalf as an individual.

## 1.2 Applicable by-laws, laws, rules, etc.

Each Transaction executed for the Investment Account will be subject to, and the Client will abide by, the prevailing by-laws, laws, rules, regulations, policies and customs of the appropriate Regulatory Authorities.

## 1.3 Settlement, commissions and interest

This section outlines what you owe when you make a trade, including foreign exchange and interest rates, as well as BMO Nesbitt Burns' commissions and other charges. Please refer to the Fee Brochure for more information when reviewing this section.

Full and timely settlement will be made of each Transaction in Securities, Derivatives or Precious Metals Bullion for the Investment Account. The Client will pay to BMO Nesbitt Burns all commissions and other Transaction charges in respect of each Transaction (including any Transaction pursuant to Section 1.9 below) and interest, calculated daily and compounded monthly, on outstanding indebtedness.

Such commissions and other charges shall be at BMO Nesbitt Burns' customary rates in the circumstances or as negotiated from time to time. Some of these charges, commissions and fees are set forth in the Fee Brochure, incorporated herein by reference, as amended from time to time. The interest rate shall be the interest rate designated from time to time by BMO Nesbitt Burns as being its effective rate for determining interest on debit balances in accounts with BMO Nesbitt Burns. The interest rates charged by BMO Nesbitt Burns on debit balances are based upon prevailing rates and are disclosed in the Fee Brochure which may be obtained upon request from the Client's Investment Advisor. The Client waives notice of all changes in such rates. In addition to the commission, interest or other fees applicable to the transaction, BMO Nesbitt Burns (or parties related to us) will earn revenue from a foreign currency conversion.

## 1.4 Operation of the Investment Account

We have discretion to take certain actions in order to administer your Investment Account, including the power to: limit the types of products we offer you; only execute certain Transactions; access the cash in your account in order to pay for amounts you owe us; and automatically convert dividends, interest and sale proceeds into the same currency as your account.

1. BMO Nesbitt Burns has the right to determine in its discretion whether or not any order for Transactions in Securities, Derivatives or Precious Metals Bullion for the Investment Account is acceptable and whether to execute said order.
2. The Client acknowledges that BMO Nesbitt Burns may, in its sole discretion at any time, and from time to time, vary or limit the scope of products made available to the Client for Transactions executed for the Investment Account. In addition, for certain products, BMO Nesbitt Burns may, in its sole discretion at any time, and from time to time, only make available to the Client those products issued by a member of BMO Financial Group.
3. BMO Nesbitt Burns will credit to the Investment Account any interest, dividends or other monies received in respect of Securities, Derivatives or Precious Metals Bullion held in the Investment Account, and any monies (net of all charges) received as proceeds from the sale or other disposition of Securities, Derivatives or Precious Metals Bullion from the Investment Account, and will debit to the Investment Account any amounts owing, including interest, by the Client to BMO Nesbitt Burns pursuant to this Investment Account Agreement. Dividends received in respect of Securities held in the Investment Account may be credited either through a cash payment or a stock dividend payment (or a combination thereof), subject to the option offered by the issuer. Where an option is not elected by the Client, any dividends received in respect of Securities held in the Investment Account will only be credited through a cash payment, even if the issuer of the dividend payment offers a stock dividend payment option (excluding securities offering Dividend Reinvestment Plans ("DRIPs")).  
BMO Nesbitt Burns will maintain a record of receipts and deliveries as applicable of Securities, Derivatives or Precious Metals Bullion and the Client's resulting positions in the Investment Account. As



BMO Nesbitt Burns offers Canadian and US currency denominated accounts, any non-US foreign currency deposited into an account, including dividends, interest and proceeds from the sale of foreign securities, will be converted in Canadian funds or US funds depending on the side of the account the security is held, and BMO Nesbitt Burns (or parties related to us) may earn revenue from the foreign currency conversion. To avoid other foreign currency exchange related to your Canadian or US securities, you may wish to hold these securities in a Canadian or US dollar denominated account, as applicable.

4. The Client will pay any service fees or service charges relating to the services provided by BMO Nesbitt Burns for the administration of the Investment Account.
5. BMO Nesbitt Burns has the right to terminate, in its sole and unfettered discretion, this Investment Account Agreement and close the Investment Account by providing written notice to the Client of its intention to do so. BMO Nesbitt Burns reserves the right to accept only liquidating instructions from the Client from the date of notice. If following such notice, the Client fails to take action to close the Investment Account or transfer assets out of the Investment Account, BMO Nesbitt Burns may take such action as is necessary to close the Investment Account. Such action may include re-registering Securities in the Client's name and, if applicable, mailing to the Client at the Client's last known address, certificates representing Securities and cheques representing cash balances that remain in the Investment Account. The liquidation of the Securities or Derivatives in the Investment Account may have significant financial consequences for the Client including, but not limited to, tax consequences for which the Client will be solely liable. The Client agrees that BMO Nesbitt Burns is not liable in any way to the Client with respect to the termination, closure, transfer or liquidation of the Investment Account.

### **1.5 Payment of indebtedness and transfers to other accounts**

1. The Client will promptly pay indebtedness when due except to the extent covered by a margin facility.
2. BMO Nesbitt Burns may at any time, and from time to time, take any monies or Securities or Derivatives in the Investment Account and any proceeds from the sale or other disposition of such Securities or Derivatives to pay or cover any obligations of the Client to BMO Nesbitt Burns, including obligations of the Client in respect of any other account with BMO Nesbitt Burns, whether or not such account is a Joint Account or is an account guaranteed by the Client.

### **1.6 Margin**

If you indicated on your Account Application form that you want the ability to trade Securities or Derivatives with cash you have borrowed from us, the details of that margin loan facility, the collateral you have posted for that loan, and how we may access that collateral are detailed in this section and in the Derivatives Terms and Conditions. Please review this section and Sections 1.5, 1.7, 1.8, 1.9 and 1.10 of the Investment Account Agreement in order to understand some of the terms that apply to margin. If you have a Joint Account, also refer to Section 8.0 in the Joint Account Agreement.

If the Client applies for a margin facility, BMO Nesbitt Burns may, in its sole discretion, grant the facility to the Client provided that BMO Nesbitt Burns may, at any time, and from time to time:

1. reduce or cancel any margin facility made available to the Client or refuse to grant any additional margin facility to the Client; or
2. require the Client to provide margin in addition to the margin requirements of the applicable Regulatory Authorities.

If you are indebted to us, we can use the Securities, Derivatives, cash and other assets in your accounts to repay that indebtedness.

### **1.7 Pledge of securities**

As continuing collateral security for the payment of any indebtedness, which is now or may in the future be owing by the Client to BMO Nesbitt Burns, the Client hereby hypothecates and pledges to BMO Nesbitt Burns all of the Collateral, whether held in the Investment Account or any other account in which the Client has an interest and whether or not such indebtedness relates to the Collateral hypothecated and pledged. With respect to any Collateral which is subject to the laws of Quebec, since the laws of such province require that the amount of the hypothec be specified, the Client hereby acknowledges that the hypothec and pledge granted in favour of BMO Nesbitt Burns as described herein are limited to a maximum amount of one hundred (100) million dollars. The interest rate applicable to the hypothec shall be a rate of interest expressed as a rate per annum, which is equal to the rate established by Bank of Montreal, as the reference rate of interest used by it to determine interest rates charged for demand loans in Canadian dollars to Canadian commercial borrowers, plus two per cent, and, in the event that such Bank does not publish such a rate, a substitute rate from any financial institution selected by BMO Nesbitt Burns.

### **1.8 Use of collateral by BMO Nesbitt Burns**

So long as any indebtedness remains unpaid, the Client authorizes BMO Nesbitt Burns, without notice, to use at any time, and from time to time, the Collateral in the conduct of BMO Nesbitt Burns' business, including the right to:

1. combine any of the Collateral with the property of BMO Nesbitt Burns or other customers or both;

2. pledge any of the Collateral which is held in BMO Nesbitt Burns' possession as security for its own indebtedness;
3. loan any of the Collateral to BMO Nesbitt Burns for its own purposes; or
4. use any of the Collateral for making delivery against a sale, whether a short sale or otherwise, and whether such sale is for the Investment Account or for BMO Nesbitt Burns' own account or for any account in which BMO Nesbitt Burns, or any director thereof, is directly or indirectly interested, or for the account of any other BMO Nesbitt Burns customers.

### **1.9 Elimination or reduction of indebtedness by BMO Nesbitt Burns**

BMO Nesbitt Burns can take action in order to ensure that it receives payment for any debt you owe us, including outstanding margin. For example, we may sell or take positions in any Security or Derivative in your Investment Account without notice to you if we don't consider the margin Collateral held by us to be sufficient.

1. BMO Nesbitt Burns in its sole and unfettered discretion may, with respect to any position in a Security or Derivative in the Investment Account, take such steps as BMO Nesbitt Burns considers necessary to protect itself against loss including entering into positions in any Security or on any exchange on the Client's behalf if:
  - a. the Client fails to pay any indebtedness when due;
  - b. BMO Nesbitt Burns deems, in its sole and unfettered discretion, the margin Collateral held by it to be insufficient for its protection;
  - c. on or before any settlement date the Client fails to provide BMO Nesbitt Burns any required Securities or Derivatives in acceptable delivery form;
  - d. there is any unsecured or potentially unsecured indebtedness in the Client's Investment Account;
  - e. the Client dies, becomes bankrupt or insolvent or if any of the Collateral becomes subject to execution, attachment or other process; or
  - f. the Client fails to comply with any requirement contained in this Investment Account Agreement.
2. In addition to any other right or remedy to which BMO Nesbitt Burns is entitled, BMO Nesbitt Burns may, at any time, and from time to time, without notice or demand to the Client:
  - a. apply monies held to the credit of the Client in any other account with BMO Nesbitt Burns to eliminate or reduce indebtedness;
  - b. take the Securities or Derivatives in payment or sell, contract to sell or otherwise dispose of any or all of the Securities or Derivatives held by BMO Nesbitt Burns for the Client and apply the net proceeds therefrom to eliminate or reduce indebtedness;
  - c. purchase or borrow any Securities or Derivatives necessary to cover short sales or any other sales made on the Client's behalf in respect of which delivery of certificates in an acceptable delivery form has not been made; or
  - d. cancel any outstanding orders.

3. Such rights may be exercised separately, successively or concurrently and without prior demand or notice to the Client by BMO Nesbitt Burns. BMO Nesbitt Burns shall not be required by this Investment Account Agreement to exercise any such rights nor shall it be required to exercise any right prior to exercising any other right. The failure to exercise any or all of such rights or the granting of any indulgence shall not in any way limit, restrict or prevent BMO Nesbitt Burns from exercising such rights at any subsequent time and shall not limit, reduce or discharge any indebtedness or part thereof. Any such sales or purchases for the Investment Account may be made upon any exchange or market or at a public or private sale upon such terms and in such manner as BMO Nesbitt Burns deems advisable. If demand is made or notice is given to the Client by BMO Nesbitt Burns, it shall not constitute a waiver of any of BMO Nesbitt Burns' rights to act hereunder without demand or notice. Any and all expenses (including any legal expenses) reasonably incurred by BMO Nesbitt Burns in connection with exercising any right pursuant to this section may be charged to the Investment Account. The Client acknowledges that the Client shall remain liable to BMO Nesbitt Burns for any deficiency remaining following the exercise by BMO Nesbitt Burns of any or all of the foregoing rights and that the rights which BMO Nesbitt Burns is entitled to exercise pursuant to this section are reasonable and necessary for BMO Nesbitt Burns' protection having regard to the nature of securities markets including, in particular, their volatility. The liquidation of Securities or Derivatives in the Investment Account may have significant financial consequences for the Client, including, but not limited to, tax consequences for which the Client will be solely liable. The Client agrees that BMO Nesbitt Burns is not liable in any way to the Client with respect to the elimination, reduction or discharge of indebtedness.

### **1.10 Holding and return of securities**

BMO Nesbitt Burns may hold the Client's Securities at its head office or any of its branches or at any other location where it is customary for BMO Nesbitt Burns to keep its Securities and BMO Nesbitt Burns' responsibilities to the Client for so holding the Client's Securities shall be limited to the same degree of care exercised by BMO Nesbitt Burns in the custody of its own Securities. Certificates for Securities of the same issue and for the same aggregate amounts may be delivered to the Client in lieu of those originally deposited by the Client. BMO Nesbitt Burns may at any time and without notice or demand to the Client cause any Securities in the Investment Account to be registered in the Client's name. All fully paid and excess margin Securities or Precious Metals Bullion held by BMO Nesbitt Burns on a Client's behalf, shall be held separate and segregated from any Securities or Precious Metals Bullion owned and held by BMO Nesbitt Burns. BMO Nesbitt Burns shall also identify and segregate all fully paid and excess margin Securities and Precious Metals Bullion held on a Client's behalf from its total assets.

### 1.11 Free credit balances

Any monies held by BMO Nesbitt Burns, from time to time, on behalf of a Client are payable on demand, need not be segregated and may be used by BMO Nesbitt Burns in the ordinary conduct of its business. BMO Nesbitt Burns may earn revenue from the use of such credit balances. The Client acknowledges that the relationship of the Client and BMO Nesbitt Burns with respect to such monies is one of debtor and creditor only.

### 1.12 Investment Objectives, Risk Tolerance and Target Asset Allocation

In your Account Application you selected your Investment Objectives, as well as target percentages for Risk Tolerances and Target Asset Allocation. These target percentages may be subject to fluctuation.

The Client acknowledges that there are risks when investing in Securities, Derivatives or Precious Metals Bullion and that the level of risk assumed by the Client depends in part on the Client's choices with respect to Risk Tolerances and Target Asset Allocation as set out more fully in the Account Application.

The Client understands that although BMO Nesbitt Burns requires the Client to assign target percentages to the Risk Tolerances and Target Asset Allocation sections as set out in the Account Application, the value of the Securities, Derivatives or Precious Metals Bullion in the Investment Account may fluctuate. These fluctuations may be the result of market swings. BMO Nesbitt Burns will use the Client's stated Risk Tolerances and Target Asset Allocation percentages as guidance to review the suitability of the Securities in the Client's Investment Account.

### 1.13 Declaration of short sales

Short sales are governed by the terms of this section. If you want to sell Securities you do not currently hold in your Investment Account, this is considered a short sale and you must disclose that you are doing this.

If at the time of a sale order, the Client does not hold the subject Securities in the Investment Account, the Client must satisfy BMO Nesbitt Burns that the Client will be making delivery of the Securities in negotiable form on or before the settlement date. Otherwise, if the Client does not hold the Securities in the Investment Account or is not making delivery to BMO Nesbitt Burns of the Securities into the Investment Account on or before the settlement date, the Client must immediately advise BMO Nesbitt Burns. BMO Nesbitt Burns must be able to borrow the Securities for the Client in order to accept the order and make delivery of the sold Securities on the settlement date. In this situation the order will be marked as a short sale.

A lending fee may apply and the Client may be required to replace the borrowed Securities on demand and without notice. The lending fee is set based on general market availability, may vary significantly and is subject to change on a daily basis. The Client agrees to pay the prevailing lending fee and waives notice of any and all changes in such lending fee. In addition to the commission, interest or other fees applicable to the transaction, BMO Nesbitt Burns (or parties related to same) may earn revenue from borrowing or lending Securities to cover short positions. In the event that a short sale is not declared and Securities are not delivered on the settlement date, as expected, and BMO Nesbitt Burns is required to deliver Securities to settle the transaction, then the Client shall bear all costs related to BMO Nesbitt Burns acquiring shares for that purpose.

### 1.14 Good delivery of securities

Except for any declared short sale, the Client will not order any sale or other disposition of any Securities, Derivatives or Precious Metals Bullion not owned by the Client or of which the Client will be unable to make delivery in acceptable delivery form on or before the settlement date.

### 1.15 Tax Residency(ies) and Citizenship(s)

We may be required to disclose your Tax Residency and Citizenship status, which you previously provided to us in your Account Application, to the Canada Revenue Agency.

The Client certifies that their Tax Residency(ies) status and Citizenship(s) information as disclosed in the Account Application, which forms part of this Investment Account Agreement, is correct and complete. The Client also understands that BMO Nesbitt Burns may be required to disclose this information along with certain account information to the Canadian Revenue Agency and other regulatory authorities.

### 1.16 Client information changes

You must tell us whenever the information we have about you changes.

The Client will immediately advise BMO Nesbitt Burns if any information provided in the Account Application, which forms part of this Investment Account Agreement, changes. This includes, but is not limited to, situations where the Client acquires a controlling interest in or otherwise becomes an insider and/or a reporting insider of any reporting issuer. In addition, the Client acknowledges that the information provided in the Account Application (including Investment Policy Statements which form part of the Managed Account Agreement, if applicable) can be updated based on verbal instructions provided by the Client to the Client's Investment Advisor.

## 1.17 Account statements, trade confirmation and other documents

We will send statements, trade confirmations and other documents to you and we will assume you agree that these documents are correct, approved and that you consent to the contents if you do not send us written notice within 45 days of sending you the material. Please review all material you receive carefully and send us written notice if you do not agree with the contents within 45 days of BMO Nesbitt Burns sending you the material.

The contents of every trade confirmation, statement or other communication sent by BMO Nesbitt Burns to the Client shall be deemed to have been acknowledged as correct, approved and consented to by the Client unless BMO Nesbitt Burns receives written notice to the contrary within forty-five days after it is sent to the Client.

## 2.0 Conflicts of Interest and Statement of Policies

A conflict of interest may arise where (i) the interests of BMO Nesbitt Burns and the interests of its clients are inconsistent or different; (ii) clients may perceive BMO Nesbitt Burns to be influenced to put its interests ahead of its client's interests, or (iii) monetary or non-monetary benefits available to BMO Nesbitt Burns, or potential negative consequences for BMO Nesbitt Burns, may affect the trust its clients have in BMO Nesbitt Burns.

BMO Nesbitt Burns has adopted policies and procedures to identify and address the handling of material conflicts of interest. BMO Nesbitt Burns addresses existing or reasonably foreseeable material conflicts of interest with you in your best interest. If a conflict cannot be so addressed, it is avoided.

More information about BMO Nesbitt Burns' material conflicts of interest is set out in BMO Nesbitt Burns Conflicts of Interest Statement, which was provided to you at account opening. The current version of this Statement will be available on our website at [https://www.bmo.com/assets/pdfs/nesbittburns/coistatement\\_en.pdf](https://www.bmo.com/assets/pdfs/nesbittburns/coistatement_en.pdf). Please ask your Investment Advisor if you have any questions about conflicts of interest and how we address them in your best interest. BMO Nesbitt Burns is a subsidiary of Bank of Montreal and accordingly is a separate corporation from the Bank. BMO Nesbitt Burns wishes to ensure that its clients understand the relationship between it and Bank of Montreal and therefore wants its clients to know that the Securities sold by BMO Nesbitt Burns (unless BMO Nesbitt Burns informs you otherwise concerning a specific security) are:

1. not insured by CDIC or any other government deposit insurer;
2. are not guaranteed by Bank of Montreal; and
3. are subject to fluctuations in market values.

None of the above represents a change in the way BMO Nesbitt Burns has operated in the past and it wishes its clients to know that cash held by it in securities accounts continues to be backed, up to prescribed limits, by the Canadian Investor Protection Fund of Canada's investment industry, of which BMO Nesbitt Burns, through its membership in the Canadian Investment Regulatory Organization, is a member.

## 3.0 Referral disclosure statement

BMO Nesbitt Burns has entered into the Referral Agreement. The purpose of this Referral Agreement is to facilitate referrals of clients to other members of BMO Financial Group to better serve clients and prospective clients. Each Referring Entity that successfully refers a Referred Client to a Receiving Entity may receive a Referral Fee from the Receiving Entity. A portion of this Referral Fee may be paid to the Referring Employee who made the referral.

Clients of BMO Nesbitt Burns and BMO Financial Group do not pay additional charges or fees in connection with these referrals. More details about the Referral Fees that may be paid are outlined in Schedule B on the following page.

All activity requiring registration under securities laws and regulations will be performed by an entity that is appropriately registered under Canadian securities laws.

For additional information about referrals, the Client should consult with the Client's Investment Advisor.

This disclosure is being provided in order to address any potential conflicts of interest as a result of the fact that the Referring Party may receive a Referral Fee for referring the Client to a Receiving Entity.



## "Schedule B" Referral Fees

RECEIVING ENTITIES						
<b>BMO Nesbitt Burns Inc.</b> ( <i>"Nesbitt Burns"</i> )	<b>BMO Estate Insurance Advisory Services Inc.</b> ( <i>"BMO EIASI"</i> ) (Formerly, BMO Nesbitt Burns Financial Services Inc.)	<b>Bank of Montreal</b>	<b>BMO Capital Markets<sup>1</sup></b>	<b>BMO InvestorLine Inc.</b> ( <i>"BMO InvestorLine"</i> )	<b>BMO Trust Company</b> ( <i>"Trustco"</i> )	<b>BMO Private Investment Counsel Inc.</b> ( <i>"BPIC"</i> )
SERVICES THAT RECEIVING ENTITY MAY PROVIDE TO REFERRED CLIENT						
Nesbitt Burns may provide the following services to a referred client: <ul style="list-style-type: none"> <li>• Broker-dealer services</li> <li>• Portfolio management services</li> </ul>	BMO EIASI may provide the following services to a referred client: <ul style="list-style-type: none"> <li>• Insurance strategies for estate preservation, tax planning, income replacement and charitable donations</li> </ul>	Bank of Montreal may provide the following services to a referred client: <ul style="list-style-type: none"> <li>• Banking and credit product and services</li> <li>• Mortgage and lending products</li> </ul>	BMO Capital Markets may provide the following services to a referred client: <ul style="list-style-type: none"> <li>• Capital raising</li> <li>• Mergers &amp; acquisitions (<i>"M&amp;A"</i>) advisory services</li> <li>• Acquisitions &amp; divestitures (<i>"A&amp;D"</i>) advisory services</li> <li>• Treasury services</li> <li>• Market risk management</li> <li>• Institutional investing</li> <li>• Investment products</li> </ul>	BMO InvestorLine may provide the following services to a referred client: <ul style="list-style-type: none"> <li>• Self-directed/ discount brokerage services</li> <li>• Brokerage services</li> </ul>	Trustco may provide the following services to a referred client: <ul style="list-style-type: none"> <li>• Trust and estates services</li> <li>• Escrows</li> </ul>	BPIC may provide the following services to a referred client: <ul style="list-style-type: none"> <li>• Discretionary portfolio management services</li> <li>• BPIC may engage in exempt market trading in relation to the provision of these services</li> </ul>
CATEGORY(IES) OF REGISTRATION UNDER CANADIAN SECURITIES LAWS						
Nesbitt Burns has the following categories of registration under Canadian securities laws: <ul style="list-style-type: none"> <li>• Investment dealer in all provinces and territories; member of the Canadian Investment Regulatory Organization (<i>"CIRO"</i>)</li> <li>• Futures commission merchant</li> <li>• Investment fund manager</li> </ul>	BMO EIASI is not a registrant under Canadian securities laws	Bank of Montreal is not a registrant under Canadian securities laws	BMO Capital Markets is an international dealer	BMO InvestorLine is an investment dealer in all provinces and territories and is a member of CIRO	Trustco is not a registrant under Canadian securities laws	BPIC has the following categories of registration under Canadian securities laws: <ul style="list-style-type: none"> <li>• Portfolio manager</li> <li>• Exempt market dealer</li> <li>• Investment fund manager</li> <li>• Commodity trading counsel</li> <li>• Commodity trading manager</li> <li>• Derivatives portfolio manager (Quebec)</li> </ul>
ACTIVITIES PERMITTED UNDER CANADIAN SECURITIES REGISTRATION						
Nesbitt Burns is permitted to conduct the following activities under its Canadian securities registration: <ul style="list-style-type: none"> <li>• Trading</li> <li>• Advising, including discretionary account management and securities investment services</li> </ul>	BMO EIASI may not engage in any activities requiring registration under Canadian securities laws	Bank of Montreal may not engage in any activities requiring registration under Canadian securities laws	BMO Capital Markets may engage in activities reasonably necessary to facilitate a distribution (other than a sale) of securities	BMO InvestorLine is permitted to conduct the following activities under its Canadian securities registration: <ul style="list-style-type: none"> <li>• Trading</li> <li>• Advising, including securities investment services</li> </ul>	Trustco may not engage in any activities requiring registration under Canadian securities laws	BPIC is permitted to conduct the following activities under its Canadian securities registration: <ul style="list-style-type: none"> <li>• Advising, including discretionary account management and securities investment services</li> <li>• Trading securities that are exempt from the prospectus or dealer requirements under Canadian securities laws (<i>"Exempt Securities"</i>)</li> <li>• Advising on trading in specific commodity futures contracts or commodity futures options (<i>"Commodity Contracts"</i>) or giving continuous advice on trading in Commodity Contracts.</li> <li>• Managing trading in Commodity Contracts for customers through discretionary authority granted by one or more customers.</li> </ul>
ACTIVITIES NOT PERMITTED UNDER CANADIAN SECURITIES REGISTRATION						
N/A	N/A	N/A	N/A	BMO InvestorLine is not permitted to conduct the following activities under its Canadian securities registration: <ul style="list-style-type: none"> <li>• Investment fund management</li> </ul>	N/A	BPIC is not permitted to conduct the following activities under its Canadian securities registration: <ul style="list-style-type: none"> <li>• Trading in securities that are not Exempt Securities</li> </ul>

## "Schedule B" Referral Fees *continued*

### RECEIVING ENTITIES

BMO Nesbitt Burns Inc. ("Nesbitt Burns")	BMO Estate Insurance Advisory Services Inc. ("BMO EIASI") (Formerly, BMO Nesbitt Burns Financial Services Inc.)	Bank of Montreal	BMO Capital Markets <sup>1</sup>	BMO InvestorLine Inc. ("BMO InvestorLine")	BMO Trust Company ("Trustco")	BMO Private Investment Counsel Inc. ("BPIC")																																																																																
REFERRAL FEE PAID TO REFERRING PARTY AND REFERRING EMPLOYEE WHERE SPECIFIED																																																																																						
<p>If Bank of Montreal (the "Bank") refers a client to Nesbitt Burns, Nesbitt Burns will pay the Bank 25% of the gross commission and client fees and revenues earned from those referred accounts for a period of 10 years, after which it will decrease to 12.5% of gross commission.</p> <p>Additionally, Nesbitt Burns will pay a one-time referral fee of up to 0.1% of the value of the investment account(s) to the Bank.</p> <p>If a Nesbitt Burns Investment Advisor refers a client to Bank of Montreal, Nesbitt Burns may pay the Investment Advisor up to 50% of the referral fee received.</p> <p>If a Nesbitt Burns Investment Advisor refers a client to BPIC or BMO InvestorLine, Nesbitt Burns may pay the Nesbitt Burns Investment Advisor a referral fee representing 25% of the commission earned by that BMO entity from the referred accounts.</p> <p>The amount received will depend on the Nesbitt Burns Investment Advisor commission payable rate; up to a maximum of 50%.</p> <p>If the Canadian Commercial Banking ("CCB") division of Bank of Montreal refers a client to Nesbitt Burns, Nesbitt Burns will pay CCB a one-time referral payout based on the following revenue tiers:</p> <table><tr><th>Revenue Tier</th><th>Referral Payout</th></tr><tr><td>\$10-25,000</td><td>\$500</td></tr><tr><td>\$25-50,000</td><td>\$1,000</td></tr><tr><td>\$50-100,000</td><td>\$2,000</td></tr><tr><td>\$100-250,000</td><td>\$5,000</td></tr><tr><td>\$250,000+</td><td>\$10,000</td></tr></table> <p>If the Business Banking ("BB") division of Bank of Montreal refers a client to Nesbitt Burns, Nesbitt Burns will pay BB a one-time referral payout based on the following balance tiers:</p> <table><tr><th>Balance Tier</th><th>Referral Payout</th></tr><tr><td>\$1MM - 2.5MM</td><td>\$500</td></tr><tr><td>\$2.5MM - 10MM</td><td>\$1,000</td></tr><tr><td>\$10MM+</td><td>\$2,500</td></tr></table>	Revenue Tier	Referral Payout	\$10-25,000	\$500	\$25-50,000	\$1,000	\$50-100,000	\$2,000	\$100-250,000	\$5,000	\$250,000+	\$10,000	Balance Tier	Referral Payout	\$1MM - 2.5MM	\$500	\$2.5MM - 10MM	\$1,000	\$10MM+	\$2,500	<p>If a Nesbitt Burns Investment Advisor refers a client to BMO EIASI, BMO EIASI will pay the Investment Advisor a referral fee. Investment Advisors must be insurance-licensed to receive any referral fees in Manitoba and Saskatchewan and must be insurance-licensed in all provinces to receive ongoing compensation.</p> <p>Nesbitt Burns has an arrangement with EIASI such that if Nesbitt Burns refers a client to EIASI that results in the sale of a new insurance product, EIASI will arrange to transfer a referral fee based on seventy percent (70%) of the value of first year commissions to Nesbitt Burns.</p> <p>BPIC has an arrangement with BMO EIASI such that if BPIC refers a Client that results in the sale of a new insurance product, EIASI will arrange to transfer a referral fee based on fifty percent (50%) of the gross value of commissions to BPIC.</p> <p>BPIC employees must be insurance-licensed to receive any referral fees in Manitoba and Saskatchewan and must be insurance-licensed in all provinces to receive ongoing compensation.</p>	<p>If Nesbitt Burns refers a client to Bank of Montreal and the referral results in a personal loan product of the Bank of Montreal, calculation of the respective referral fee based on the aggregate dollar value of the loan will be:</p> <ul style="list-style-type: none"><li>• For residential mortgage and Homeowner ReadLine, 60 basis points</li><li>• For personal loans in excess of</li><li>• \$15,000, 150 basis points</li><li>• For personal lines of credit in excess of \$15,000, 150 basis points based on drawn amount</li></ul> <p>If Nesbitt Burns refers a client to Bank of Montreal and the referral results in a commercial product or service (excluding the provision of such products and services by BMO Capital Markets), calculation of the respective referral fee will be based on 20% of first year revenue from full relationship, including M&amp;A advisory fee revenue, to a maximum of \$100,000.</p> <p>The total referral fee received by the Nesbitt Burns Investment Advisor will depend on the commission payable rate, up to a maximum of 50%.</p> <p>If the Canadian Commercial Banking ("CCB") division of Bank of Montreal refers a client to the Private Banking Division ("PB") of Bank of Montreal, PB will pay CCB a one-time referral payout based on the following revenue tiers:</p> <table><tr><th>Revenue Tier</th><th>Referral Payout</th></tr><tr><td>\$10-25,000</td><td>\$500</td></tr><tr><td>\$25-50,000</td><td>\$1,000</td></tr><tr><td>\$50-100,000</td><td>\$2,000</td></tr><tr><td>\$100-250,000</td><td>\$5,000</td></tr><tr><td>\$250,000+</td><td>\$10,000</td></tr></table> <p>If the Business Banking ("BB") division of Bank of Montreal refers a client PB, PB, will pay BB a one-time referral payout based on the following balance tiers:</p> <table><tr><th>Balance Tier</th><th>Referral Payout</th></tr><tr><td>\$1MM - 2.5MM</td><td>\$500</td></tr><tr><td>\$2.5MM - 10MM</td><td>\$1,000</td></tr><tr><td>\$10MM+</td><td>\$2,500</td></tr></table>	Revenue Tier	Referral Payout	\$10-25,000	\$500	\$25-50,000	\$1,000	\$50-100,000	\$2,000	\$100-250,000	\$5,000	\$250,000+	\$10,000	Balance Tier	Referral Payout	\$1MM - 2.5MM	\$500	\$2.5MM - 10MM	\$1,000	\$10MM+	\$2,500	<p>If a Nesbitt Burns Investment Advisor refers a client to BMO Capital Markets' Investment and Corporate Banking Group ("BMO CM I&amp;CB"), BMO CM I&amp;CB will pay Nesbitt Burns a one-time referral fee of up to 10% of the gross BMO CM I&amp;CB revenue on the following basis:</p> <ul style="list-style-type: none"><li>• BMO CM I&amp;CB and Nesbitt Burns management will consider each referral to determine the referral fee amount (which can be no more than 10%, as described above). The considerations will include the scope of the involvement of the Nesbitt Burns Investment Advisor;</li><li>• BMO CM I&amp;B will pay the referral fee within 90 days of the transaction closing date for equity and debt transactions or invoice date for merger &amp; acquisition transactions; and</li></ul> <p>Nesbitt Burns may pay the Nesbitt Burns Investment Advisor an amount that will depend on the Nesbitt Burns Investment Advisor's commission payable rate; up to a maximum of 50%.</p> <ul style="list-style-type: none"><li>• The referral fee is subject to the following requirements:</li><li>• The referral fee will only be paid where the Nesbitt Burns Investment Advisor has made an exclusive introduction of a Nesbitt Burns Investment Advisor client to a BMO CM I&amp;CB relationship manager and has played a role in influencing the securing of the transaction mandate for BMO CM I&amp;CB</li><li>• Once a referral fee has been paid to Nesbitt Burns regarding a specific client, any subsequent fees to BMO CM I&amp;CB from that client are ineligible for a referral fee, unless the transaction was identified in advance as requiring multiple tranches.</li><li>• If BMO CM I&amp;CB receives a referral from a Nesbitt Burns Investment Advisor and the client in turn refers a different client, no referral fee will be provided to Nesbitt Burns for the subsequent client.</li></ul>	<p>If the Bank of Montreal refers a client to BMO InvestorLine and an account is established at BMO InvestorLine, BMO InvestorLine will pay a referral fee equal to 25% of the gross commissions on the referred accounts in perpetuity.</p>	<p>If Bank of Montreal refers a client to Trustco, Trustco will pay Bank of Montreal 15% of the revenue generated on the referred accounts in perpetuity.</p> <p>If the Canadian Commercial Banking ("CCB") division of Bank of Montreal refers a client to BMTC, BMTC will pay CCB a one-time referral payout out based on the following revenue tiers:</p> <table><tr><th>Revenue Tier</th><th>Referral Payout</th></tr><tr><td>\$10-25,000</td><td>\$500</td></tr><tr><td>\$25-50,000</td><td>\$1,000</td></tr><tr><td>\$50-100,000</td><td>\$2,000</td></tr><tr><td>\$100-250,000</td><td>\$5,000</td></tr><tr><td>\$250,000+</td><td>\$10,000</td></tr></table> <p>If the Business Banking ("BB") division of Bank of Montreal refers a client to BMTC, BMTC will pay BB a one-time referral payout out based on the following balance tiers:</p> <table><tr><th>Balance Tier</th><th>Referral Payout</th></tr><tr><td>\$1MM - 2.5MM</td><td>\$500</td></tr><tr><td>\$2.5MM - 10MM</td><td>\$1,000</td></tr><tr><td>\$10MM+</td><td>\$2,500</td></tr></table>	Revenue Tier	Referral Payout	\$10-25,000	\$500	\$25-50,000	\$1,000	\$50-100,000	\$2,000	\$100-250,000	\$5,000	\$250,000+	\$10,000	Balance Tier	Referral Payout	\$1MM - 2.5MM	\$500	\$2.5MM - 10MM	\$1,000	\$10MM+	\$2,500	<p>If Bank of Montreal refers a client to BPIC, BPIC will pay Bank of Montreal 15% of the revenue generated on the referred accounts in perpetuity. In addition, if Bank of Montreal refers a client to BPIC that results in the client opening an investment account(s), then based on the asset value transferred, BPIC will pay a one-time referral fee of up to 0.1% of the value of the investment account(s) to the Bank of Montreal.</p> <p>BPIC has an arrangement with BMO EIASI such that if BPIC refers a Client that results in the sale of a new insurance product, EIASI will arrange to transfer a referral fee based on fifty percent (50%) of the gross value of commissions to BPIC.</p> <p>If a BPIC employee makes a referral to BMO Nesbitt Burns or BMO InvestorLine, the employee may receive an annual discretionary short-term incentive payment from BPIC which may take into consideration, among other factors, referrals to BMO affiliates.</p> <p>If the Canadian Commercial Banking ("CCB") division of Bank of Montreal refers a client to BPIC, BPIC will pay CCB a one-time referral payout based on the following revenue tiers:</p> <table><tr><th>Revenue Tier</th><th>Referral Payout</th></tr><tr><td>\$10-25,000</td><td>\$500</td></tr><tr><td>\$25-50,000</td><td>\$1,000</td></tr><tr><td>\$50-100,000</td><td>\$2,000</td></tr><tr><td>\$100-250,000</td><td>\$5,000</td></tr><tr><td>\$250,000+</td><td>\$10,000</td></tr></table> <p>If the Business Banking ("BB") division of Bank of Montreal refers a client to BPIC, BPIC will pay BB a one-time referral payout based on the following balance tiers:</p> <table><tr><th>Balance Tier</th><th>Referral Payout</th></tr><tr><td>\$1MM - 2.5MM</td><td>\$500</td></tr><tr><td>\$2.5MM - 10MM</td><td>\$1,000</td></tr><tr><td>\$10MM+</td><td>\$2,500</td></tr></table>	Revenue Tier	Referral Payout	\$10-25,000	\$500	\$25-50,000	\$1,000	\$50-100,000	\$2,000	\$100-250,000	\$5,000	\$250,000+	\$10,000	Balance Tier	Referral Payout	\$1MM - 2.5MM	\$500	\$2.5MM - 10MM	\$1,000	\$10MM+	\$2,500
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<sup>1</sup> BMO Capital Markets is a trade name used by BMO Financial Group for the wholesale banking businesses of Bank of Montreal, BMO Harris Bank N.A. (member FDIC), Bank of Montreal Ireland p.l.c., and Bank of Montreal (China) Co. Ltd. and the institutional broker dealer businesses of BMO Capital Markets Corp. (Member SIPC) in the U.S. BMO Nesbitt Burns Inc. (Member Canadian Investment Regulatory Organization and Member Canadian Investor Protection Fund) in Canada and Asia and BMO Capital Markets Limited (authorised and regulated by the Financial Conduct Authority) in Europe and Australia.

## Acknowledgements

The Client acknowledges receipt and understanding of this referral disclosure statement, and further confirms the Client's understanding and agrees with the Referring Entity and the Receiving Entity that:

1. BMO Nesbitt Burns (or, if BMO Nesbitt Burns is not the Referring Entity, the Referring Entity) may disclose information about the Client to the Receiving Entity consisting of:
  - a. financial and financially-related information about the Client; and
  - b. information to identify the Client or qualify the Client for products and services, or information needed for regulatory requirements in order to make the referral and allow for the ongoing administration of the referral.
2. All activity requiring registration resulting from the Referral Agreement will be provided by the Receiving Entity or outsourced to a party duly licensed or registered to carry on such activity. It is illegal for any party to the Referral Agreement to effect trades, advise in respect of certain Securities or engage in investment fund management if it is not duly licensed or registered under applicable securities legislation as an investment dealer, an adviser or an investment fund manager.
  - a. The Referring Entity does not have authority to make any commitments for, or on behalf of, the Receiving Entity; the Client will deal directly with the Receiving Entity in respect of any products or services the Receiving Entity may provide to the Client.
  - b. The Referring Entity and its employees and officers are not and will not be deemed to be agents, employees or representatives of the Receiving Entity, and the Receiving Entity, except as may be the case for certain insurance products, is not responsible for any acts, omissions, statements or negligence of the Referring Entity or any employee or officer of the Referring Entity.
  - c. Referral Fees are paid by the Receiving Entity and may change from time to time.
  - d. The Client is under no obligation to purchase any product or service of the Receiving Entity.

BMO Nesbitt Burns will also compensate its Investment Advisors for referring the Client to its affiliate, BMO Private Bank U.S. (division of BMO Harris Bank N.A.) ("BMO U.S."), if the referral results in the Client acquiring a residential mortgage, home equity loan or home equity line of credit (above certain limits). BMO U.S. is a U.S. national bank chartered by the Office of the Comptroller of the Currency. To facilitate the referral, the Investment Advisor will provide the Client's name and contact information, including email address, to BMO U.S., which BMO U.S. will maintain subject to BMO Financial Group's Privacy Code (see [bmo.com/privacy](https://bmo.com/privacy)); in addition, BMO U.S. will provide BMO Nesbitt Burns with the necessary information to pay the compensation. Clients of BMO Nesbitt Burns will not be required to pay any additional charges or fees in connection with any referral and are under no obligation to purchase any product or service of BMO U.S. BMO Nesbitt Burns does not have authority to make any commitments for, or on behalf of, BMO U.S.; the Client will deal

directly with BMO U.S. in respect of any products or services BMO U.S. may provide to the Client. BMO Nesbitt Burns and its employees and officers are not and will not be deemed to be agents, employees or representatives of BMO U.S., and BMO U.S. is not responsible for any acts, omissions, statements or negligence of BMO Nesbitt Burns or any employee or officer of BMO Nesbitt Burns.

## 4.0 Communication with beneficial owners of securities of a reporting issuer

The issuers of the Securities in your Investment Account may not know that you are the beneficial owner of these Securities. These issuers need to send you information about your investment, including financial statements and proxies. This section outlines these requirements as well as how you can limit what issuers know about you and what information issuers can send directly to you or to us on your behalf under Canadian securities laws relating to communications with beneficial owners of securities. Depending on the Securities in your Investment Account, other laws, including the European Union Shareholder Rights Directive II, may require us to disclose your personal information (such as your name and contact information,) and your account information to issuers and regulators, and to send you information about the issuers. We will have no liability to you for actions taken, or not taken, by us or our agents in good faith and intended to comply with any provisions of applicable law.

Unless the Client instructs otherwise, the Securities in the Investment Account will be registered in BMO Nesbitt Burns' name or the name of another person or company holding the Client's Securities on the Client's behalf and will not be registered in the Client's name. BMO Nesbitt Burns is required under securities law to obtain the Client's instructions concerning various matters relating to the Client's holding of Securities in the Client's Investment Account. The Client represents and warrants that the Client's choices, as marked in the Shareholder Communication Information section of the Account Application, accurately reflects the Client's instructions.

### 4.1 Disclosure of beneficial ownership information

Canadian securities law permits reporting issuers and other persons and companies to send materials related to the affairs of the reporting issuer directly to beneficial owners of the reporting issuer's securities if the beneficial owner does not object to having information about it disclosed to the reporting issuer or other persons and companies. Part 1 of the Shareholder Communication Information section of the Account Application allows the Client to tell BMO Nesbitt Burns if the Client objects to the disclosure by BMO Nesbitt Burns to the reporting issuer or other persons or companies of the Client's beneficial ownership information, consisting of the Client's name, address, electronic mail address, Securities holdings and preferred language of communication. Canadian securities legislation restricts the use of the Client's beneficial ownership information to matters relating to the affairs of the reporting issuer.

If the Client does *not object* to the disclosure of the Client's beneficial ownership information, the Client will not be charged with any costs associated with sending securityholder materials to the Client.

If the Client *objects* to the disclosure of the Client's beneficial ownership information by BMO Nesbitt Burns, all materials to be delivered to the Client as a beneficial owner of securities will be delivered by BMO Nesbitt Burns, and the Client may be charged the reasonable cost of such mailings.

#### 4.2 Receiving securityholder materials

For Securities that the Client holds through the Client's Investment Account, the Client has the right to receive proxy-related materials sent by reporting issuers to registered holders of their Securities in connection with meetings of such securityholders. Among other things, this permits the Client to receive the necessary information to allow the Client to have the Client's Securities voted in accordance with the Client's instructions at a securityholder meeting.

The Client's instructions do not apply to any specific request the Client may give or may have given to a reporting issuer concerning the sending of interim financial reports of the reporting issuer. In addition, in some circumstances, Client instructions regarding only receiving proxy-related documents will not apply to annual reports or financial statements of an investment fund that are not part of proxy-related materials. An investment fund is also entitled to obtain specific instructions from the Client on whether the Client wishes to receive its annual report or financial statements, and where the Client provides specific instructions, the instructions in the Account Application with respect to financial statements will not apply.

In addition, reporting issuers may choose to send out securityholder materials to beneficial owners, although they are not obliged to do so.

Canadian securities law permits the Client to decline to receive securityholder materials. The three types of materials that the Client may decline to receive are:

- a. Proxy-related materials, including annual reports and financial statements, that are sent in connection with a securityholder meeting;
- b. Annual reports and financial statements that are not part of proxy-related materials; and
- c. Materials that a reporting issuer or other person or company sends to securityholders that are not required by corporate or securities law to be sent to registered holders.

Part 2 of the Shareholder Communication Information section of the Account Application allows the Client to receive all materials sent to beneficial owners of securities or to decline to receive the three types of materials referred to above.

The Client hereby acknowledges that where the Client declines to receive the three types of materials referred to above, a reporting issuer or other person or company is entitled to deliver these materials to the Client, provided that the reporting issuer or other person or

company pays all costs associated with the sending of these materials. These materials would be delivered to the Client through BMO Nesbitt Burns if the Client has objected to the disclosure of the Client's beneficial ownership information to reporting issuers. The Client hereby chooses to receive materials as indicated in the Account Application.

#### 4.3 Consent to electronic delivery of documents

Canadian securities law permits BMO Nesbitt Burns to deliver some documents by electronic means if the Client's consent to the means of delivery has been obtained. The Client represents and warrants that its choices, as marked, in Part 3 of the Shareholder Communication Information section of the Account Application accurately reflects whether the Client consents to the electronic delivery of shareholder communication documents at the primary email address which the Client provided in the "Information About You" section or whether the Client declines to receive documents electronically via email. The Client hereby acknowledges that even if the Client consents to electronic delivery, electronic delivery of material may not be effected because of technical or other circumstances. While the Client's electronic mail address forms part of the ownership information, the reporting issuer may not use the Client's electronic mail address to deliver materials directly to the Client unless specific authorization has been granted by the Client.

#### 4.4 Contact

If the Client has any questions or wants to change the Client's Shareholder Communication Information instructions in the future, the Client should contact the Client's Investment Advisor.

#### 5.0 Institutional trade matching and settlement

If you enter into Delivery Against Payment/Receipt Against Payment trades, the following terms established under National Instrument 24-101 apply.

Canadian Securities Administrators' National Instrument 24-101 ("NI 24-101"), mandates that clients entering into Delivery Against Payment/Receipt Against Payment ("DAP/RAP") trades and the brokers executing such trades mutually represent to each other either through a trade-matching agreement or statement that they have policies and procedures in place to match and affirm all trade details and settlement instructions no later than 12:00p.m. (noon) on "T+1" (where "T" means the day on which a trade is executed, and "T+1" means the next business day following "T" as outlined in NI 24-101).

1. Where BMO Nesbitt Burns acts as Client's broker for Client's DAP/RAP trades, BMO Nesbitt Burns agrees to establish, maintain and enforce the following policies and procedures designed to achieve matching no later than 12:00p.m. (noon) on "T+1":
  - a. **Provision of trade details** – For each order Client places with BMO Nesbitt Burns, BMO Nesbitt Burns will no later than 12:00p.m. (noon) on "T+1" advise Client of the price and quantity executed for Client during the trading day ("Fills").



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- b. **If Client uses a matching service utility** – If Client uses a Matching Service Utility, BMO Nesbitt Burns will do the following no later than 12:00p.m. (noon) on “T+1”:
- Provide to such Matching Service Utility a notice of execution (“Notice of Execution”) containing the trade details provided to Client as Fills;
  - To the extent reasonably possible as determined by BMO Nesbitt Burns in its sole discretion, structure the Notices of Execution into “blocks,” where supported by the Matching Service Utility to minimize any transaction based fees;
  - Provide such information to allow the Matching Service Utility to complete their matching against allocations sent by Client to the Matching Service Utility;
  - Receive matched allocations along with settlement instructions associated with the allocations and process them against BMO Nesbitt Burns’ internal systems;
  - Transmit acknowledgements of matched trades (“Confirms”) to the Matching Service Utility; and
  - Process Client’s matched trades in BMO Nesbitt Burns’ official book of record.
- c. If Client uses a message-based mechanism for electronic communication of trade-related messages (e.g., FIX) – If Client uses a message-based mechanism for electronic communication of trade-related messages, BMO Nesbitt Burns will do the following no later than 12:00p.m. (noon) on “T+1”:
- Send a summary notice of execution to Client containing an aggregate of the trade details provided to Client as Fills and details on commissions, miscellaneous fees (where applicable), foreign exchange (where applicable), and the net amount to be received or delivered by Client against the Fills (a “Calculated Notice of Execution”);
  - Manage any such Calculated Notices of Executions rejected by Client until BMO Nesbitt Burns and Client either mutually agree on the details or mutually agree to cancel the trade;
  - Receive allocations from Client identifying all of the custodians and accounts at those custodians to be used for settlement of the trades (these allocations can be sent as blocks to minimize any transaction based fees);
  - Acknowledge or reject such allocations, as so determined by BMO Nesbitt Burns in its sole discretion, and manage any such rejections with Client until BMO Nesbitt Burns and Client either mutually agree on the details or mutually agree to cancel the trade; and
  - For each allocation send the settlement instructions identifying BMO Nesbitt Burns’ CUID and accounts for settlement at Clearing and Depository Services Inc. (“CDS”).
2. Where Client places DAP/RAP trades through BMO Nesbitt Burns, Client agrees to establish, maintain and enforce the following policies and procedures designed to achieve matching no later than 12:00p.m. (noon) on “T+1”:
- Processing of trade details** – Where BMO Nesbitt Burns is acting as Client’s executing broker on the trade, Client will no later than 12:00p.m. (noon) on “T+1” apply the trade details BMO Nesbitt Burns has provided to Client against the allocations created by Client for matching.
  - Provision of trade details** – Where BMO Nesbitt Burns is acting as Client’s prime broker but not the executing broker on the trade, Client will provide to BMO Nesbitt Burns no later than 12:00p.m. (noon) on “T+1”, the Fills stating the correct and complete details for each trade, including the contact information of the executing broker.
  - If Client uses a Matching Service Utility** – If Client uses a Matching Service Utility, Client will:
    - At least sixty (60) days in advance of first use:
      - Advise BMO Nesbitt Burns of which Matching Service Utility Client is using (whether Client is using a Matching Service Utility for the first time or is changing Matching Service Utilities);
      - Provide BMO Nesbitt Burns with, or make its best efforts to cause such Matching Services Utility to provide to BMO Nesbitt Burns, confirmation that such Matching Service Utility is in compliance with all of the requirements of NI 24-101; and
    - Obtain written confirmation from BMO Nesbitt Burns of BMO Nesbitt Burns’ ability to interact with such Matching Service Utility.
      - No later than 12:00p.m. (noon) on “T+1”:
  - Send allocations to such Matching Service Utility reflecting the trade details that were provided to Client as Fills;
  - Provide such information as may reasonably be required to allow such Matching Service Utility to complete their matching against allocations sent by Client against Notices of Execution sent by BMO Nesbitt Burns to the Matching Service Utility;
  - Make its best efforts to cause such Matching Service Utility to deliver to BMO Nesbitt Burns no later than 12:00p.m. (noon) on “T+1” the matched allocations along with current and correct settlement instructions to enable each of the Client’s allocations to be matched and settled against the appropriate accounts at the appropriate custodian;
  - Make its best efforts to cause such Matching Service Utility to deliver no later than 12:00p.m. (noon) on “T+1” Custodial Settlement Advices corresponding to Client’s allocations to the appropriate custodian(s) for application against the accounts indicated in the settlement instructions delivered by Client to BMO Nesbitt Burns; and
  - Make its best efforts to cause such Matching Service Utility to transmit BMO Nesbitt Burns’ settlement instructions to the appropriate custodian(s).

If client uses a message-based mechanism for electronic communication of trade-related messages (e.g., FIX) – If Client uses a message-based mechanism for electronic communication of trade-related messages, Client will:

- iii. At least sixty (60) days in advance of first use:
  - a. Advise BMO Nesbitt Burns of Client's intention to use a message-based mechanism; and
  - b. Obtain written confirmation from BMO Nesbitt Burns that the message-based mechanism Client has selected is interoperable with BMO Nesbitt Burns' message handling systems.
- iv. No later than 12:00p.m. (noon) on "T+1":
  - a. Accept or reject BMO Nesbitt Burns' Calculated Notice of Execution;
  - b. Manage any such Calculated Notices of Execution rejected by Client until BMO Nesbitt Burns and Client either mutually agree on the details or mutually agree to cancel the trade;
  - c. Send allocations to BMO Nesbitt Burns identifying all of the custodians and accounts at those custodians to be used for settlement of the trades (these allocations can be sent as blocks to minimize any transaction-based fees);
  - d. Manage any allocation rejections BMO Nesbitt Burns may send to Client until BMO Nesbitt Burns and Client either mutually agree on the details or mutually agree to cancel the trade;
  - e. Accept, for each allocation BMO Nesbitt Burns accepts, the settlement instructions identifying BMO's CUID and accounts for settlement at CDS;
  - f. Deliver Custodial Settlement Advices corresponding to Client's allocations to the appropriate custodian(s) for application against the accounts indicated in the settlement instructions delivered by Client to BMO Nesbitt Burns; and
  - g. Transmit BMO Nesbitt Burns' settlement instructions to the appropriate custodian(s).

## 6.0 Gateway service

Gateway is BMO Nesbitt Burns' password-protected online client information centre. Gateway provides clients with access to their accounts, as well as news, quotes, market information and much more, through a secure Internet site.

The Client hereby acknowledges that the security, integrity and privacy of any and all information exchanged between the Client and BMO Nesbitt Burns over the Internet cannot be guaranteed and that any such information may be viewed or tampered with in transit by a third party. The Client acknowledges and agrees that BMO Nesbitt Burns may be required to provide information to certain exchanges and other service providers in connection with the Client's use of the Internet as per previous service. The Client will not send buy/sell orders, fund transfers or other instructions via the Internet as such communications cannot be verified nor accepted by BMO Nesbitt Burns.

## 6.1 Client conduct

1. The Client hereby acknowledges that the Gateway service contains copyrighted material, trademarks and other proprietary information, including, but not limited to: text, software, photos, video, graphics, music and sound, and the entire content of the Gateway service is copyrighted as a collective work under the copyright laws of Canada. BMO Nesbitt Burns owns a copyright in the selection, coordination, arrangement, structure, sequencing, organization and enhancement of such content. The Client may not modify, publish, transmit, participate in the transfer or sale, create derivative works, or in any way exploit any of the content, in whole or in part except for personal purposes. The Client may download copyrighted material for the Client's personal use only. Except as otherwise expressly permitted under copyright law, no copying, redistribution, retransmission, publication or commercial exploitation of downloaded material will be permitted without the express written permission of BMO Nesbitt Burns and the copyright owner. In the event of any permitted copying, redistribution or publication of copyrighted material, no changes in or deletion of author attribution, trademark legend or copyright notice shall be made. The Client acknowledges and agrees that the Client does not acquire any ownership rights by downloading copyrighted material.
2. The Client shall use the Gateway service for lawful purposes only. The Client shall not post or transmit through the Gateway service any material that: (a) violates or infringes in any way upon the rights of others; (b) is unlawful, threatening, abusive, defamatory, invasive of privacy or publicity rights, vulgar, obscene, profane or otherwise objectionable; (c) encourages conduct that would constitute a criminal offense, give rise to civil liability or otherwise violate any law; or (d) without BMO Nesbitt Burns' express prior approval, contains advertising or any solicitation with respect to products or services. Any conduct by the Client that in BMO Nesbitt Burns' discretion restricts or inhibits any other third-party from using or enjoying the Gateway service will not be permitted. The Client shall not use the Gateway service to advertise or perform any commercial solicitation, including, but not limited to, the solicitation of users to become subscribers of other on-line information services competitive with the Gateway service.
3. The foregoing provisions are for the benefit of BMO Nesbitt Burns, its subsidiaries, affiliates and its third-party content providers and licensors and each shall have the right to assert and enforce such provisions directly or on its own behalf.

## 6.2 Limitation of warranty and damages

1. The Client expressly agrees that use of the Gateway service is at the Client's sole risk. Neither BMO Nesbitt Burns, its affiliates nor any of their respective employees, agents, third party content providers or licensors warrant that the Gateway service will be uninterrupted or error free; nor do they make any warranty as to the results that may be obtained from use of the Gateway service, or as to the accuracy, reliability or content of any information, service, or merchandise provided through the Gateway service.

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2. The Gateway service is provided on an “as is” basis without warranties or conditions of any kind, either expressed or implied, including, but not limited to, warranties or conditions of title or implied warranties of merchantability or fitness for a particular purpose, other than those warranties which are implied by and incapable of exclusion, restriction or modification under the laws applicable to this Agreement.
  3. This disclaimer of liability applies to any damages or injury caused by any failure of performance, error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, theft or destruction or unauthorized access to, alteration of, or use of record, whether for breach of contract, tortious behaviour, negligence, or under any other cause of action, unless the damages or injury are due to a technology system malfunction within BMO Nesbitt Burns’ control. The Client specifically acknowledges that BMO Nesbitt Burns is not liable for the defamatory, offensive or illegal conduct of other users or third parties and that the risk of injury from the foregoing rests entirely with the Client.
  4. In no event will BMO Nesbitt Burns, or any person or entity involved in creating, producing or distributing the Gateway service be liable for any damages, including, without limitation, direct, indirect, incidental, special, consequential or punitive damages arising out of the use of or inability to use the Gateway service, unless due to a technology system malfunction within BMO Nesbitt Burns’ control. The Client hereby acknowledges that the provisions of this section shall apply to all content on the Gateway service.
  5. The two-step verification service (“TSV”) is an authentication process used to verify the Client’s identity. The Client acknowledges and agrees that the Carrier for each of their Access Devices may apply charges to two-step verification communications, including, but not limited to, data, messaging, download, interconnection, access, wireless, landline or any long distance, phone or other charges. Normal Carrier rates may apply to any TSV communication that the Client receives or sends. The Client represents that they are the authorized user of each of the Access Devices they register as part of TSV and the device is authorized to incur any charges the Carrier imposes in connection with TSV. The Client is solely responsible for paying these charges to the Carrier for each of their Access Devices. The Client acknowledges and agrees that the charges and any limitations on use imposed by a Carrier regarding the use of an Access Device, such as data limits, are outside of the control of BMO Nesbitt Burns and that they will need to contact the applicable Carrier regarding such matters. BMO Nesbitt Burns will not apply any charges for TSV.
  6. In addition to the terms set forth above, neither BMO Nesbitt Burns nor its affiliates, information providers or content partners shall be liable, regardless of the cause or duration, unless due to a technology system malfunction within BMO Nesbitt Burns’ control, for any errors, inaccuracies, omissions, or other defects in, or untimeliness or inauthenticity of, the information contained with the Gateway service, or for any delay or interruption in the transmission thereof to the Client, or for any claims or losses arising therefrom or occasioned thereby. None of the foregoing parties shall be liable for any third-party claims or losses of any nature, including, but not limited to, lost profits, punitive or consequential damages. BMO

Nesbitt Burns, its affiliates, information or content providers shall have no liability for investment decisions based on the information provided. Additionally, there are no warranties as to the results obtained from the use of the information provided.

### **6.3 Electronic delivery of documents (“eDocuments”)**

1. The Client understands that all eDocuments delivered hereunder will be made available online through the BMO Nesbitt Burns Gateway site [<https://gateway.bmonesbittburns.com>].
2. The Client understands that the types of eDocuments covered by this section include any record of a Transaction in their account that BMO Nesbitt Burns is required to provide under securities legislation, including account statements, trade confirmations and any other document that BMO Nesbitt Burns is required to provide under securities legislation or otherwise, including, without limitation, amendments to any agreement that the client entered into with BMO Nesbitt Burns, amendments to the BMO Nesbitt Burns Fee Brochure or the BMO Nesbitt Burns Statement of Policies (collectively, “Account Documents”). Not all Account Documents included under securities legislation may be available through the Gateway service at this time. BMO Nesbitt Burns reserves the right to determine which types of Account Documents are available through the Gateway service—including by adding or removing certain Account Documents—from time to time.
3. The Client understands that any Account Documents (including statements and trade confirmations) are deemed to be delivered on the day that they are made available, and not on the day that the Client actually reviews the Account Documents through the Gateway service. BMO Nesbitt Burns is not liable for costs resulting from a failure to review any Account Documents. The Client understands that neither BMO Nesbitt Burns nor its information provider shall be liable for any losses or damages resulting in any delay or interruption in the transmission of Account Documents.
4. Client understands that they are not required to consent to the electronic delivery of eDocuments and they may revoke their consent at any time (except for tax documents) by changing their document delivery preference in Gateway or by contacting their Investment Advisor. The Client further understands that BMO Nesbitt Burns reserves the right, but is not obligated, to revert to delivery of a paper copy of any eDocument through standard mail for any reason, including in the event that the Client does not access the Gateway site for an extended period.
5. The Client acknowledges that they are capable of viewing the eDocuments in PDF format, or will download Adobe Acrobat software on their personal computer to view the eDocuments in PDF format. The Client further acknowledges that BMO Nesbitt Burns’ Gateway site is a secure website and the Client must be granted and maintain their access using a private user identification and password in order to view, download or print documents from their computer.
6. The Client understands that BMO Nesbitt Burns may change the terms of this section at any time by giving the Client 30 days advance notice and that any such notice may be in the form of a notification posted to the Message Centre or delivered to the Client through standard mail.

## 6.4 Non-Gateway email delivery of documents

Unless the Client has advised BMO Nesbitt Burns otherwise, the Client has consented to the electronic delivery of fund fact documents to the Client's primary email address provided in the Account Application, in respect to mutual fund purchases. The Client acknowledges and agrees that the Client is responsible for ensuring that any email address provided to BMO Nesbitt Burns is accurate and up to date, and will immediately provide BMO Nesbitt Burns with any changes to the Client's email address. BMO Nesbitt Burns may not monitor or take any action with respect to any returned or rejected emails, and will not be responsible for lost or undeliverable emails.

## 6.5 Third-party content

Any opinions, advice, statements, services, offers, or other information or content expressed or made available by third-parties, including information providers or any other user of the Gateway service, are those of the respective author(s) or distributor(s) and not of BMO Nesbitt Burns.

## 6.6 Service interruptions and termination of service

BMO Nesbitt Burns shall have the right at any time to change or discontinue any aspect or feature of the Gateway service, including, but not limited to, content, hours of availability, and equipment needed for access or use. The Client agrees that BMO Nesbitt Burns may suspend or terminate their access to the Gateway service for any reason and without prior notice to the Client. The Client acknowledges and agrees that two-step verification is provided on an 'as is' and 'as available basis' and may not be available due to regular or emergency maintenance. BMO Nesbitt Burns will not be liable for any delays or failures whatsoever in the Client's receipt or ability to receive or respond to any TSV communication as delivery is subject to many factors outside of BMO Nesbitt Burns' control, including, without limitation, effective transmission by the applicable Carrier and ability of the Client or the Client's Access Device to receive or respond to communications.

## 6.7 Verification of information

The Client should verify the accuracy of the account information with the Client's BMO Nesbitt Burns Investment Advisor prior to giving him/her any trading instructions.

## 6.8 Client inquiries

If the Client has technical questions or difficulties with respect to the use of the Gateway service, the Client may call our toll-free number, 1 (877) 873-7664 (the "Toll-Free Number"). The Client shall be responsible for obtaining and maintaining all telephone, Internet access, computer hardware and other equipment needed for access to, and use of, the Gateway service and all charges related thereto. Any inquiries regarding the Client's account information, investment advice or transactions should be referred to the Client's Investment Advisor and not to the Toll-Free Number. The Client hereby acknowledges and agrees that employees of Bank of Montreal may be involved in providing the Client with technical assistance over the Toll-Free Number.

## 6.9 Password and the Client's identification

BMO Nesbitt Burns is under no obligation to confirm the actual identity or authority of any user of the password, User ID and account number that have been issued to the Client for the Gateway service.

1. The Client is responsible for: (i) maintaining the confidentiality and security of their password, User ID and account number; and (ii) any and all communications between the Client and BMO Nesbitt Burns over the Internet and/or on the Toll-Free Number relating to the Gateway service. BMO Nesbitt Burns will not be responsible for any damages arising out of the misuse of the Client's password, User ID and account number.
2. The Client agrees to receive voice mails and/or electronic communications, including, but not limited, to voice calls and SMS messages, on registered Access Devices as part of the TSV service. These communications will only be sent once, unless the Client asks for a communication to be re-sent. The Client also acknowledges and agrees that any information they provide in connection with TSV is accurate, complete and true and the Client may not unsubscribe from these communications. Failure to respond to TSV communications may result in the Client not being able to access their account. The Client also acknowledges and agrees that BMO Nesbitt Burns may modify or discontinue two-step verification, or any part of it, at any time.

## 6.10 Miscellaneous

The Client acknowledges that the Client's use of the Gateway service may be monitored by BMO Nesbitt Burns and is subject to this Agreement and to all other agreements entered into with BMO Nesbitt Burns. This Investment Account Agreement shall be binding upon the Client's heirs, executors, administrators and personal representatives and upon the successors and assigns of BMO Nesbitt Burns.

## 7.0 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 your Investment Advisor).

## 7.1 Sharing your Personal Information

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.

## 7.2 Your Choices

1. 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.



2. Direct Marketing: You may choose not to allow us to use your Personal 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.

## 8.0 Communication to the Client

Any notice or communication to the Client may be given by prepaid mail, facsimile or email if provided, to any address of record of the Client with BMO Nesbitt Burns, or may be delivered personally to the Client or to any such address of record and shall be deemed to have been received, if mailed, on the second business day after mailing or, if sent by facsimile or email on the day sent or, if delivered, when delivered. Nothing in this section shall be interpreted as requiring BMO Nesbitt Burns to give any notice to the Client which is not otherwise required to be given by BMO Nesbitt Burns.

## 9.0 Credit report

The Client hereby authorizes BMO Nesbitt Burns to obtain any credit reports concerning the Client required by BMO Nesbitt Burns for the establishment or operation of the Investment Account.

## 10.0 Capacity

The Client represents that he or she is an individual who has reached the age of majority and has the power and capacity to enter into this Investment Account Agreement and perform his or her obligations hereunder.

## 11.0 Not a broker, etc.

The Client hereby represents that unless so indicated on the Account Application, the Client is not:

1. an employee of BMO Nesbitt Burns,
2. a BMO Integrated Employee, or
3. a partner, director or employee of a member, member firm or member corporation of any stock exchange or a non-member broker or investment dealer.

## 12.0 General

1. This Investment Account Agreement shall be construed in conjunction with any other agreements between BMO Nesbitt Burns and the Client in connection with the Investment Account, provided that, to the extent necessary, the terms and provisions of this Investment Account Agreement shall supersede the terms and provisions of such other agreements, and provided further that this Investment Account Agreement shall in no way limit or restrict any rights of BMO Nesbitt Burns under any such other agreements. The Client may not waive or change any of the terms and conditions of this Investment Account Agreement without the prior written approval of a duly authorized officer of BMO Nesbitt Burns. If any statute or any statutory regulation or any bylaw, rule, regulation, policy or custom of the Regulatory Authorities is enacted, made, amended or otherwise changed with the result

that any term or condition of this Investment Account Agreement is, in whole or in part, invalid, then such term or condition will be deemed to be varied or superseded to the extent necessary to give effect to such statute, statutory regulation, by-law, rule, regulation, policy or custom. Notwithstanding anything to the contrary herein, this Investment Account Agreement may be amended at any time by BMO Nesbitt Burns upon providing thirty (30) days' notice to the Client. BMO Nesbitt Burns will notify the Client of any changes by posting notice of such changes on the BMO Nesbitt Burns website at [bmo.com/privatewealth](http://bmo.com/privatewealth), or by sending a notice via email, or postal mail. No waiver by either party of any breach or default hereunder shall be deemed to be a waiver of any proceeding or subsequent breach or default.

2. This Investment Account Agreement shall enure to the benefit of, and shall be binding upon, BMO Nesbitt Burns and the Client and their respective personal representatives, heirs, liquidators, successors and assigns. This Investment Account Agreement shall survive and remain in effect notwithstanding any incidental, temporary or intermittent closing out, reopening or renumbering of any Investment Account.
3. In this Investment Account Agreement where the singular is used, it shall include the plural and vice versa.
4. Language: The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.
5. The headings and text boxes used in this Investment Account Agreement are for convenience of reference only and shall not in any way affect the interpretation of this Investment Account Agreement.
6. This Investment Account Agreement shall, with respect to each separate Investment Account, be governed by and interpreted in accordance with the laws of the Canadian jurisdiction in which the branch is located where the Investment Account is serviced and the federal laws of Canada applicable therein. Whenever more than one Client, as co-applicants, signs the Account Application the Investment Account is a Joint Account and the Clients have also entered into and are bound by, the Joint Account Agreement.
7. Whenever this Investment Account Agreement entitles BMO Nesbitt Burns to alternative courses of action, BMO Nesbitt Burns shall be entitled to choose any, none or all of such alternatives in its sole and unfettered discretion.
8. The Client shall do all acts or things and execute and deliver all documents or instruments as are necessary or desirable to give effect to all Transactions for the Investment Account executed by BMO Nesbitt Burns pursuant to this Investment Account Agreement.

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9. Each of the provisions contained in this Investment Account Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part of thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provisions hereof.

### **13.0 Effective time**

This Investment Account Agreement will be effective and binding upon the Client and BMO Nesbitt Burns for the granting of any margin facility, from the time at which BMO Nesbitt Burns first acts upon the instructions of the Client.

# Part Two:

## BMO Nesbitt Burns Joint Account Agreement

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### 1.0 Joint Account Agreement

This Joint Account Agreement only applies to Investment Accounts opened by two or more Clients as co-applicants. You have indicated on your Account Application whether this Joint Account grants the other Joint Account holders a right of survivorship. As Joint Account holders have equal rights to control the Joint Account, you should carefully review this Joint Account Agreement.

In consideration of BMO Nesbitt Burns opening or maintaining the Joint Account or Joint Accounts for each Client, each Client understands and agrees to the following terms and conditions for the operation of the Joint Account.

#### 1.1

If the Account Application is signed by more than one Client as co-applicants, the liabilities and obligations in the Joint Account Agreement and the Investment Account Agreement shall be joint and several (in Quebec, solidary) and each of the Clients agrees that each has full power and authority to direct BMO Nesbitt Burns to take any action whatsoever with respect to the Joint Account and BMO Nesbitt Burns is hereby authorized and directed to act upon the instructions of any one of the Clients with respect to the Joint Account provided that BMO Nesbitt Burns shall have the right at any time, in its discretion, to require written authorization signed by all Clients to the Joint Account. Any notice relating to the Joint Account, including contracts of purchase and sale, may be sent to any one of the Clients and shall be binding upon each of the Clients. Any Client acting alone shall have the full power and authority to consent to amendments to, or modify or waive any of the terms or provisions relating to, the Joint Account. Except as otherwise provided in this Joint Account Agreement, all terms defined in the Investment Account Agreement shall have the same meaning herein.

#### 1.2

This Joint Account will be governed by the Investment Account Agreement and this Joint Account Agreement.

### 2.0 Power and authority of the Client

Each Client shall have full power and authority, acting individually or collectively, without notice to any other Client, as if such Client was the only person interested in the Joint Account, to operate the Joint Account on behalf of the other Clients, including all Transactions whether or not on margin and whether or not as a short sale, and to initiate or execute Transactions for the Joint Account or to deposit to, or withdraw from, the Joint Account any cash, Securities, Derivatives or Precious Metals Bullion.

### 3.0 Reliance on Clients

BMO Nesbitt Burns may act upon any instructions of, or actions by the Clients, acting individually or collectively, without instituting any further investigations into the propriety of such instructions or actions or the authority of the Client or Clients to give such instructions or to take such actions.

### 4.0 Opening, reclassifying or modifying Joint Account

No Joint Account will be opened pursuant to this Joint Account Agreement or reclassified by BMO Nesbitt Burns until all of the Clients have executed and delivered any further agreement or agreements required by BMO Nesbitt Burns for the opening or reclassification of the Joint Account. Any Client acting alone has full power and authority to modify or waive any of the terms or provisions relating to the Joint Account.

### 5.0 Liability

Each Client shall be jointly and severally and solidarily liable, without the benefits of discussion or division, for the full and timely settlement of each and all Transactions for the Joint Account, for any debit balances in the Joint Account and for any indebtedness, interest, commissions, debts, charges, expenses or other liabilities incurred by BMO Nesbitt Burns as a result of any failure by the Clients to give any notice required herein.

### 6.0 Death or departure of a Client

In the event of the death or departure of a Client, the surviving or remaining Clients shall immediately cause notice in writing of such death or departure to be delivered to BMO Nesbitt Burns head office in Toronto. Such Client and the estate, heirs and liquidators of such Client shall continue to be jointly and severally and solidarily liable to BMO Nesbitt Burns for any liabilities under Section 5.0 herein incurred, on or before the notice under this section is received by BMO Nesbitt Burns. BMO Nesbitt Burns may take such proceedings require such documents or retain such portion of, or restrict such Transactions for the Joint Account as BMO Nesbitt Burns may deem necessary to protect itself against any liabilities, penalties or losses in relation to the Joint Account. Unless otherwise indicated in Section 18.0 of this Joint Account Agreement, upon the death or departure of a Client other than provided in Section 18(e) herein, the right of survivorship will apply and the surviving Clients will continue to assume ownership of the Joint Account, including all of the rights, interests and obligations in respect of the Joint Account.

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## 7.0 Alternative courses of action

Whenever this Joint Account Agreement entitles BMO Nesbitt Burns to alternative courses of action, BMO Nesbitt Burns shall be entitled to choose any, none or all of such alternative courses of action in its sole unfettered discretion.

## 8.0 Pledge of Collateral

As continuing collateral security for the payment of any amounts which are now or which may in the future be owing by the Clients to BMO Nesbitt Burns, the Clients hereby hypothecate and pledge to BMO Nesbitt Burns all of their Collateral, whether held in the Joint Account or in any other account with BMO Nesbitt Burns in which any Client has an interest and whether or not any amount owing relates to the Collateral hypothecated and pledged. With respect to any Collateral which is subject to the laws of Quebec, since the laws of this province require that the amount of the hypothec be specified, the Clients hereby acknowledge that the hypothec and pledge granted in favour of BMO Nesbitt Burns as described herein are limited to a maximum amount of one hundred (100) million dollars. The interest rate applicable to the hypothec shall be a rate of interest expressed as a rate per annum, which is equal to the rate established by the Bank of Montreal, as the reference rate of interest used by it to determine interest rates charged for demand loans in Canadian dollars to Canadian commercial borrowers, plus two per cent and, in the event that such Bank does not publish such a rate, a substitute rate from any financial institution selected by BMO Nesbitt Burns.

## 9.0 Organization of Joint Account

The Clients represent that: (a) each Client is entitled to receive, on demand or within a specified time period after demand, an amount equivalent to his proportionate interest, in whole or in part, of the value of the net assets of the Joint Account; and (b) each Client is required to make contributions in proportion to the interest each Client holds in the Joint Account for the purpose of financing the operations of the Joint Account.

## Delivery of materials

1. Each Client jointly and severally agrees to:
  - a. accept delivery of all Client materials at the principal address of the account, and if requested, one or more duplicate addresses, and
  - b. accept delivery of fund facts documents at the address determined by the Client, in connection with his or her trade instruction.
2. Each Client is deemed to have received:
  - a. all notices, statements, trade confirmations, prospectuses, proxy circulars and any other regulatory materials required to be sent to the Client at the principal address of the account; and
  - b. in respect of a mutual fund transaction, the applicable fund facts document at the address determined by the Client who made the purchase instruction.

## 11.0 Communications to the Clients

BMO Nesbitt Burns may send to any one or more of the Clients communications of any kind relating to the Joint Account, including, without limitation, demands, notices, confirmations, reports and statements of account, all without notice to any other Client. Any notice or communication to the Client relating to the Joint Account may be given by prepaid mail, facsimile or email if provided, to any address of record with BMO Nesbitt Burns of any Client or may be delivered personally to any such address of record, and shall be deemed to have been received, if mailed, on the second business day after mailing or, if sent by facsimile or email if provided, on the day sent or, if delivered, when delivered. Nothing in this Section 11 shall be interpreted as requiring BMO Nesbitt Burns to give any notice to any Client which is not otherwise required to be given by BMO Nesbitt Burns.

## 12.0 Headings and plural

The headings and text boxes used in this Joint Account Agreement are for convenience of reference only and shall not in any way affect its interpretation. In this Joint Account Agreement, where the singular is used it shall include the plural and vice versa.

## 13.0 Other agreements

Each client has signed and delivered to BMO Nesbitt Burns certain other agreements with BMO Nesbitt Burns in relation to the Joint Account, which agreements shall be construed in conjunction with this Agreement in determining the terms of the Joint Account, provided that, to the extent necessary, the terms and provisions of this Joint Account Agreement shall supersede the terms and provisions of all other agreements with BMO Nesbitt Burns whether or not referred to herein, except that this Joint Account Agreement in no way limits or restricts any other rights which BMO Nesbitt Burns may have under any other agreement or agreements with any of the Clients.

## 14.0 Severability

In the event any term or provision of this Joint Account Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Joint Account Agreement shall remain in full force and effect.

## 15.0 Successors and assigns

This Joint Account Agreement shall ensure to the benefit of, and shall be binding upon BMO Nesbitt Burns and the Clients, and their respective heirs, executors, liquidators, administrators, successors and assigns, as the case may be.

## 16.0 Governing law

This Joint Account Agreement shall be governed with respect to each separate Joint Account in all respects by the laws of the jurisdiction where the branch office is located that services that particular Joint

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Account, except, where applicable in the case of a Joint Account maintained in a branch located in Quebec for a Canadian non-resident of Quebec who has designated the provincial/territorial law of his or her residence as the governing law with respect to the right of survivorship.

### **17.0 Language**

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

### **18.0 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

### **19.0 Right of Survivorship**

1. Where none of the Clients reside in Quebec, the Joint Account will be joint with Right of Survivorship unless each Client indicates "No Right of Survivorship" in the Account Application or a subsequent Joint instruction that is accepted by BMO Nesbitt Burns.
2. Where one or more of the Clients is a Quebec resident, "No Right of Survivorship" must be selected and is deemed to apply to all parties.

3. Where the Clients do not reside in Quebec and the Joint Account is serviced in Quebec, the Client hereby designates the provincial/territorial laws of the jurisdiction of his or her residence as the governing law with respect to the right of survivorship in the event of death as stipulated herein.
4. Subject to Section 6.0 herein, if Right of Survivorship applies to the Joint Account, upon the death of a Client, all of that Client's interest in and to any cash or Securities in the Account shall pass to the surviving Clients, and any one of the surviving Clients, may operate the Joint Account in the names provided herein.
5. Where one Client resides in Quebec or where the Clients do not reside in Quebec and have selected "No Right of Survivorship," upon the death of a Client, the surviving Clients and the estate of the deceased shall not be permitted to continue dealing with the Joint Account save for conservatory acts, until BMO Nesbitt Burns has received any and all such waivers, consents or releases required by BMO Nesbitt Burns and applicable law.

### **20.0 Acknowledgement**

Each Client hereby acknowledges having received a copy of this Joint Account Agreement and having read and understood this Joint Account Agreement.



# Part One: BMO Trust Company Registered Accounts

## BMO NESBITT BURNS RETIREMENT SAVINGS PLAN TRUST AGREEMENT (Specimen 527-010)

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BMO Trust Company (the “**Trustee**”) will act as Trustee of a BMO Nesbitt Burns Retirement Savings Plan (the “**Plan**”) for the account holder named in the attached application (the “**Planholder**”), on the following terms and conditions. The Plan comprises the attached application and this Declaration of Trust (the “**Trust Agreement**”), and includes any locked-in or other addenda which may be added.

The Trustee may delegate the performance of any of the Trustee’s duties and responsibilities under the Plan to BMO Nesbitt Burns Inc. (the “**Agent**”). The Trustee shall, however, remain ultimately responsible for the administration of the Plan.

The terms “**spouse**” and “**common-law partner**” in the Plan have the same meanings as defined or use under the Income Tax Act (Canada) as the same maybe altered or amended from time to time (the “**Act**”).

The terms Planholder, Applicant and Beneficial Owner as they appear in the Application Form or this Trust Agreement are referred to as the “**annuitant**” in the Act.

### 1. Registration and purpose

The Trustee will apply for registration of the Plan under the Act and any applicable provincial legislation relating to Retirement Savings Plans. The purpose of the Plan is to provide a retirement income for the Planholder commencing at the maturity of the Plan (as described in paragraph 7), or alternatively to transfer the assets of the Plan to a Registered Retirement Income Fund (“RRIF”) before maturity.

### 2. Contributions and transfers in

Contributions and transfers of cash and other property acceptable to the Trustee may be made to the Plan by the Planholder or by the Planholder’s spouse or common-law partner. Any dishonoured cheques or other amounts that cannot be processed or are otherwise not accepted by the Trustee will not be considered to be a contribution to the Plan. The assets of the Plan (in the aggregate, the “**Fund**”) shall consist of such contributions and transfers, together with any income or gains earned or realized, and shall be held, invested and applied in accordance with this Trust Agreement. No contribution or transfer may be made after the maturity of the Plan.

### 3. Contribution receipt

The Trustee shall provide the Planholder or the Planholder’s spouse or common-law partner with contribution receipts as required under the Act.

### 4. Excess contributions

It is the responsibility of the Planholder or the Planholder’s spouse or common-law partner to determine whether contributions made to the Plan are deductible and do not exceed the maximum permitted

without a penalty under the Act. The Trustee shall, on the instructions of the Planholder or the Planholder’s spouse or common-law partner, refund an amount to a taxpayer where the amount is paid to reduce the amount of tax otherwise payable under Part X.1 of the Act by the taxpayer.

### 5. Investments

The Fund shall be invested and reinvested by the Trustee exclusively on the instructions of the Planholder (or of a person authorized by the Planholder, in a form and manner satisfactory to the Trustee, to manage the investments of the Fund), only in such investments as may be made available for the Plan from time to time by the Agent or the Trustee. The Fund may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds. The Fund may be invested in investments which are issued by the Trustee, the Agent or their affiliates. Neither the Trustee nor the Agent (in its capacity as Agent) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation or common law principles regarding trustee investment duties and powers) to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the Plan, except as otherwise expressly provided in this Trust Agreement. Other than its duties with respect to the Fund expressly stated in this Trust Agreement, the Trustee shall not be required or expected to take any action with regard to an investment without prior instructions from the Planholder. The Planholder shall not sign any document or authorize any action for the Plan in the name of the Trustee or the Agent, including permitting any asset in the Fund to be used as security for a loan, without first having authorization from the Trustee. The Trustee will only accept funds in Canadian or U.S. currency. The acceptance of any other foreign currency is at the sole discretion of the Trustee. The Trustee, in its sole discretion, may deposit any uninvested cash in the Plan into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee) and all interest earned on the cash will be retained by the Trustee.

The Trustee/Agent will not allow any self-directed mortgages to be held in the Plan and the Planholder shall not attempt to hold self-directed mortgages in the Plan.

The Trustee reserves the right to refuse instructions with respect to making any investment in its absolute discretion and reserves the right to require that the Planholder provide in a manner satisfactory to it, information to establish the market value of the assets included in the investment (including but not limited to any shareholders’ agreements and any audited financial statements) and information required in the Trustee’s reasonable discretion to ensure compliance with the Act, applicable laws, regulations, and other rules with respect

to investments (including, but not limited to, anti-money laundering legislation). The Planholder agrees not to provide any instructions or series of instructions that would cause the Plan to contravene the Act. For greater certainty, Planholder agrees not to provide any instructions or series of instructions that are contrary to its responsibilities or that would cause the Trustee to act contrary to its responsibilities as set out in this Trust Agreement. The Trustee/Agent reserve the right to refuse any investing by means of private placement. On the occasions where the Trustee/Agent permits a private placement, the Trustee/Agent must receive satisfactory information from the Planholder to establish the market value of the assets. The Trustee/Agent reserves the right to request an independent valuation of such assets, and any other details and documents of the company offering the private placement, including but not limited to any shareholders' agreements and any audited financial statements. The Trustee/Agent reserves the sole discretion to refuse to deregister assets associated with any private placement. The Planholder is responsible for any costs associated with this refusal.

To the fullest extent provided by law and despite any other provision of this Agreement, the Trustee excludes all liability arising out of or in connection with the Plan for indirect, incidental, special, or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill (whether or not either party knew of the possibility of such damage or such damage was otherwise foreseeable).

## **6. Account**

The Trustee will maintain an account for the Fund showing all contributions and transfers made to the Fund, all investment transactions and investment earnings, gains and losses and all transfers and withdrawals made from the Fund. The Agent shall prepare periodic statements of the account for the Planholder in accordance with the rules, regulations and practices of the Canadian Investment Regulatory Organization.

## **7. Retirement income at maturity**

The Planholder may, by instructions given to the Trustee, specify the date for the maturity of the Plan and the commencement of a "retirement income" (as defined in subsection 146(1) of the Act) to be paid to the Planholder from the Plan. Such date for maturity shall not be later than the end of the calendar year in which the Planholder attains age 71 (or such other time for maturity as may be required by the Act). Any purchase of an annuity is subject to the terms of the investments under the Plan and the deduction of all proper fees, expenses, commissions and other charges. Payment of a retirement income to the Planholder must be by way of equal annual or more frequent periodic payments until such time as there is a payment in full or partial commutation of the retirement income and, where that commutation is partial, equal annual or more frequent periodic payments thereafter. The total of periodic payments made in a year under an annuity after the death of the Planholder to a successor annuitant (who was the spouse or common-law partner of the Planholder) may not exceed the total of the payments made under

the annuity in a year before the death. Each annuity payable under the Plan that would otherwise become payable to a person other than the Planholder or a successor annuitant (who was the spouse or common-law partner of the Planholder) after the death of the Planholder is required to be commuted. A retirement income under the Plan may not be assigned in whole or in part. If the Planholder fails to instruct the Trustee at least 60 days prior to the end of the calendar year in which the Planholder attains age 71 (or such other time for maturity as may be required by the Act), the Trustee may in its discretion transfer the Fund to a BMO Nesbitt Burns Inc. Registered Retirement Income Fund under which the Planholder is the annuitant. Any beneficiary designations, and/or any other pertinent information **will** be carried over with such transfer. It remains the responsibility of the Planholder to verify beneficiary designations and/or any other information that has been carried over with such transfer. The Trustee may in its discretion liquidate all or part of the Fund before such transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper. In the case of an RSP with a nominal balance, when the Planholder turns 71, the Trustee may liquidate and close the Plan and provide the funds to the Planholder. The statement of the Planholder's date of birth on the attached application or otherwise shall constitute a certification by the Planholder and an undertaking to furnish such further evidence of proof of age as may be required concerning the maturity of the Plan.

## **8. Non-qualified and prohibited investments**

The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment (as defined under the Act) for an RRSP. However, if the Plan acquires an investment that is a non-qualified investment or a prohibited investment (as defined under the Act) for a RRSP, or if property held in the Plan becomes a non-qualified investment or a prohibited investment for an RRSP, it is the responsibility of the Planholder to file an Individual Return for Certain Taxes for RRSPs or RRIF for Tax Year 20\_\_ (Form RC339) and any other form required under the Act and pay the applicable tax under Part XI.01 of the Act.

## **9. Advantage extended**

If an advantage (as defined under the Act) in relation to an RRSP is extended to the Planholder or to a person who does not deal at arm's length with the Planholder, it is the responsibility of the Planholder to file an income tax return and pay the tax under Part XI.01 of the Act; except that if the advantage is extended by the Trustee (or by the Agent acting as the agent of the Trustee) or by a person with whom the trustee is not dealing at arm's length, it is the responsibility of the Trustee to file a T3GR, Group Income Tax and Information Return for RRSP, RRIF, RESP or RDSP Trusts (or any other form that is required under Act) and pay the applicable tax under Part XI.01 of the Act.

## 10. Withdrawals and transfers before maturity

At any time before the maturity of the Plan, the Planholder may instruct the Trustee to make a withdrawal from the Plan or to pay or transfer on behalf of the Planholder all or part of the Fund, in accordance with subsection 146(16) of the Act, to another Registered Retirement Savings Plan, a Registered Retirement Income Fund or a registered pension plan. Any withdrawal or transfer is subject to the terms of the investments under the Plan, the withholding of any applicable tax and the deduction of all proper fees, expenses, commission and other charges. In the case where the Planholder transfers the Plan to another financial institution, or to another line of business within BMO, the Planholder is solely responsible for ensuring the new Agent is aware of any designation of beneficiaries. Further, when the minimum payment amount is determined based on the age of the Planholder's spouse, the Planholder is solely responsible for ensuring the new agent is aware of this election. In the event the Planholder seeks to transfer some, but not all, of the assets in the Plan in accordance with the provisions herein, the Trustee reserves the right to require that all assets or certain assets other than those requested by the Account Holder be transferred.

## 11. Breakdown of marriage or common-law partnership before maturity

At any time before the maturity of the Plan, the Planholder may instruct the Trustee to pay or transfer on behalf of the Planholder all or part of the Fund, in accordance with subsection 146(16) of the Act, to a Registered Retirement Savings Plan or Registered Retirement Income Fund under which the Planholder's spouse or common-law partner or former spouse or common-law partner is the Planholder, where

1. the Planholder and the Planholder's spouse or common-law partner or former spouse or common-law partner are living separate and apart; and
2. the payment or transfer is made under a decree, order or judgment of a competent tribunal, or under a written separation agreement, relating to a division of property between the Planholder and the Planholder's spouse or common-law partner or former spouse or common-law partner in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership.

## 12.

### a. Death of Planholder before maturity (applies to Provinces & Territories except Quebec)

The Planholder may designate (and may add, change or delete) beneficiaries of the Plan in accordance with, and in the form and manner provided by, applicable law. Where the Planholder dies before the maturity of the Plan, the Trustee shall pay or transfer the Fund in accordance with applicable law to any beneficiaries of the Plan so designated or, where no beneficiary has been so designated or the Trustee has not been notified of any beneficiary in accordance with applicable law, to the legal

personal representative(s) of the Planholder. Before making such a payment or transfer, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as may be required. It is the Planholder's responsibility to update any beneficiary designations should there be any changes in personal circumstances. Where the Trustee, after making reasonable requests for instructions from the beneficiary or the legal personal representative(s), does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion pay or transfer the Fund to the beneficiary or the legal personal representative(s). The Trustee may in its discretion liquidate all or any part of the Fund before making any such payment or transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the asset at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper. In the event the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of doing so.

### b. Death of Planholder before maturity (applies to Quebec only)

If the Planholder wishes to name a successor account holder and/or a beneficiary (or beneficiaries), the Planholder should do so in a will or other written document that meets the requirements of the applicable legislation. On the death of the Planholder, and upon receipt of official documentation, the Trustee will distribute the property of the Plan to the legal personal representative(s) of the Planholder. *The Trustee and the Agent will be fully discharged by such payment or transfer.* The Planholder acknowledges that it is his/her sole responsibility to ensure that a designation or revocation is valid under the applicable legislation. Before making such a payment or transfer, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as may be required. Where the Trustee, after making reasonable requests for instructions from the beneficiary or the legal personal representative(s), does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion pay or transfer the Fund to the beneficiary or the legal personal representative(s). The Trustee may in its discretion liquidate all or any part of the Fund before making any such payment or transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the asset at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper. In the event the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of doing so.

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### 13. Transferring from another Plan

Where amounts are transferred to the Plan from a registered pension plan or from another plan under the Act or other applicable legislation, the terms of this Plan may be subject to additional terms required under the applicable pension legislation or the Act or other applicable legislation. Such additional terms will be described in a locked-in or other addendum which will be attached to and form part of this Plan. To the extent that there is any conflict or inconsistency between the additional terms described in the addendum and this Trust Agreement and the application form, the additional terms will govern; provided always that the Plan will not be disqualified as a Retirement Savings Plan acceptable for registration under the Act and any applicable provincial legislation.

### 14. Third party orders or demands

The Trustee shall be entitled to be indemnified out of the Fund in respect of any costs, expenses, charges or liabilities whatsoever that may arise out of the Trustee's good faith compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee a duty to take or refrain from taking any action concerning the Plan or the Fund, or to issue payment from the Fund, with or without instructions from the Planholder or in contradiction of instructions of the Planholder. The Trustee/Agent retains the ability to restrict trading upon receipt of an order or demand. The Trustee/Agent will not be liable for any decreases in account value during the restriction period. In order for any related restriction to be removed from the Planholder's account, the Planholder must provide proof satisfactory to the Trustee in its sole discretion, that it is no longer applicable. The Trustee may permit any duly authorized party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Plan or related to the Plan and shall similarly be entitled to indemnity out of the Fund for so doing. In the event the assets of the Fund shall be insufficient to indemnify the Trustee fully in any such regard, by establishing the Plan, the Planholder agrees to indemnify and hold the Trustee harmless for any such costs, expenses, charges or liabilities.

### 15. Ownership and voting rights

The Trustee may hold any investment of the Plan in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. The voting or other ownership rights attached to any investments held in the Plan may be exercised by the Planholder and the Planholder is appointed as the Trustee's agent and attorney for this purpose, to execute and deliver proxies and/or other instruments, in accordance with applicable laws.

### 16. Restrictions on benefits or loans

No advantage or loan that is conditional in any way on the existence of the Plan may be extended to the Planholder or to a person with whom the Planholder was not dealing at arm's length, other than in accordance with subsection 207.01(1) of the Act.

### 17. Fees, expenses, taxes, interest and penalties

The Trustee may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee and/or the Agent from time to time (the "**Trustee Fees**"), provided that the Trustee and/or the Agent shall give prior written notice to the Planholder of such Trustee Fees and any change in the amount of the Trustee Fees. The Trustee Fees may be paid for out of the Fund or recovered from the Fund, to the extent that they are not paid when due by the Planholder.

The Planholder acknowledges that the Agent (or an affiliate) may charge fees, spreads, commissions and expenses to the Fund in its capacity as the investment advisory firm for the Planholder (the "**Advisory Fees**"). The Planholder acknowledges and agrees that the Advisory Fees do not constitute Trustee Fees and are governed by the terms of the Client Account Agreement as amended from time to time. If there are any inconsistencies between this Plan and the Client Account Agreement with respect to the Advisory Fees, the terms of the Client Account Agreement govern.

The Trustee and/or the Agent may charge expenses incurred by the Trustee and/or the Agent in the administration of the Plan. All such expenses will, unless paid directly to the Trustee and/or Agent, be paid out of or recovered from the Fund.

All taxes, penalties, and interest that may be imposed on the Trustee or Planholder in respect of the Plan or any other charges related to the Plan may be paid out of or recovered from the Fund, except for taxes, interest and penalties imposed on the Trustee under the Act.

The Trustee may, without instructions from the Planholder, apply any cash held in the Fund for the payment of fees (including the Trustee Fees and the Advisory Fees) or expenses or taxes, penalties and interest charged to the Plan. Where there is insufficient cash in the Fund at any time, the Trustee or the Agent shall make reasonable requests for instructions from the Planholder regarding which assets of the Fund to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Planholder at the last address provided by the Planholder, the Trustee or the Agent does not receive satisfactory instructions from the Planholder within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the Fund in order to realize sufficient cash to make the payment. Neither the Trustee nor the Agent shall be responsible for any loss occasioned by any such realization. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper.

### 18. Instructions

The Trustee and the Agent shall be entitled to rely upon instructions received from the Planholder or from any person designated in writing, in accordance with applicable laws, by the Planholder to give instructions on behalf of the Planholder or from any person

purporting to be the Planholder or such designated person, as if they were from the Planholder. The Trustee or the Agent may, without incurring any liability to the Planholder or any other person, decline to act upon any instruction if the instruction is not given in a timely manner, is not in writing where the Trustee or Agent requires it, is not in a form or format which the Trustee or Agent requires, or in the opinion of the Trustee or Agent is not complete; or if either of them has any doubt that the instruction has been properly authorized or accurately transmitted.

## 19. Amendment

The Trustee may from time to time in its discretion amend this Trust Agreement or the application form or any locked-in or other addenda which comprise the Plan by giving 30 days prior notice to the Planholder; provided however that any amendment shall not disqualify the Plan as a Retirement Savings Plan acceptable for registration under the Act and any applicable provincial legislation.

## 20. Replacement of trustee

The Trustee may resign and be released and discharged from all further duties and liabilities under the Plan upon 60 days' prior written notice given to the Agent (or such shorter notice as the Agent may accept). The Agent may terminate the Trustee as trustee, and the Trustee will be released from all further duties and liabilities under the Plan, upon 60 days prior written notice given to the Trustee (or such shorter notice as the Trustee may accept). Upon the resignation or termination of the Trustee, the Agent shall appoint a successor trustee, provided that the successor trustee is acceptable under the Act. The Agent shall give the Planholder written notice of the successor trustee within 30 days of the appointment.

## 21. Documentation

Notwithstanding anything to the contrary herein, the Trustee may require such satisfactory instructions, releases, indemnities, tax clearance certificates, death certificates and other documents as the Trustee in its discretion deems appropriate.

## 22. Limitation of Liability and Indemnity

**Except for charges, taxes or penalties for which the Trustee** is liable and that cannot be charged against or deducted from the Fund in accordance with the Act, if the Trustee or the Agent is liable for:

1. any tax, interest or penalty that may be imposed on the Trustee in respect of the Plan; or
2. **any other charges levied or imposed by any governmental authority on or related to the Plan** as a result of the purchase, sale or retention of any investment including, without limitation thereof, nonqualified investments within the meaning of the Act, the Trustee or Agent shall be reimbursed or may pay any of these taxes, interest, penalties or charges out of the Fund.

The Trustee and the Agent will not be liable (including for greater certainty under any common law or equitable principles) for any cost incurred in the performance of their duties as set out herein or in the performance of their duties under the Act.

Unless caused by the Trustee's or the Agent's bad faith, willful misconduct or negligence, the Trustee and the Agent will not be liable for any loss or damage suffered or incurred by the Plan, the Planholder or any beneficiary under the Plan, caused by or resulting from:

- a. Any loss or diminution of the assets of the Plan;
- b. The purchase, sale or retention of any investment;
- c. Payments out of the Plan that are made in accordance herewith; or
- d. Acting or declining to act on any instructions given to the Trustee or Agent by the Planholder or an individual purporting to be the Planholder.

For greater certainty, in no event shall either the Trustee or its Agent have any liability to the Planholder (or to the spouse or common-law partner of the Planholder, or any beneficiary or legal personal representative of the Planholder) for any special, indirect, reliance, incidental, punitive, consequential, economic or commercial loss or damage of any kind whatsoever (whether foreseeable or not), suffered or incurred by the Planholder or any beneficiary under the arrangement (including without limitation, loss of profits or revenue, failure to realize expected savings or other economic losses and costs), howsoever arising, resulting or caused.

Except as otherwise prohibited by law, the Planholder, his/her legal personal representatives and each beneficiary of this Plan will at all times indemnify and save harmless the Trustee and its Agent in respect of any taxes, interest and penalties which may be imposed on the Trustee in respect of the Plan or any losses incurred by the Plan as a result of the acquisition, retention or transfer of any investment or as a result of payments or distributions out of the Plan made in accordance with these terms and conditions or as a result of the Trustee or its Agent acting or declining to act upon any instructions given to it by the Planholder and any costs or expenses of the Trustee and the Agent related thereto (including legal fees).

Except as otherwise prohibited by law, in the event the Planholder breaches this Trust Agreement, the Planholder, his/her legal personal representatives and each beneficiary of this Plan will indemnify and save harmless the Trustee and its Agent in respect of any loss, damage, or other expense (including legal fees) incurred by the Trustee or the Agent related to such breach.

In all cases where the Trustee or the Agent are entitled to be indemnified in accordance with the Tax Act, they shall be entitled to cause such indemnity to be paid from the Fund. If the Fund is insufficient to indemnify the Trustee and the Agent fully, the Planholder agrees to indemnify and hold the Trustee and the Agent harmless for any such costs, expenses, charges or liabilities.

## 23. Unclaimed balances

The property of the Plan may be deemed to be abandoned or unclaimed as per the definitions of any applicable legislation. In addition to any timelines prescribed by legislation, the Trustee may, at its sole discretion, deem an account to be abandoned and any property to be unclaimed. The Trustee may, after making reasonable



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efforts to contact the Planholder, withdraw the abandoned amounts and may, in its discretion, liquidate part or all of the abandoned property. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the property at the time. In the case of investments which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the investments to the Agent for the Agent's own account, at such prices as the Trustee considers fair and proper. The property, and/or the proceeds of liquidation may be remitted to the appropriate government agency. In the alternative, the Trustee may, in its sole discretion, allocate the property or proceeds of liquidation to a pooled account for dormant amounts. The terms, jurisdiction, and other details of this account will be determined by the Trustee, and in the Trustee's sole discretion. The Trustee may also, in its sole discretion, allocate the property or proceeds of liquidation to an existing account in the Planholder's name, or to a new account which would be opened on the Planholder's behalf. The Planholder may at any time, or as prescribed in any applicable legislation, instruct the Trustee to return the property/proceeds of liquidation to the Planholder's control and/or possession. The Trustee and/or the Agent may charge reasonable expenses incurred in the administration of this process as set out in Section 17, hereto. As part of the Trustee's program to manage unclaimed property, the Trustee may engage a third party in order to contact the Planholder. The Planholder authorizes the Trustee to take this action and share the personal information of the Planholder reasonably required to contact the Planholder.

#### **24. Foreign pension transfers**

The acceptance of any foreign pension transfer is at the sole discretion of the Trustee. Where the Planholder transfers a foreign pension to an account with the Trustee/Agent, the Planholder is solely responsible for ensuring the transfer qualifies and adheres to any applicable legislation, including the *Income Tax Act* (Canada). Any amounts transferred may, in accordance with the applicable foreign legislation, be locked-in for a prescribed period of time. The Planholder acknowledges that he/she is solely responsible for any foreign and domestic tax consequences in relation to the transferred amounts. The Planholder is responsible for determining eligibility for these transfers and for consulting with their pension manager and a qualified international tax advisor. In the case of a UK pension transfer, if the Planholder has a 'relevant transfer fund' (as defined by HM Revenue & Customs), the Planholder will not be allowed to transfer-in said relevant transfer fund until their 55<sup>th</sup> birthday.

#### **25. Notice**

Any notice given by the Trustee to the Planholder regarding the Plan (including this Trust Agreement) shall be sufficiently given if it is delivered to the Planholder personally, or if it is mailed, postage prepaid, to the Planholder at the address set out in the attached application or the last address provided by the Planholder. If mailed, any such notice shall be deemed to have been delivered by the tenth business day following the day of mailing.

#### **26. Binding**

The terms of this Trust Agreement shall be binding upon the beneficiaries, heirs, executors, administrators and assigns of the Planholder and upon the respective successors and assigns of the Trustee and the Agent.

#### **27. Governing law**

This Trust Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Agent (or an affiliate) is located where the account is maintained. If any provision of legislation referred to in this Agreement is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.

## Part Two: BMO Trust Company Registered Accounts

### BMO NESBITT BURNS RETIREMENT INCOME FUND TRUST AGREEMENT (Specimen 089)

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BMO Trust Company (the “**Trustee**”) will act as Trustee of a BMO Nesbitt Burns Retirement Income Fund (the “**Plan**”) for the applicant named in the attached application (the “**Planholder**”), on the following terms and conditions. The Plan comprises the attached application and this Trust Agreement, and includes any locked-in or other addenda which may be added.

The Trustee may delegate the performance of any of the Trustee’s duties and responsibilities under the Plan to BMO Nesbitt Burns Inc. (the “**Agent**”). The Trustee shall, however, remain ultimately responsible for the administration of the Plan. The terms “**spouse**” and “**common-law partner**” in the Plan have the same meanings as defined or used under the Income Tax Act (Canada), as the same may be altered or amended from time to time (the “**Act**”). The Planholder is referred to as the “**annuitant**” in the Act.

#### 1. Registration and purpose

The Trustee will apply for registration of the Plan under the Act and any applicable provincial legislation relating to Retirement Income Funds. The purpose of the Plan is to make payments from the Plan, in accordance with paragraph 5, to the Planholder and, where it is elected, to the Planholder’s spouse or common-law partner after the Planholder’s death. For every year after the year in which the Plan is established, a payment at least equal to the minimum amount must be made, until the Plan is fully paid out.

#### 2. Transfers to the Plan

The Trustee will accept only transfers of cash and other property acceptable to the Trustee, made by the Planholder or by the Planholder’s spouse or common-law partner, from:

- a. a Registered Retirement Savings Plan or another Registered Retirement Income Fund under which the Planholder is the annuitant;
- b. a registered first home savings account under which the Planholder is the holder;
- c. a registered pension plan of which the Planholder is a member (within the meaning assigned by subsection 147.1(1) of the Act) or a deferred profit-sharing plan of which the Planholder is a member;
- d. the Planholder to the extent only that the amount of the consideration was an amount described in subparagraph 60(l)(v) of the Act and the corresponding provision of any applicable Tax Legislation;
- e. a Registered Retirement Income Fund or a Registered Retirement Savings Plan of the Planholder’s spouse or common-law partner or former spouse or common-law partner under a decree, order or judgment of a competent tribunal or under a written separation agreement, relating to a division of property between the Planholder and the Planholder’s spouse or common-law

partner or former spouse or common-law partner in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership; or

- f. a registered pension plan in accordance with subsection 147.3(5) or (7) of the Act or a specified pension plan in circumstances to which subsection 146(21) of the Act applies; or a pooled registered pension plan in accordance with subsection 147.5(21) of the Act.

The assets of the Plan (in the aggregate, the “**Fund**”) shall consist of such transfers, together with any income or gains earned or realized, and shall be held, invested and applied in accordance with this Trust Agreement.

#### 3. Investments

The Fund shall be invested and reinvested by the Trustee exclusively on the instructions of the Planholder (or of a person authorized by the Planholder, in a form and manner satisfactory to the Trustee or the Agent, to manage the investments of the Fund), only in such investments as may be made available for the Plan from time to time by the Agent or the Trustee. The Fund may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds. The Fund may be invested in investments which are issued by the Trustee, the Agent or their affiliates. To the fullest extent provided by law and despite any other provision of this Agreement, the Trustee excludes all liability arising out of or in connection with the Plan for indirect, incidental, special or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill (whether or not either party knew of the possibility of such damage or such damage was otherwise foreseeable). Neither the Trustee nor the Agent (in its capacity as Agent) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation or common-law principles regarding trustee investment duties and powers), to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the Plan, except as otherwise expressly provided in this Trust Agreement. The Trustee shall not be required or expected to take any action with regard to an investment without prior instructions from the Planholder. The Planholder shall not sign any document or authorize any action for the Plan in the name of the Trustee or the Agent, including permitting any asset in the Fund to be used as security for a loan, without first having authorization from the Trustee. The Trustee, in its sole discretion, may deposit any uninvested cash in the Plan into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee) and all interest earned on the cash will be retained by the Trustee.

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#### 4. Account

The Trustee will maintain an account for the Fund showing all transfers made to the Fund, all investment transactions and investment earnings, gains and losses and all transfers and payments made from the Fund. The Agent shall prepare periodic statements of the account for the Planholder in accordance with the rules, regulations and practices of the Canadian Investment Regulatory Organization.

#### 5. Payments

Payments must begin no later than the first year after the calendar year in which the Plan is established. For every year following the calendar year in which the Plan is established, the minimum amount is calculated by multiplying the fair market value of the Fund at the beginning of the year by a factor prescribed under the Act which corresponds to the Planholder's age in whole years at the beginning of the year (or the age the Planholder would have been if he or she had been alive then). However, until the first payment has been made from the Plan, the Planholder may elect to use a factor prescribed under the Act which corresponds to the age of the Planholder's spouse or common-law partner in whole years at the beginning of the year (or the age the spouse or common-law partner would have been if he or she had been alive then). For the calendar year in which the Plan is established, the minimum amount is zero. The amount and frequency of the payment or payments in respect of any year shall be as instructed by the Planholder on the application form or otherwise. The Planholder may change the amount and frequency of the payment or payments or request additional payments by instructing the Trustee. If the Planholder does not give instructions regarding the payment or payments to be made in a year or if the payment or payments as instructed are less than the minimum amount for the year, the Trustee shall make such payment or payments as are necessary so that the minimum amount for that year is paid to the Planholder. If the Planholder provided instructions regarding the amount and frequency of payments in a prior year, the Trustee or the Agent may continue to apply these instructions to the payment of future amounts (assuming that these instructions remain acceptable under the applicable legislation and that the Planholder does not provide any new instructions). A payment cannot be greater than the value of the Fund immediately before the time of the payment. Where there is insufficient cash in the Fund at any time to make a payment, the Trustee or the Agent shall make reasonable requests for instructions from the Planholder regarding which assets of the Fund to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Planholder at the last address provided by the Planholder, the Trustee or the Agent does not receive satisfactory instructions from the Planholder within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the Fund in order to realize sufficient cash to make the payment. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price

as the Trustee considers fair and proper. No payment from the Plan may be assigned in whole or in part. The statement of the date of birth of the Planholder and/or the Planholder's spouse or common-law partner on the attached application or otherwise shall constitute a certification by the Planholder and an undertaking to furnish such further evidence of proof of age as may be required.

#### 6. Electing spouse or common-law partner as successor annuitant

At any time, the Planholder may elect for his or her spouse or common-law partner to continue to receive the payments in accordance with paragraph 5 after the Planholder's death, until the Plan is fully paid out. The Planholder may make this election under a will or by naming his or her spouse or common-law partner as the successor annuitant under the Plan. If the Planholder has not made this election, the Trustee may continue to make the payments to the Planholder's spouse or common-law partner as successor annuitant after the Planholder's death, as long as the Planholder's legal representative(s) requests it and gives the Trustee satisfactory evidence of consent and gives such satisfactory instructions, releases, indemnities and other documents as may be required.

#### 7. Transfers from the Plan

The Planholder may at any time give the Trustee instructions, together with all information necessary for the continuance of the Fund, to transfer all or part of the Fund to another carrier of a Registered Retirement Income Fund of the Planholder, provided that in the event the Planholder seeks to transfer some, but not all, of the assets in the Fund in accordance with the provisions herein, the Trustee reserves the right to require that all assets or certain assets other than those requested by the Planholder be transferred and the Trustee shall retain an amount equal to the lesser of:

- a. the fair market value of such portion of the Fund as would, if the fair market value does not decline after the transfer, be sufficient to ensure that the minimum amount under the Fund for the year in which the transfer is made may be paid to the Planholder in the year, and
- b. the fair market value of the Fund.

In the case where the Planholder transfers the Plan to another financial institution, or to another line of business within BMO, the Planholder is solely responsible for ensuring the new Agent is aware of any designation of beneficiaries. Further, when the minimum payment amount is determined based on the age of the Planholder's spouse, the Planholder is solely responsible for ensuring the new agent is aware of this election.

#### 8. Non-qualified and prohibited investments

The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment (as defined under the Act) for a RRIF. However, if the Plan acquires an investment that is a non-qualified investment or a prohibited investment (as defined under the Act) for a RRIF, or if property held in the Plan becomes a non-qualified investment or a

prohibited investment for a RRIF, it is the responsibility of the holder to file an Individual Return for Certain Taxes for RRSPs or RRIFs for Tax Year 20\_\_ (Form RC339) (or any other form that is required under the Income Tax Act Canada) and pay the applicable tax under Part XI.01 of the Act.

## 9. Advantage extended

If an advantage (as defined under the Act) in relation to a RRIF is extended to the Planholder or to a person who does not deal at arm's length with the Planholder, it is the responsibility of the Planholder to file an income tax return and pay the tax under Part XI.01 of the Act; except that if the advantage is extended by the Trustee (or by the Agent) or by a person with whom the Trustee is not dealing at arm's length, it is the responsibility of the Trustee to file a T3GR, Group Income Tax and Information Return for RRSP, RRIF, RESP or RDSP Trusts (or any other form that is required under the Income Tax Act Canada) and pay the applicable tax under Part XI.01 of the Act.

## 10. Breakdown of marriage or common-law partnership

The Planholder may instruct the Trustee, at any time, to transfer all or part of the Fund, in accordance with paragraph 146.3(14)(b) of the Act, to a Registered Retirement Income Fund or Registered Retirement Savings Plan of the Planholder's spouse or common-law partner or former spouse or common-law partner, under a decree, order or judgment of a competent tribunal, or under a written separation agreement, relating to a division of property between the Planholder and the Planholder's spouse or common-law partner or former spouse or common-law partner in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership.

## 11.

### a. Death of Planholder (applies to Provinces & Territories except Quebec)

The Planholder may designate (and may add, change or delete) beneficiaries of the Plan in accordance with, and in the form and manner provided by, applicable law. In the event of the death of the Planholder, the Trustee shall pay or transfer the Fund in accordance with applicable law to any beneficiary of the Plan so designated or, where no beneficiary has been so designated or the Trustee has not been notified of any beneficiary in accordance with applicable law, to the legal personal representative(s) of the Planholder. Before making such a payment or transfer, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as may be required. Where the Trustee, after making reasonable requests for instructions from the beneficiary or the legal personal representative(s), does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion pay or transfer the Fund to the beneficiary or the legal personal representative(s). The Trustee may in its discretion liquidate all or any part of the Fund before making any such payment or transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the assets at

the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper. In the event the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of doing so.

### b. Death of Planholder (applies to Quebec only)

If the Planholder wishes to name a successor account holder and/or a beneficiary (or beneficiaries), the account holder should do so in a Will or other written document that meets the requirements of the applicable legislation. On the death of the Planholder, and upon receipt of official documentation, the Trustee will distribute the property of the Plan to the legal personal representative(s) of the Planholder. *The Trustee and the Agent will be fully discharged by such payment or transfer.* The Planholder acknowledges that it is his/her sole responsibility to ensure that a designation or revocation is valid under the applicable legislation. Before making such a payment or transfer, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as may be required. Where the Trustee, after making reasonable requests for instructions from the beneficiary or the legal personal representative(s), does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion pay or transfer the Fund to the beneficiary or the legal personal representative(s). The Trustee may in its discretion liquidate all or any part of the Fund before making any such payment or transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper. In the event the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of doing so.

## 12. Transferring from another Plan

Where amounts are transferred to the Plan from a registered pension plan or from another source as permitted under the Act, in accordance with paragraph 2, the terms of this Plan may be subject to additional terms required under the applicable pension legislation or the Act or other applicable legislation. Such additional terms will be described in a locked-in or other addendum which will be attached to and form part of this Plan. To the extent that there is any conflict or inconsistency between the additional terms described in the addendum and this Trust Agreement, the additional terms will govern; provided always that the Plan will not be disqualified as a Retirement Income Fund acceptable for registration under the Act and any applicable provincial legislation.

### 13. Third party orders or demands

The Trustee shall be entitled to be indemnified out of the Fund in respect of any costs, expenses, charges or liabilities whatsoever that may arise out of the Trustee's good faith compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee a duty to take or refrain from taking any action concerning the Plan or the Fund, or to issue payment from the Fund, with or without instructions from the Planholder or in contradiction of instructions of the Planholder. The Trustee/Agent retains the ability to restrict trading upon receipt of an order or demand. The Trustee/Agent will not be liable for any decreases in account value during the restriction period. In order for any related restriction to be removed from the Planholder's account, the Planholder must provide proof satisfactory to the Trustee in its sole discretion, that it is no longer applicable. The Trustee may permit any duly authorized party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Plan or related to the Plan and shall similarly be entitled to indemnity out of the Fund for so doing. In the event the assets of the Fund shall be insufficient to indemnify the Trustee fully in any such regard, by establishing the Plan the Planholder agrees to indemnify and hold the Trustee harmless for any such costs, expenses, charges or liabilities.

### 14. Ownership and voting rights

The Trustee may hold any investment of the Plan in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. The voting or other ownership rights attached to any investments held in the Plan may be exercised by the Planholder and the Planholder is appointed as the Trustee's agent and attorney for this purpose, to execute and deliver proxies and/or other instruments, in accordance with applicable laws.

### 15. Fees, expenses, taxes, interest and penalties

The Trustee may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee and/or the Agent from time to time (the "**Trustee Fees**"), provided that the Trustee and/or the Agent shall give prior written notice to the Planholder of such Trustee Fees and any change in the amount of the Trustee Fees. The Trustee Fees may be paid for out of the Fund or recovered from the Fund, to the extent that they are not paid when due by the Planholder.

The Planholder acknowledges that the Agent (or an affiliate) may charge fees, spreads, commissions and expenses to the Fund in its capacity as the investment advisory firm for the Planholder (the "**Advisory Fees**"). The Planholder acknowledges and agrees that the Advisory Fees do not constitute Trustee Fees and are governed by the terms of the Client Account Agreement as amended from time to time. If there are any inconsistencies between this Plan and the Client Account Agreement with respect to the Advisory Fees, the terms of the Client Account Agreement govern.

The Trustee and/or the Agent may charge expenses incurred by the Trustee and/or the Agent in the administration of the Plan. All such expenses will, unless paid directly to the Trustee and/or Agent, be

paid out of or recovered from the Fund, except for taxes, interest and penalties imposed on the Trustee under the Act.

All taxes, penalties, and interest that may be imposed on the Trustee or Planholder in respect of the Plan or any other charges related to the Plan may be paid out of or recovered from the Fund, except for taxes, interest and penalties imposed on the Trustee under the Act.

The Trustee may, without instructions from the Planholder, apply any cash held in the Fund for the payment of fees (including the Trustee Fees and the Advisory Fees) or expenses or taxes, penalties and interest charged to the Plan. Where there is insufficient cash in the Fund at any time, the Trustee or the Agent shall make reasonable requests for instructions from the Planholder regarding which assets of the Fund to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Planholder at the last address provided by the Planholder, the Trustee or the Agent does not receive satisfactory instructions from the Planholder within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the Fund in order to realize sufficient cash to make the payment. Neither the Trustee nor the Agent shall be responsible for any loss occasioned by any such realization. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper.

### 16. Instructions

The Trustee and the Agent shall be entitled to rely upon instructions received from the Planholder or from any person designated in writing, in accordance with applicable laws, by the Planholder to give instructions on behalf of the Planholder or from any person purporting to be the Planholder or such designated person, as if they were from the Planholder. The Trustee or the Agent may, without incurring any liability to the Planholder or any other person, decline to act upon any instruction if the instruction is not given in a timely manner, is not given in writing where the Trustee or Agent requires it, is not in a form or format which the Trustee or Agent requires, or in the opinion of the Trustee or Agent is not complete; or if either of them has any doubt that such instruction has been properly authorized or accurately transmitted.

### 17. Limitation of Liability and Indemnity

Except for charges, taxes or penalties for which the Trustee is liable and that cannot be charged against or deducted from the Fund in accordance with the Act, if the Trustee or the Agent is liable for:

1. any tax, interest or penalty that may be imposed on the Trustee in respect of the Plan, or
2. any other charges levied or imposed by any governmental authority on or related to the Plan as a result of the purchase, sale or retention of any investment including, without limitation thereof, nonqualified investments within the meaning of the Act, the Trustee or Agent shall be reimbursed or may pay any of these taxes, interest, penalties or charges out of the Fund.



The Trustee and the Agent will not be liable (including for greater certainty under any common law or equitable principles) for any cost incurred in the performance of their duties as set out herein or in the performance of their duties under the Act.

Unless caused by the Trustee's or the Agent's bad faith, willful misconduct or negligence, the Trustee and the Agent will not be liable for any loss or damage suffered or incurred by the Plan, the Planholder or any beneficiary under the Plan, caused by or resulting from:

- a. Any loss or diminution of the assets of the Plan;
- b. The purchase, sale or retention of any investment;
- c. Payments out of the Plan that are made in accordance herewith; or
- d. Acting or declining to act on any instructions given to the Trustee or Agent by the Planholder or an individual purporting to be the Planholder..

For greater certainty, in no event shall either the Trustee or its Agent have any liability to the Planholder (or to the spouse or common-law partner of the Planholder, or any beneficiary or legal personal representative of the Planholder) for any special, indirect, reliance, incidental, punitive, consequential, economic or commercial loss or damage of any kind whatsoever (whether foreseeable or not), suffered or incurred by the Planholder or any beneficiary under the arrangement (including without limitation, loss of profits or revenue, failure to realize expected savings or other economic losses and costs), howsoever arising, resulting or caused.

Except as otherwise prohibited by law, the Planholder, his/her legal personal representatives and each beneficiary of this Plan will at all times indemnify and save harmless the Trustee and its Agent in respect of any taxes, interest and penalties which may be imposed on the Trustee in respect of the Plan or any losses incurred by the Plan as a result of the acquisition, retention or transfer of any investment or as a result of payments or distributions out of the Plan made in accordance with these terms and conditions or as a result of the Trustee or its Agent acting or declining to act upon any instructions given to it by the Planholder and any costs or expenses of the Trustee and the Agent related thereto (including legal fees).

Except as otherwise prohibited by law, in the event the Planholder breaches this Trust Agreement, the Planholder, his/her legal personal representatives and each beneficiary of this Plan will indemnify and save harmless the Trustee and its Agent in respect of any loss, damage, or other expense (including legal fees) incurred by the Trustee or the Agent related to such breach.

In all cases where the Trustee or the Agent are entitled to be indemnified in accordance with the Tax Act, they shall be entitled to cause such indemnity to be paid from the Fund. If the Fund is insufficient to indemnify the Trustee and the Agent fully, the Planholder agrees to indemnify and hold the Trustee and the Agent harmless for any such costs, expenses, charges or liabilities.

## 18. Documentation

Notwithstanding anything to the contrary herein, the Trustee may require such satisfactory **instructions**, releases, indemnities, tax clearance certificates, death certificates and other documents as the Trustee in its discretion deems appropriate.

## 19. Unclaimed balances

The property of the Plan may be deemed to be abandoned or unclaimed as per the definitions of any applicable provincial legislation. In addition to any timelines prescribed by legislation, the Trustee may, at its sole discretion, deem an account to be abandoned and any property to be unclaimed. The Trustee may, after making reasonable efforts to contact the Planholder, withdraw the abandoned amounts and may, in its discretion, liquidate part or all of the abandoned property. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the property at the time. In the case of investments which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the investments to the Agent for the Agent's own account, at such prices as the Trustee considers fair and proper. The property, and/or the proceeds of liquidation may be remitted to the appropriate government agency. In the alternative, the Trustee may, in its sole discretion, allocate the property or proceeds of liquidation to a pooled account for dormant amounts. The terms, jurisdiction, and other details of this account will be determined by the Trustee, and in the Trustee's sole discretion. The Trustee may also, in its sole discretion, allocate the property or proceeds of liquidation to an existing account in the Planholder's name, or to a new account which would be opened on the Planholder's behalf. The Planholder may at any time, or as prescribed in any applicable legislation, instruct the Trustee to return the property/proceeds of liquidation to the Planholder's control and/or possession. The Trustee and/or the Agent may charge reasonable expenses incurred in the administration of this process as set out in section 15, hereto. As part of the Trustee's program to manage unclaimed property, the Trustee may engage a third party in order to contact the Planholder. The Planholder authorizes the Trustee to take this action and share the personal information of the Planholder reasonably required to contact the Planholder.

## 20. Amendment

The Trustee may from time to time in its discretion amend this Trust Agreement or the application form or any locked-in or other addenda which comprise the Plan by giving 30 days prior notice to the Planholder; provided however that any amendment shall not disqualify the Plan as a Retirement Income Fund acceptable for registration under the Act and any applicable provincial legislation.

## 21. Replacement of Trustee

The Trustee may resign and be released and discharged from all further duties and liabilities upon 60 days' prior written notice given to the Agent (or such shorter notice as the Agent may accept). The Agent may terminate the Trustee as trustee of the Plan upon 60 days

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prior written notice given to the Trustee (or such shorter notice as the Trustee may accept). Upon the resignation or termination of the Trustee, the Agent shall appoint a successor trustee, provided that the successor trustee is acceptable under the Act. The Agent shall give the Planholder written notice of the successor trustee within 30 days of the appointment.

## **22. Notice**

Any notice given by the Trustee to the Planholder regarding the Plan (including this Trust Agreement) shall be sufficiently given if it is delivered to the Planholder personally, or if it is mailed, postage prepaid, to the Planholder at the address set out in the attached application or the last address provided by the Planholder. If mailed, any such notice shall be deemed to have been delivered by the tenth business day following the day of mailing.

## **23. Binding**

The terms of this Trust Agreement shall be binding upon the beneficiaries, heirs, executors, administrators and assigns of the Planholder and upon the respective successors and assigns of the Trustee and/or the Agent.

## **24. Governing law**

This Trust Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Agent (or an affiliate) is located where the account is maintained. If any provision of legislation referred to in this Agreement is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.

# Part Three: BMO Trust Company Registered Accounts

## Tax Free Savings Account Declaration of Trust (Specimen TFSA 05270012)

BMO Trust Company (the “**Trustee**”) will act as trustee of an arrangement for a BMO Nesbitt Burns tax-free savings account (“**TFSA**”), as defined under the Income Tax Act (Canada) (the “**Act**”), with the holder named in the attached application or, at or after the death of the holder, with the spouse or common law partner who is the holder’s survivor designated in accordance with the first paragraph of section 15 (referred to in section 15 as “**Successor Account Holder**”). The holder and, after the holder’s death, the survivor is known as the “**Account Holder**”. This arrangement for a TFSA is known as the “**Account**”. The Account is governed by the terms and conditions of this Declaration of Trust (the “**Trust Agreement**”), the attached application and applicable law including, without limitation, the Act.

The Trustee may delegate the performance of any of the Trustee’s tasks, duties and responsibilities in respect of the Account to BMO Nesbitt Burns Inc. (the “**Agent**”). References to “**Trustee**” herein shall also refer to the Agent where the Agent is acting as delegate of the Trustee, except that the Trustee shall, however, remain ultimately responsible for the administration of the Account.

The terms spouse, common-law partner and survivor have the same meanings as defined or used under the Act, as it may be altered or amended from time to time. The Account Holder is referred to as the “**holder**” in the Act.

### 1. Registration

The Trustee will file an election to register this qualifying arrangement as a TFSA under the Act and any applicable provincial legislation relating to the TFSA. The Minister of National Revenue may decline to register the Account for any reason, including but not limited to, the filing of incorrect or incomplete personal information. The Account Holder has up to **February 14** in the year following enrollment to provide any missing or incomplete information. If the Account Holder fails to do so, the arrangement will be considered an unregistered account and dealt with in accordance with section 18 hereof.

### 2. Account Holder

The Account Holder must be an individual (and not a trust), who is at least 18 years of age. The statement of the Account Holder’s date of birth on the attached application or otherwise shall constitute a certification by the Account Holder and an undertaking to furnish such further evidence of proof of age as may be required by the Trustee.

### 3. Contributions and transfers in

Contributions and transfers (from another TFSA) of cash and other property accepted by the Trustee may be made to the Account by the Account Holder (but no one other than the Account Holder may make a contribution). Any dishonoured cheques or other amounts

that cannot be processed or are otherwise not accepted by the Trustee will not be considered to be a contribution to the Account. The property of the Account (in the aggregate, the “**Fund**”) shall consist of such contributions and transfers, together with any income or gains earned or realized, and shall be held in trust by the Trustee and used, invested or otherwise applied, in accordance with this Trust Agreement, for the purpose of the Trustee making distributions out of or under the Account (in accordance with section 12) to the Account Holder.

### 4. Investments

The Account shall be invested and reinvested by the Trustee exclusively on the instructions of the Account Holder (or of a person authorized by the Account Holder, in a form and manner satisfactory to the Trustee, to manage the investments of the Account). The Account may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds. The Account may be invested in investments which are issued by the Trustee, the Agents or any of their affiliates.

To the fullest extent provided by law and despite any other provision of this Trust Agreement, the Trustee excludes all liability arising out of or in connection with the TFSA for indirect, incidental, special, or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill (whether or not either party knew of the possibility of such damage or such damage was otherwise foreseeable).

BMO Nesbitt Burns Inc. (or an affiliate) will be the investment advisory firm for the Account Holder. In its capacity as investment advisory firm for the Account Holder, BMO Nesbitt Burns Inc. (or an affiliate) will be governed by the BMO Nesbitt Burns Inc. Client Account Agreement entered into with the Account Holder and by the applicable laws, rules and regulations of the applicable securities regulatory authorities, including the Canadian Investment Regulatory Organization and the Toronto Stock Exchange.

Neither the Trustee nor the Agent (in its capacity as Agent) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation or common law principles regarding trustee investment duties and powers), to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the Account, except as otherwise expressly provided in this Trust Agreement. Other than its duties with respect to the Account or its property as expressly stated in this Trust Agreement, the Trustee shall not be required or expected to take any action with regard to an investment without prior instructions from the Account Holder.

The Account Holder shall not sign any document or authorize any action for the Account in the name of the Trustee or the Agent, including permitting any property in the Account to be used as security for a loan, without first having authorization from the Trustee.

The Trustee will only accept funds in Canadian or U.S. currency. The acceptance of any other foreign currency is at the sole discretion of the Trustee. The Trustee, in its sole discretion, may deposit any uninvested cash in the Plan into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee) and all interest earned on the cash will be retained by the Trustee.

The Trustee reserves the right to refuse instructions with respect to making any investment in its absolute discretion and reserves the right to require that the Account Holder provide in a manner satisfactory to it, information to establish the market value of the assets included in the investment (including but not limited to any shareholders' agreements and any audited financial statements) and information required in the Trustee's reasonable discretion to ensure compliance with the Act, applicable laws, regulations, and other rules with respect to investments (including, but not limited to, anti-money laundering legislation).

The Account Holder agrees not to provide any instructions or series of instructions that would cause the Account to contravene the Act. For greater certainty, Account Holder agrees not to provide any instructions or series of instructions that are contrary to its responsibilities or that would cause the Trustee to act contrary to its responsibilities as set out in sections 6, 7, 8, 9, 10, and 11 hereto.

## 5. Recordkeeping for the account

The Trustee will record all contributions and transfers made to the Account, all investment transactions and investment earnings, gains and losses and all distributions and transfers made from the Account. The Agent will prepare periodic statements of the Account in accordance with the rules, regulations and practices of the Canadian Investment Regulatory Organization.

## 6. Excess contributions

It is the responsibility of the Account Holder to determine whether there is an **excess TFSA amount** (as defined under the Act) of the Account Holder at any time in a year. If there is an excess TFSA amount, it is the responsibility of the Account Holder to file a Tax-Free Savings Account Return (Form RC243) and any other form required under the Act and pay the applicable tax under Part XI.01 of the Act.

## 7. Contributions by non-resident

It is the responsibility of the Account Holder to determine whether he/she makes a contribution to the TFSA at a time when he/she is a non-resident of Canada for income tax purposes. If a contribution is made by an individual when he/she is non-resident, it is the responsibility of the individual to file a Tax-Free Savings Account Return (Form RC243) and any other form required under the Act and pay the applicable tax under Part XI.01 of the Act.

## 8. Non-qualified and prohibited investments

The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Account holds a **non-qualified investment** (as defined under the Act) for a TFSA. However, if the Account acquires an investment that is a non-qualified investment or a prohibited investment (as defined under the Act) for a TFSA, or if property held in the Account becomes a non-qualified investment or a **prohibited investment** for a TFSA, it is the responsibility of the Account Holder to file a Tax-Free Savings Account Return (Form RC243) and any other form required under the Act and pay the applicable tax under Part XI.01 of the Act.

## 9. Advantage extended

If an **advantage** (as defined under the Act) in relation to a TFSA is extended to the Account Holder or to a person who does not deal at arm's length with the Account Holder, it is the responsibility of the Account Holder to file a TFSA Return (Form RC243) and pay the tax under Part XI.01 of the Act; except that if the advantage is extended by the Trustee (or by the Agent, acting as the agent of the Trustee) or by a person with whom the Trustee is not dealing at arm's length, it is the responsibility of the Trustee to file an Advantage Tax Return For TFSA Issuers (Form RC298) and any other form required under the Act and pay the applicable tax under Part XI.01 of the Act.

## 10. No carrying on business

The Account Holder agrees not to provide any instructions or series of instructions that could be constituted as using the Account to carry on a business for the purposes of the Act. For greater certainty, the Account Holder acknowledges that this includes, but is not limited to, using the Account for "**day-trading**" or other high-volume trading that may constitute carrying on a business under the Act.

## 11. No use of indebtedness

The trust is prohibited from borrowing money or any other property for the purposes of the Account, provided that the Account Holder shall not provide any instructions to borrow or instructions or series of instructions that would result in the Trustee having borrowed funds for the purposes of the Account under the Act. For greater certainty, Account Holder acknowledges that this includes, but is not limited to, having borrowed due to purchasing assets prior to the settlement of the sale of the other assets. The Account Holder will be solely liable for any tax, penalties and interest arising in respect of any indebtedness arising in connection with the Account.

## 12. Distribution to Account Holder

The Account Holder may at any time instruct the Trustee to make a payment out of or under the Account, in satisfaction of all or part of the Account Holder's interest in the Account. The Account Holder may at any time instruct the Trustee to make distributions to reduce the amount of tax otherwise payable by the Account Holder under section 207.02 or 207.03 of Part XI.01 of the Act.

In the event the Account Holder seeks distribution of some, but not all, of the assets in the Account in accordance with the provisions herein, the Trustee reserves the right to require that all assets or certain assets other than those requested by the Account Holder be distributed.

### 13. Transfer to Account Holder

The Account Holder may at any time instruct the Trustee to make a transfer of all or any part of the property of the Account (or an amount equal to its value) directly from the Account to another TFSA of which the Account Holder is the holder. In the event the Account Holder seeks to transfer some, but not all, of the assets in the Account to another TFSA in accordance with the provisions herein, the Trustee reserves the right to require that all assets or certain assets other than those requested by the Account Holder be transferred.

### 14. Transfer upon breakdown of marriage or common-law partnership

The Account Holder may at any time instruct the Trustee to make a transfer directly from the Account to another TFSA of which the holder is the spouse or common-law partner or former spouse or common-law partner of the Account Holder, if (a) the Account Holder and the Account Holder's spouse or common law partner or former spouse or common-law partner are living separate and apart at the time of transfer; and (b) the transfer is made under a decree, order or judgment of a competent tribunal, or under a written separation agreement, relating to a division of property between the individuals in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership.

### 15.

#### a. **Death of Account Holder** (applies to Provinces & Territories except Quebec).

The holder named in the attached application (in this section 15, the "**Initial Account Holder**") may appoint his or her spouse or common-law partner as a Successor Account Holder of the trust constituted pursuant to this Trust Agreement and the Account Holder (in this section 15, the "**Successor Account Holder**") in the event of the death of the Initial Account Holder. Such appointment shall be made using a form provided by the Agent, and shall be effective on the death of the Initial Account Holder provided the individual who is appointed is the Initial Account Holder's survivor.

A Successor Account Holder shall, at and after the death of the Initial Account Holder, have all of the Initial Account Holder's rights as the holder of the Account, provided the individual so appointed is the Initial Account Holder's survivor. The Account Holder may change or revoke such an appointment. The rights acquired by the individual so appointed include the unconditional right, at and after the death of the Account Holder, to revoke any beneficiary designation made (or similar direction imposed) by the Account Holder under the paragraph below or relating to the property held in connection with the Account.

The Account Holder may designate (and may add, change or delete) a beneficiary or beneficiaries of the Account in accordance with, and in the form and manner provided by, applicable law. A beneficiary so designated may be or include the Account Holder's spouse or common-law partner. After the death of the Account Holder, the Trustee will distribute the property of the Account in accordance with applicable law to any beneficiaries of the Account so designated (except that, if the Account Holder's survivor is appointed under the

paragraph above, the provision of the paragraph above will take precedence). Where no beneficiary has been so designated or the Trustee has not been notified of any beneficiary in accordance with applicable law, the Trustee will distribute the property of the Account to the legal personal representative(s) of the Account Holder.

Where the Trustee, after making reasonable requests for instructions from the Account Holder's spouse or common-law partner or the beneficiary or beneficiaries or the legal personal representative(s), does not receive satisfactory instructions (as required under section 22 hereto) within a reasonable time, the Trustee may in its discretion distribute the Account to the spouse or common-law partner, beneficiary or beneficiaries or the legal personal representative(s) of the Account Holder. The Trustee may in its discretion liquidate all or any part of the Account before making any such distribution. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the property at the time. In the event the Trustee determines that it is advisable or desirable to pay part or all of the property of the Account into court, the Trustee shall be entitled to be indemnified out of the property of the Account for its costs and expenses, including legal costs, of doing so.

#### b. **Death of Account Holder** (applies to Quebec only).

The holder named in the attached application (in this section 15, the Initial Account Holder) may appoint his or her spouse or common-law partner as a Successor Account Holder of the trust constituted pursuant to this Trust Agreement and the Account Holder (in this section 15, the Successor Account Holder) in the event of the death of the Initial Account Holder. Such appointment shall be made using a form provided by the Agent, and shall be effective on the death of the Initial Account Holder provided the individual who is appointed is the Initial Account Holder's survivor.

If the Account Holder wishes to name a successor account holder and/or a beneficiary (or beneficiaries), the account holder should do so in a will or other written document that meets the requirements of the applicable legislation.

On the death of the Account Holder, and upon receipt of official documentation, the Trustee will distribute the property of the Account to the legal personal representative(s) of the Account Holder. *The Trustee and the Agent will be fully discharged by such payment or transfer.*

The Account Holder acknowledges that it is his/her sole responsibility to ensure that a designation or revocation is valid under the applicable legislation.

Before recognizing the acquisition of all of the Account Holder's rights under the first paragraph, or before making a distribution to a beneficiary or beneficiaries or the legal personal representative(s) under the second paragraph, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as the Trustee may require.

Where the Trustee, after making reasonable requests for instructions from the Account Holder's spouse or common-law partner or the beneficiary or beneficiaries or the legal personal representative(s),



does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion distribute the Account to the spouse or common-law partner, beneficiary or beneficiaries or the legal personal representative(s) of the Account Holder. The Trustee may in its discretion liquidate all or any part of the Account before making any such distribution. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the property at the time. In the event the Trustee determines that it is advisable or desirable to pay part or all of the property of the Account into court, the Trustee shall be entitled to be indemnified out of the property of the Account for its costs and expenses, including legal costs, of doing so.

## **16. Other conditions**

The Account will be maintained for the exclusive benefit of the Account Holder (determined without regard for the right of a person to receive a payment out of or under the Account only on or after the death of the Account Holder, in accordance with section 15). While there is an Account Holder, no one other than the Account Holder or the Trustee has rights under the Account relating to the amount and timing of distributions and the investing of funds. The Account Holder may use his/her interest or, for civil law, right in the Account as security for a loan or other indebtedness, but the Account Holder will not sign any document or authorize any action for the Account in the name of the Trustee or the Agent, including using his/her interest or, for civil law, right in the Account (or permitting any property of the Account to be used) as security for a loan or other indebtedness, without first having authorization from the Trustee.

## **17. Ceasing to be a TFSA**

The Account will cease to be a TFSA immediately before the earliest of the following times: (i) the time at which the last Account Holder dies; (ii) the time the Account ceases to be a **qualifying arrangement** (as defined under the Act); or (iii) the earliest time at which the Account is not being administered in accordance with the conditions in subsection 146.2(2) of the Act. If the Account ceases to be a TFSA, the arrangement will nevertheless continue as a trust for the benefit of the Account Holder governed by this Trust Agreement and the attached application, except that no further contributions or transfers may be made to the Account under section 3 and no transfers or distributions may be made under sections 13 or 14. The trust ends, and this Trust Agreement terminates, at the time when all the property of the Account has been disbursed, whether as a distribution to the Account Holder, spouse, common-law partner, beneficiary and/or legal personal representative of the Account Holder or paid or charged on account of fees, commissions, expense, taxes penalties and interest.

## **18. Failure to be a TFSA**

The Account will not qualify as a TFSA unless and until it is registered under the Act, and once registered, will be a TFSA from the date it was opened. The Account Holder is solely responsible for any income tax implications that may arise as a result of the account failing to attain registered status or becoming unregistered.

The Account Holder is solely responsible for ensuring that the information provided to the Trustee upon account opening is consistent with the information on file with the Canada Revenue Agency. If the Canada Revenue Agency requests additional information about the Account Holder, the Account Holder is solely responsible for contacting the Canada Revenue Agency to rectify any inconsistencies in its information. The Trustee will not resubmit an application for registration. The Account Holder is responsible to reapply for registered status and to report any income.

If the Account fails to attain registered status, or becomes unregistered, the Account will not qualify for tax benefits and will be considered to be an unregistered account (from the date it was opened, if it fails to attain registered status, and otherwise from the time it becomes unregistered) and all income earned will be taxed in the hands of the Account Holder (and the Trustee shall be indemnified in relation to any expenses incurred with respect thereto in accordance with section 24).

If the Account fails to attain registered status, or becomes unregistered, the Trustee may, (i) in its sole discretion, transfer the account property to a new (non-registered) account opened on the Account Holder's behalf or to a non-registered account which the Account Holder already has in place, or (ii) the Trustee may also, in its sole discretion, close the account and return the account property to the Account Holder. This may require the Trustee to liquidate or redeem the account property. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the property at the time. The Account Holder will be responsible for any fees, penalties or loss of value that may occur as a result.

The Trustee shall be entitled to place a hold on some or all of the assets in the new or existing account until the documentation required in accordance with section 23 is received and may use such funds to satisfy the indemnities set out in section 24 hereto.

## **19. Third party orders or demands**

The Trustee shall be entitled to be indemnified out of the property of the Account in respect of any costs, expenses, charges or liabilities whatsoever that may arise out of the Trustee's good faith compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee a duty to take or refrain from taking any action concerning the Account or part or all of its property, or to issue payment from the Account, with or without instructions from the Account Holder or in contradiction of instructions of the Account Holder. The Trustee may permit any duly authorized person to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Account or related to the Account and shall similarly be entitled to indemnity out of the property of the Account for so doing. In the event the property of the Account shall be insufficient to indemnify the Trustee fully in any such regard, by establishing the Account the Account Holder agrees to indemnify and hold the Trustee harmless for any such costs, expenses, charges or liabilities.

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The Trustee/Agent retains the ability to restrict trading upon receipt of an order or demand. The Trustee/Agent will not be liable for any decreases in account value during the restriction period.

## **20. Ownership and voting rights**

The Trustee may hold any property or investment of the Account in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. The voting or other ownership rights attached to any investments held in the Account may be exercised by the Account Holder and the Account Holder is appointed as the Trustee's agent and attorney for this purpose, to execute and deliver proxies and/or other instruments, in accordance with applicable laws.

## **21. Fees, expenses, taxes, interest and penalties**

The Trustee may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee and/or the Agent from time to time (the "**Trustee Fees**"), provided that the Trustee and/or the Agent shall give prior written notice to the Account Holder of such Trustee Fees and any change in the amount of the Trustee Fees. The Trustee Fees may be paid for out of the Fund or recovered from the Fund, to the extent that they are not paid when due by the Account Holder.

The Account Holder acknowledges that the Agent (or an affiliate) may charge fees, spreads, commissions and expenses to the Fund in its capacity as the investment advisory firm for the Account Holder (the "**Advisory Fees**"). The Account Holder acknowledges and agrees that the Advisory Fees do not constitute Trustee Fees and are governed by the terms of the Client Account Agreement as amended from time to time. If there are any inconsistencies between this Trust Agreement and the Client Account Agreement with respect to the Advisory Fees, the terms of the Client Account Agreement govern.

The Trustee and/or the Agent may charge expenses incurred by the Trustee and/or the Agent in the administration of the Account. All such expenses will, unless paid directly to the Trustee and/or Agent, be paid out of or recovered from the Fund.

All taxes, penalties, and interest that may be imposed on the Trustee or Account Holder in respect of the Account or any other charges related to the Account may be paid out of or recovered from the Fund, except for taxes, interest and penalties imposed on the Trustee under the Act.

The Trustee may, without instructions from the Account Holder, apply any cash held in the Fund for the payment of fees (including the Trustee Fees and the Advisory Fees) or expenses or taxes, penalties and interest charged to the Account. Where there is insufficient cash in the Fund at any time, the Trustee or the Agent shall make reasonable requests for instructions from the Account Holder regarding which assets of the Fund to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Account Holder at the last address provided by the Account Holder, the Trustee or the Agent does not receive satisfactory instructions from the Account Holder within a

reasonable time, the Trustee may, in its discretion, liquidate part or all of the Fund in order to realize sufficient cash to make the payment. Neither the Trustee nor the Agent shall be responsible for any loss occasioned by any such realization. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper.

## **22. Instructions**

The Trustee and /or the Agent shall be entitled to rely upon instructions received from the Account Holder or from any person designated in writing, in accordance with applicable laws, by the Account Holder to give instructions on behalf of the Account Holder or from any person purporting to be the Account Holder or such designated person, as if they were from the Account Holder. The Trustee and/or the Agent may, without incurring any liability to the Account Holder or any other person, decline to act upon any instruction if the instruction is not given in a timely manner, is not in writing where the Trustee and/or Agent require it, is not in a form or format which the Trustee and/or Agent requires, or in the opinion of the Trustee and/or Agent is not complete or otherwise does not comply with the Trustee's and/or Agent's other requirements at such time; or if any of them has any doubt that the instruction has been properly authorized or accurately transmitted.

## **23. Documentation**

Notwithstanding anything to the contrary herein, the Trustee may require such satisfactory instructions, releases, indemnities, tax clearance certificates, death certificates and other documents as the Trustee in its discretion deems appropriate prior to accepting a contribution or transfer in accordance with section 3, acting on investment instructions in accordance with section 4, making a distribution in accordance with section 12, making a transfer in accordance with section 13, making a transfer in accordance with section 14, recognizing the acquisition or making the distribution under section 15, or taking any other action resulting in the transfer of assets to or from the Account.

## **24. Limitation of Liability and Indemnity**

Except for charges, taxes or penalties for which the Trustee is liable and that cannot be charged against or deducted from the Fund in accordance with the Act, if the Trustee or the Agent is liable for:

- c. any tax, interest or penalty that may be imposed on the Trustee in respect of the Account, or
- d. any other charges levied or imposed by any governmental authority on or related to the Account as a result of the purchase, sale or retention of any investment including, without limitation thereof, nonqualified investments within the meaning of the Act, the Trustee or Agent shall be reimbursed or may pay any of these taxes, interest, penalties or charges out of the Fund.

The Trustee and the Agent will not be liable (including for greater certainty under any common law or equitable principles) for any cost incurred in the performance of their duties as set out herein or in the performance of their duties under the Act.

Unless caused by the Trustee's or the Agent's bad faith, willful misconduct or negligence, the Trustee and the Agent will not be liable for any loss or damage suffered or incurred by the Account, the Account Holder or any beneficiary under the Account, caused by or resulting from:

- a. Any loss or diminution of the assets of the Account;
- b. The purchase, sale or retention of any investment;
- c. Payments out of the Account that are made in accordance herewith; or
- d. Acting or declining to act on any instructions given to the Trustee or Agent by the Account Holder or an individual purporting to be the Account Holder.

For greater certainty, in no event shall either the Trustee or its Agent have any liability to the Account Holder (or to the spouse or common-law partner of the Account Holder, or any beneficiary or legal personal representative of the Account Holder) for any special, indirect, reliance, incidental, punitive, consequential, economic or commercial loss or damage of any kind whatsoever (whether foreseeable or not), suffered or incurred by the Account Holder or any beneficiary under the arrangement (including without limitation, loss of profits or revenue, failure to realize expected savings or other economic losses and costs), howsoever arising, resulting or caused.

Except as otherwise prohibited by law, the Account Holder, his/her legal personal representatives and each beneficiary of this Account will at all times indemnify and save harmless the Trustee and its Agent in respect of any taxes, interest and penalties which may be imposed on the Trustee in respect of the Account or any losses incurred by the Account as a result of the acquisition, retention or transfer of any investment or as a result of payments or distributions out of the Account made in accordance with these terms and conditions or as a result of the Trustee or its Agent acting or declining to act upon any instructions given to it by the Account Holder and any costs or expenses of the Trustee and the Agent related thereto (including legal fees).

Except as otherwise prohibited by law, in the event the Account Holder breaches this Trust Agreement, the Account Holder, his/her legal personal representatives and each beneficiary of this Account will indemnify and save harmless the Trustee and its Agent in respect of any loss, damage, or other expense (including legal fees) incurred by the Trustee or the Agent related to such breach.

In all cases where the Trustee or the Agent are entitled to be indemnified in accordance with the Act, they shall be entitled to cause such indemnity to be paid from the Fund. If the Fund is insufficient to indemnify the Trustee and the Agent fully, the Account Holder agrees to indemnify and hold the Trustee and the Agent harmless for any such costs, expenses, charges or liabilities.

## **25. Unclaimed balances**

The property of the Account may be deemed to be abandoned or unclaimed as per the definitions of any applicable provincial legislation. In addition to any timelines prescribed by legislation, the Trustee may, at its sole discretion, deem an account to be abandoned and any property to be unclaimed.

The Trustee may, after making reasonable efforts to contact the Account Holder, withdraw the abandoned amounts and may, in its discretion, liquidate part or all of the abandoned property. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the property at the time. In the case of investments which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the investments to the Agent for the Agent's own account, at such prices as the Trustee considers fair and proper.

The property, and/or the proceeds of liquidation may be remitted to the appropriate government agency. In the alternative, the Trustee may, in its sole discretion, allocate the property or proceeds of liquidation to a pooled account for dormant amounts. The terms, jurisdiction, and other details of this account will be determined by the Trustee, and in the Trustee's sole discretion.

The Trustee may also, in its sole discretion, allocate the property or proceeds of liquidation to an existing account in the Account Holder's name, or to a new account which would be opened on the Account Holder's behalf.

The Account Holder may at any time, or as prescribed in any applicable legislation, instruct the Trustee to return the property/proceeds of liquidation to the Account Holder's control and/or possession.

The Trustee and/or the Agent may charge reasonable expenses incurred in the administration of this process as set out in section 21, hereto.

As part of the Trustee's program to manage unclaimed property, the Trustee may engage a third party in order to contact the Account Holder. The Account Holder authorizes the Trustee to take this action and share the personal information of the Account Holder reasonably required to contact the Account Holder.

## **26. Amendment**

The Trustee may from time to time in its discretion amend this Trust Agreement or the attached application which comprise the Account by giving 30 days prior notice to the Account Holder; provided however that any amendment shall not disqualify the Account as a TFSA acceptable for registration under the Act or any applicable provincial legislation.

## **27. Replacement of Trustee**

The Trustee may resign upon 60 days' prior written notice given to the Agent (or such shorter notice as the Agent may accept). The Agent may terminate the Trustee as trustee upon 60 days prior written notice given to the Trustee (or such shorter notice as the Trustee may accept). Upon the resignation or termination of the

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Trustee, the Trustee shall be released and discharged from all duties and liabilities under this Trust Agreement. Where the Trustee resigns or is terminated, the Agent shall appoint a successor trustee who is permitted to be the issuer of a TFSA under the Act. The Agent shall give the Account Holder written notice of the successor trustee within 30 days of the appointment.

## **28. Notice**

Any notice given by the Trustee to the Account Holder regarding the Account (including this Trust Agreement) shall be sufficiently given if it is delivered to the Account Holder personally or if it is mailed, postage prepaid, to the Account Holder at the address set out in the attached application or the last address provided by the Account Holder. If mailed, any such notice shall be deemed to have been delivered by the tenth business day following the day of mailing.

## **29. Binding**

The terms of this Trust Agreement shall be binding upon the survivor, beneficiaries, heirs, executors and administrators of the Account Holder and upon the respective successors and assigns of the Trustee and the Agent. This Trust Agreement may be assigned by the Trustee at any time to a person who is permitted to be the issuer of a TFSA under the Act; however the Account Holder may not assign this Trust Agreement.

## **30. Governing law**

This Trust Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Agent (or an affiliate) is located where the Account is maintained.

If any provision of legislation referred to in this Trust Agreement is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.

# Part Four: BMO Trust Company Registered Accounts

## Education Savings Plan Family Plan Terms and Conditions (Specimen 1012002)

We, **BMO Nesbitt Burns Inc.**, are the promoter of the BMO Nesbitt Burns Investor-directed Education Savings Plan (Family) (the “**Plan**”). (The words “us” and “our” refer only to **BMO Nesbitt Burns Inc.**). You are the “**Subscriber**” or “**Subscribers**” to the Plan. If there is more than one subscriber to the Plan at the same time, “you” refers to each and every subscriber. The Plan is an agreement between you and us on the following terms and conditions. The application on the other side of this document (the “**Application**”) forms part of this agreement. The purpose of the Plan is to make Educational Assistance Payments to or for the Beneficiary. The Application becomes effective, and the Plan is entered into, at the time it is accepted by us. As the promoter, we have ultimate responsibility for the Plan under the Applicable Tax Legislation and for the administration of the Plan. BMO Trust Company (the “**Trustee**”) will be the trustee for the property of the Plan. The Trustee has ultimate responsibility for the administration of all applicable federal and provincial grants and incentives (“**Grants**”).

### 1. Property of the plan held in trust

The Trustee agrees to hold the property of the Plan (in the aggregate, the “**Fund**”) irrevocably in trust, pursuant to the Plan, for any one or more of the following purposes:

- the payment of Educational Assistance Payments to or for a Beneficiary of the Plan;
- the payment to (or to a trust in favour of) one or more Designated Educational Institutions in Canada;
- the refund of contributions and, if required, the repayment of amounts under the Canada Education Savings Act (the “**CES Act**”) or a “designated provincial program” defined below;
- the payment of Accumulated Income Payments; or
- the transfer to another trust that irrevocably holds property under a “registered education savings plan” (an “**RESP**”) within the meaning of the Act.

A “**designated provincial program**” means:

- a program administered pursuant to an agreement entered into under section 12 of the CES Act, or
- a program established under the laws of a province to encourage the financing of children’s post-secondary education through savings in registered education savings plans.

### 2. Registration of the plan

We will apply to register the Plan under the Income Tax Act (Canada) (the “**Act**”) and, if required, under any income tax legislation of a province which applies to the Plan (together the “**Applicable Tax Legislation**”). We will ensure that the Plan complies at all times with the requirements of the Applicable Tax Legislation regarding RESPs.

The promoter must be a resident of Canada as per paragraph 146.1(2) (c) of the Act.

### 3. Grants

Upon your request in the form required by the Minister of Employment and Social Development Canada (the “**Minister**”), we will apply to the Minister for any applicable Grants in respect of the Plan. We will apply for the Grants in accordance with the CES Act, regulations made under the CES Act (the “**CES regulations**”) and any agreement concerning Grants between the Trustee and the Minister. Before we apply for any Grants, the Plan must be registered under the Act. Grants, when received and held by the Trustee, form part of the property of the Plan. The Trustee will hold and account for Grants in accordance with the CES Act, the CES regulations and any agreement concerning Grants between the Trustee and the Minister. We will act in accordance with any agreement concerning Grants between us and the Minister. The Trustee will be required under the CES regulations to repay part or all of the “**grant account**” (as that term is defined in the CES regulations) in certain circumstances. A Beneficiary who has received more than \$7,200 as the “**grant portion**” (as that term is defined in the CES regulations) of Educational Assistance Payments will be required to repay the excess to the Minister.

### 4. Who is a Subscriber to the plan

Any one individual (but not a trust), an individual and their spouse or common-law partner, or a public primary caregiver of a Beneficiary can become a subscriber to the Plan by being named in the Application as a subscriber and entering into the Plan. After the Plan has been entered into, the spouse or common-law partner of an individual who is a subscriber can become a subscriber (as well as the individual) by giving us instructions and agreeing to be bound by the terms and conditions of the Plan. The terms “common-law partner” and “public primary caregiver” are as defined in the Act.

After the Plan has been entered into, another individual or another public primary caregiver can become a subscriber to the Plan (and you cease to be a subscriber) by acquiring a public primary caregiver’s rights as a subscriber under the Plan under a written agreement. After the Plan has been entered into, an individual can become a subscriber to the Plan (and you cease to be a subscriber) by acquiring your rights as a subscriber under the Plan pursuant to a decree, order or judgment of a competent tribunal or under a written agreement in settlement of rights arising out of, or on the breakdown of, marriage or common-law partnership. To do this, you must give us instructions and the individual or public primary caregiver acquiring your rights must agree to be bound by the terms and conditions of the Plan. After the death of the last surviving subscriber to the Plan (who is an individual), another person, including the estate of the deceased subscriber, can become a



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subscriber to the Plan by acquiring the subscriber's rights under the Plan or by making a contribution to the Plan for a Beneficiary. To do this, the legal personal representative(s) of the last surviving subscriber must give us instructions and the person must agree to be bound by the terms and conditions of the Plan. No one can become a subscriber to the Plan other than as described in this section. A subscriber may resign by giving us instructions (however if all the subscribers resign, the Plan will terminate under section 15). To become a subscriber, you must provide us your address, Social Insurance Number and date of birth (or if you are a public primary caregiver, your Business Number) in the Application or in instructions. As a subscriber, you must inform us whether you are a resident of Canada (for the purpose of the Act) in the Application or by instructions and you must inform us whenever you become or cease to be resident in Canada by instructions.

Where there is more than one subscriber at the same time, the instruction of any one subscriber (or a person authorized by them) will bind all subscribers.

## 5. Who is a Beneficiary of the plan

A “**Beneficiary**” of the Plan means any person to whom or for whom Educational Assistance Payments are to be made if the person qualifies under the Plan. You may designate one or more individuals as Beneficiaries in the Application, by naming them and providing their address, Social Insurance Number, date of birth and relationship to you. An individual may only be designated as a Beneficiary where the individual is resident in Canada (for the purpose of the Act) when the designation is made. However, if the designation is made in conjunction with a transfer of property into the Plan from another RESP under which the individual was a Beneficiary immediately before the transfer, the individual need not be resident in Canada (and in that case, if you are designating a non-resident individual, you need not provide the individual's Social Insurance Number if the individual was not assigned a Social Insurance Number before the designation is made). You may add, remove or change a Beneficiary by giving us instructions. When adding or changing a Beneficiary, the requirements of the two paragraphs above must be met. (If all the Beneficiaries of the Plan are removed, the Plan will terminate under section 15.) Every Beneficiary must be under the age of 21 at the time they are named in the Application, added or named in place of another Beneficiary (unless the Beneficiary being named or added is at the time a member of another RESP which allows more than one Beneficiary at the same time). Each Beneficiary of the Plan must be connected to each subscriber, or have been connected to a deceased subscriber if a subscriber has died, by “blood relationship” or by “adoption”, as those terms are defined in the Act. (But in order to qualify for certain additional Grants under the CES Act, Beneficiaries can only be brothers and/or sisters as defined under the CES regulations). As subscriber, you cannot be a Beneficiary of the Plan.

Within 90 days after an individual becomes a Beneficiary under the Plan, we will notify the individual (or, where the individual is under 19 years of age at that time and either ordinarily resides with a parent of the individual or is maintained by a public primary caregiver of the individual, that parent or public primary caregiver) in writing of the existence of the Plan and the name and address of the subscriber in respect of the Plan. You must inform us, by instructions, whenever a

Beneficiary ceases to be resident in Canada (for the purpose of the Act) or becomes a resident of Canada again. But in order to qualify for certain additional Grants under the CES Act, beneficiaries can only be brothers and/or sisters as defined under the CES regulations.

## 6. Contributions

All contributions to the Plan must be made by you or on your behalf as subscriber and must be made for a Beneficiary under the Plan. You must provide us the Beneficiary's Social Insurance Number before a contribution is made for the Beneficiary (except where the Plan was entered into before 1999). The Beneficiary must be resident in Canada (for the purpose of the Act) when a contribution is made for the Beneficiary. However, if a contribution is made by way of a transfer from another RESP under which the Beneficiary was a Beneficiary immediately before the transfer, you need not provide us with the Beneficiary's Social Insurance Number, and the Beneficiary need not be resident in Canada, before a contribution is made. If there is more than one Beneficiary at the same time, you must give us instructions telling us how much of each contribution is for each Beneficiary. Contributions to an education savings plan does not include an amount paid into the plan under or because of the Canada Education Savings Act or a designated provincial program, or any other program that has a similar purpose to a designated provincial program and that is funded, directly or indirectly, by a province (other than an amount paid into the plan by a public primary caregiver in its capacity as subscriber under the plan). Contributions may be made periodically or by lump sum payment to us, but a contribution must not be less than the minimum amount that we establish. The total cumulative contributions made to the Plan for the Beneficiary cannot exceed the “**RESP lifetime limit**”, as defined in subsection 204.9(1) of the Act. It is your responsibility to ensure that the total contributions for a Beneficiary made to the Plan and to other RESPs, by yourself and by others as subscribers, do not exceed this limit. If this limit is exceeded, a penalty tax may apply. You have to determine whether a penalty tax applies and you have to pay the penalty tax if it applies. The calculation of the “excess amount” (if any) for the Beneficiary, your share of the excess amount and any penalty tax are determined under the Act. You may request a refund of contributions sufficient to stop the application of the penalty tax. For the purpose of determining whether the limit has been exceeded, special rules apply where a Beneficiary is changed or where property is transferred from one RESP to another for a Beneficiary. Where a Beneficiary is changed, the new Beneficiary assumes the contribution history of the former Beneficiary, except where, at the time of transfer, the new Beneficiary is under 21 years of age and the new Beneficiary and former Beneficiary have a common parent, or where both the new Beneficiary and the former Beneficiary are under 21 years of age and are connected by blood relationship or adoption to an original Subscriber. Where there is a transfer from another RESP to the Plan, the contribution history of each Beneficiary of the other RESP is assumed by each Beneficiary of the Plan, except where, at the time of transfer, any Beneficiary under the Plan is also a Beneficiary under the other RESP, or where a Beneficiary of the Plan is under 21 years of age and that Beneficiary and a Beneficiary under the other Plan have a common parent. Contributions cannot be made to the Plan for a Beneficiary who was 31 years old or older before the time that the contribution was made, unless the contribution is by transfer from

another RESP which allows more than one Beneficiary at the same time. Contributions cannot be made to the Plan after the 31<sup>st</sup> year following the year the Plan was entered into. If an amount is transferred to the Plan from another RESP and the other RESP was created before the Plan, then contributions cannot be made to the Plan after the 31<sup>st</sup> year following the year in which the other RESP was entered into.

## **7. Transfers from another RESP**

You may transfer property to the Plan for the Beneficiary of the Plan from another RESP, in accordance with the Act, by giving instructions to us. If there is more than one Beneficiary of the Plan, you must give us instructions telling us how much of the property transferred is for each Beneficiary. Property cannot be transferred to the Plan from another RESP after the other RESP has made an Accumulated Income Payment.

## **8. Investment of the property of the plan**

The property of the Plan shall be invested and reinvested by the Trustee exclusively on your instructions (or of a person authorized by you, in a form and manner satisfactory to the Trustee or us, to manage the investments of the Plan) only in such investments as may be made available for the Plan from time to time by us or the Trustee. The property of the Plan may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds. The property of the Plan may be invested in investments which are issued by the Trustee, us or our affiliates. Neither the Trustee nor we (acting in the capacity as administrative agent for the Trustee) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation regarding trustee investment duties and powers) to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the property of the Plan, except as otherwise expressly provided in these terms and conditions. Other than our duties with respect to the property of the Plan expressly stated in these terms and conditions, neither the Trustee nor we shall be required or expected to take any action with regard to an investment without prior instructions from you. To the fullest extent provided by law and despite any other provision, the Trustee excludes all liability arising out of or in connection with the Plan for indirect, incidental, special, or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill (whether or not either party knew of the possibility of such damage or such damage was otherwise foreseeable). You shall not sign any document or authorize any action for the Plan or the property of the Plan in the name of the Trustee or us, including permitting any property of the Plan to be used as security for a loan, without first having authorization from the Trustee or us. We shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the registered plan holds a non-qualified investment. The Trustee may deposit any uninvested cash in the Plan into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee). The Trustee will credit interest earned on the cash to the Plan at such time as the Trustee, in its sole discretion, may determine. The Trustee may retain all or a portion of the interest as a fee for services rendered in respect of the Plan.

## **9. Payments from the plan**

The Trustee will make payments, refunds or transfers out of the Plan for one or more of the purposes listed in section 1 above, according to your instructions, provided that the payments, refunds or transfers are permitted under the Plan and under the Applicable Tax Legislation and the property of the Plan is sufficient. (In the case of Educational Assistance Payments, the Trustee must first receive our direction.) The Trustee will not make any payment, refund or transfer out of the Plan to the extent that, after the payment, refund or transfer, the fair market value of the property of the Plan would be less than the balance of the grant account. We have the final authority on whether a payment, refund or transfer you instruct the Trustee to make is permitted under the Plan and under the Applicable Tax Legislation. The decision made by us will be binding on you and the Beneficiary. Before the first Educational Assistance Payment is made to or for the Beneficiary, you must confirm in writing to the Trustee whether the Beneficiary is at that time a resident or non-resident of Canada (for the purpose of the Act). You may give the Trustee instructions telling the Trustee which property to sell if the Trustee is required to sell property of the Plan in order to make a payment, refund or transfer out of the Plan. If you do not give the Trustee instructions, the Trustee will sell the property that the Trustee in its sole discretion considers appropriate. Before making a payment, refund or transfer out of the Plan, the Trustee will deduct, as required, any costs, fees or charges related to the sale of property, any amount required to be withheld under the Applicable Tax Legislation and any taxes, interest or penalties that are or may become payable by the Plan. Once the Trustee has made a payment out of the Plan in accordance with this section, the Trustee will have no liability or duty to you for the property of the Plan which was sold.

## **10. Educational assistance payments**

An “**Educational Assistance Payment**” means any amount, other than a refund of payments, paid out of the Plan to or for an individual to assist the individual to further the individual’s education at a post-secondary school level. Beneficiaries who cease to be enrolled in a Qualifying Post Secondary Educational Program after 2007 are allowed to receive Education Assistance Payments for up to 6 months after ceasing enrolment, provided that the payments would have qualified as Education Assistance Payments if they had been made immediately before the student’s enrolment ceased. Where the Beneficiary has a mental or physical impairment, and it has been certified as required under the Act that the effects of the impairment are such that the Beneficiary cannot reasonably be expected to be enrolled as a fulltime student, Educational Assistance Payments can be paid where the Beneficiary is not a full-time student.

A “**qualifying educational program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires that each student taking the program spend not less than ten hours per week on courses or work in the program. A program is not a qualifying educational program for a particular student if the student is enrolled in the program in connection with, or as part of, the duties of employment and the student is receiving employment income while enrolled in the program. The total amount

of Educational Assistance Payments paid to or for a Beneficiary (from BMO Nesbitt Burns Inc. RESPs) where the Beneficiary has not been enrolled, during the preceding 12 months, for at least 13 consecutive weeks in a “qualifying educational program” cannot exceed \$5,000. (unless a greater amount is approved in writing by the Minister designated for the purposes of the Canada Education Savings Act).

A “**specified educational program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires each student, who has attained the age of 16 years, taking the program to spend not less than twelve hours per month on courses or work in the program. Where the Beneficiary is enrolled in a “specified educational program”, the total amount of Educational Assistance Payments paid to or for a Beneficiary (from BMO Nesbitt Burns Inc. RESPs) in the 13 week period preceding the time of payment cannot exceed \$2,500 (unless a greater amount is approved in writing by the Minister designated for the purpose of the Canada Education Savings Act).

A “**post-secondary educational institution**” means

- a. an educational institution in Canada that is (i) a university, college or other educational institution designated by the lieutenant governor in council of a province as a specified educational institution under the *Canada Student Loans Act*, or designated, for the purposes of *An Act respecting financial assistance for education expenses*, R.S.Q., c A-13.3, by the Minister of the Province of Quebec responsible for the administration of that act, or (ii) certified by the Minister of Employment and Social Development to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person’s skills in, an occupation; or
- b. an educational institution outside of Canada that provides courses at a post-secondary school level and that is (i) a university, college or other educational institution at which a beneficiary was enrolled in a course of not less than 13 consecutive weeks, or (ii) a university at which a beneficiary was enrolled on a full-time basis in a course of not less than three consecutive weeks.

“**Post secondary school level**” includes a program of courses, at an institution described in subparagraph (b) of the definition “post Secondary educational institution” above, of a technical or vocational nature designed to furnish a person with skills for, or improve a person’s skills in, an occupation.

### 11. Payments to designated educational institutions

A “**Designated Educational Institution**” must be a post-secondary educational institution as defined in paragraph (a) of section 10 above. You may select one or more Designated Educational Institutions (or a trust for one or more Designated Educational Institutions) in Canada to which payments may be made in the Application or by giving instructions to us.

### 12. Refund of contributions

A refund of contributions cannot exceed the total of all contributions to the Plan less any refunds of contributions previously made.

### 13. Accumulated income payments

“**Accumulated Income Payments**” are any payments out of the Plan other than Educational Assistance Payments, payments to (or to a trust in favour of) one or more Designated Educational Institutions in Canada, refunds of payments, repayments of amounts under the CES Act or under a program administered pursuant to an agreement entered under section 12 of that Act or transfers to another RESP. A payment out of the Plan will only be recognized as an Accumulated Income Payment to the extent the payment exceeds the fair market value of all property at the time when it was contributed or paid into the Plan. Accumulated Income Payments will be paid to you or, if you were a subscriber at the time of your death, to your estate. You or your estate must be resident in Canada at the time of payment. If there is more than one subscriber at the same time, each Accumulated Income Payment can only be paid to one subscriber. You must give us instructions stating which subscriber is to receive each Accumulated Income Payment. Accumulated Income Payments can be paid if, at the time a payment is made:

- a. each individual (other than a deceased individual) who is or was a Beneficiary under the Plan has attained 21 years of age before the payment is made and is not, when the payment is made, eligible under the Plan to receive an Educational Assistance Payment and the time is the 10th calendar year following the calendar year in which the Plan was entered into or later;
- b. the payment is made in the 35th year following the year in which the Plan is entered into; or
- c. each individual who was a Beneficiary under the Plan is deceased when the payment is made. (For paragraph (a) above, if property is transferred to the Plan from another RESP, then the time must be the 10th calendar year or later following the calendar year in which either the Plan or the other RESP was entered into, whichever is earlier) Accumulated Income Payments may be made at any time if, on our written application, the Minister of National Revenue waives the conditions in clause 146.1(2) (d.1)(iii)(A) of the Act, as described in paragraph (a). above, where a Beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a qualifying educational program at a post-secondary educational institution. The Plan will terminate under section 15 by the end of February of the year following the calendar year in which the first Accumulated Income Payment is made.

### 14. Transfer to another RESP

You may give us instructions at any time to pay some or all of the property of the Plan to another RESP. In the event that you wish to transfer some, but not all, of the assets in the Fund in accordance with the provisions herein, We and the Trustee reserve the right to require that all assets or certain assets other than those requested be transferred.

### 15. Termination of the plan

You may designate the date the Plan is to terminate (the “**Termination Date**”) in the Application. You may also designate or change the Termination Date by instructions to us. On the Termination Date or in the event that the trust governed by the Plan is terminated, we will

make payments, refunds or transfers out of the Plan or cause the Trustee to make payments, refunds or transfers out of the Plan for one or more of the purposes listed in section 1 above, according to your instructions to us regarding termination, provided that the payments, refunds or transfers are permitted under the Plan and under the Applicable Tax Legislation. We will give you written notice at least six months prior to the Termination Date. The Termination Date cannot be later than the last day of the 35th year following the year in which the Plan was entered into. If property is transferred to the Plan from another RESP and the other RESP was entered into before the Plan, then the Termination Date cannot be later than the last day of the 35th year following the year in which the other RESP was entered into. If you do not designate a Termination Date, the Termination Date will be the latest date possible. The provisions of section 9 will apply to payments, refunds or transfers on termination. If you have not given the Trustee instructions regarding termination by the Termination Date, the Trustee will pay a refund of contributions, to the maximum extent possible, to you. (If you have not given the Trustee instructions regarding payment, the Trustee may deposit the refund of contributions in an interest-bearing account at Bank of Montreal.) The Trustee will pay any remaining amount to (or to a trust in favour of) a Designated Educational Institution in Canada selected by the Trustee. The Trustee will also deduct on termination any fees or other charges owing to us or to the Trustee under section 20.

#### **16. If the last surviving subscriber dies**

If you are the last surviving subscriber and you die before the Termination Date, your legal personal representative(s) may continue to administer the Plan on your behalf. However, if the legal personal representative(s) give(s) us instructions, in accordance with section 4, to make another person or your estate the subscriber, then the legal personal representative(s) will cease to administer the Plan on your behalf.

#### **17. Maintaining your account**

We will maintain an account to record: (1) contributions and transfers made to the Plan; (2) the grant accounts; (3) purchases and sales of investments held in the Plan; (4) income, gains and losses on investments held in the Plan; (5) Educational Assistance Payments; (6) payments to (or to a trust in favour of) one or more Designated Educational Institutions; (7) refunds of contributions; (8) Accumulated Income Payments; (9) transfers to another RESP; (10) any costs, fees or charges related to the sale of property, any amount required to be withheld under the Applicable Tax Legislation and any taxes, interest or penalties that are or may become payable by the Plan; and (11) fees and other charges to the Plan and expenses of the Plan. We will provide you with periodic statements of your account.

#### **18. Ownership of the property of the plan and exercise of voting rights**

Ownership of the property of the Plan will be vested in the Trustee. You are the beneficial owner of the property of the Plan. The property of the Plan will be held in the Trustee's name or nominee name, bearer form or any other name that the Trustee determines. The voting rights attached to any securities held under the Plan and credited to

your account may be exercised by you. For this purpose, you are hereby appointed as the Trustee's agent and attorney to execute and deliver proxies and/or other instruments mailed by us or the Trustee to you according to applicable laws.

#### **19. Instructions and written notice**

Instructions may take any form, however any reasonable requirements regarding form, content, receipt and timing established by us or the Trustee must be satisfied. We and the Trustee will be entitled to rely upon instructions received from you (or by any person you designate to us to give instructions on your behalf) and any person purporting to be you (or purporting to be the person designated by you). We and the Trustee may decline to act upon instructions if there are doubts about their accuracy or whether they are from you (or a person designated by you) or if we or the Trustee do not understand them. If there is more than one subscriber at the same time, instructions given by one subscriber will bind all subscribers. If you give us or the Trustee instructions more than once, we or the Trustee will follow the instructions with the latest date, even though they may be different from previous instructions. We or the Trustee may give you or the Beneficiary any written notice, statement or receipt by personal delivery or by mail, postage prepaid, at the address you gave on the Application. If you give us or the trustee instructions regarding a change of address for you or the Beneficiary, any written notice, statement or receipt will be sent to the new address. Any notice, statement or receipt from us or the Trustee will be considered to have been given to you or the Beneficiary at the time of personal delivery, or if mailed, on the third day after mailing.

#### **20. Fees for us and the trustee**

The Trustee may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee and/or us from time to time (the "**Trustee Fees**"), provided that the Trustee and/or us shall give prior written notice to the Subscriber of such Trustee Fees and any change in the amount of the Trustee Fees. The Trustee Fees may be paid for out of the Fund or recovered from the Fund, to the extent that they are not paid when due by the Subscriber.

The Subscriber acknowledges that we (or an affiliate) may charge fees, spreads, commissions and expenses to the Fund in its capacity as the investment advisory firm for the Subscriber (the "**Advisory Fees**"). The Subscriber acknowledges and agrees that the Advisory Fees do not constitute Trustee Fees and are governed by the terms of the Client Account Agreement as amended from time to time. If there are any inconsistencies between this Plan and the Client Account Agreement with respect to the Advisory Fees, the terms of the Client Account Agreement govern.

The Trustee and/or us may charge expenses incurred by the Trustee and/or us in the administration of the Plan. All such expenses will, unless paid directly to the Trustee and/or us, be paid out of or recovered from the Fund.

All taxes, penalties, and interest that may be imposed on the Trustee or Subscriber in respect of the Plan or any other charges related to the Plan may be paid out of or recovered from the Fund.



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The Trustee may, without instructions from the Subscriber, apply any cash held in the Fund for the payment of fees (including the Trustee Fees and the Advisory Fees) or expenses or taxes, penalties and interest charged to the Plan. Where there is insufficient cash in the Fund at any time, the Trustee or us shall make reasonable requests for instructions from the Subscriber regarding which assets of the Fund to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Subscriber at the last address provided by the Subscriber, the Trustee or us does not receive satisfactory instructions from the Subscriber within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the Fund in order to realize sufficient cash to make the payment. Neither the Trustee nor us shall be responsible for any loss occasioned by any such realization. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to us for our own account, at such price as the Trustee considers fair and proper.

## **21. Our liability and the Trustee's liability**

Except for charges, taxes or penalties for which we and/or the Trustee are liable and that cannot be charged against or deducted from the Fund in accordance with the Act, if the Trustee or us are liable for:

- a. any tax, interest or penalty that may be imposed on us and/or the Trustee in respect of the Plan, or
- b. any other charges levied or imposed by any governmental authority on or related to the Plan as a result of the purchase, sale or retention of any investment including, without limitation thereof, nonqualified investments within the meaning of the Act, the Trustee or us shall be reimbursed or may pay any of these taxes, interest, penalties or charges out of the Fund.

The Trustee and us will not be liable (including for greater certainty under any common law or equitable principles) for any cost incurred in the performance of their duties as set out herein or in the performance of their duties under the Act.

Unless caused by the Trustee's or our bad faith, willful misconduct or negligence, the Trustee and us will not be liable for any loss or damage suffered or incurred by the Plan, the Subscriber or any beneficiary under the Plan, caused by or resulting from:

- a. Any loss or diminution of the assets of the Plan;
- b. The purchase, sale or retention of any investment;
- c. Payments out of the Plan that are made in accordance herewith; or
- d. Acting or declining to act on any instructions given to the Trustee or us by the Subscriber or an individual purporting to be the Subscriber.

For greater certainty, in no event shall either the Trustee or us have any liability to the Subscriber (or to the spouse or common-law partner of the Subscriber, or any beneficiary or legal personal representative of the Subscriber) for any special, indirect, reliance, incidental, punitive, consequential, economic or commercial loss or damage of any kind whatsoever (whether foreseeable or not), suffered or incurred

by the Subscriber or any beneficiary under the arrangement (including without limitation, loss of profits or revenue, failure to realize expected savings or other economic losses and costs), howsoever arising, resulting or caused.

Except as otherwise prohibited by law, the Subscriber, his/her legal personal representatives and each beneficiary of this Plan will at all times indemnify and save harmless the Trustee and us in respect of any taxes, interest and penalties which may be imposed on the Trustee in respect of the Plan or any losses incurred by the Plan as a result of the acquisition, retention or transfer of any investment or as a result of payments or distributions out of the Plan made in accordance with these terms and conditions or as a result of the Trustee or us acting or declining to act upon any instructions given to us and/or the Trustee by the Subscriber and any costs or expenses of the Trustee and us related thereto (including legal fees).

Except as otherwise prohibited by law, in the event the Subscriber breaches this Trust Agreement, the Subscriber, his/her legal personal representatives and each beneficiary of this Plan will indemnify and save harmless the Trustee and us in respect of any loss, damage, or other expense (including legal fees) incurred by the Trustee or us related to such breach.

In all cases where the Trustee or us are entitled to be indemnified in accordance with the Tax Act, they shall be entitled to cause such indemnity to be paid from the Fund. If the Fund is insufficient to indemnify the Trustee and us fully, the Subscriber agrees to indemnify and hold the Trustee and us harmless for any such costs, expenses, charges or liabilities.

## **22. Amendment of the plan**

We and the Trustee may agree to amend the Plan as long as:

- a. we obtain approval from the Canada Revenue Agency or any government authority administering the Applicable Tax Legislation; and
- b. the amendment does not disqualify the Plan as an RESP within the meaning of the Act or the amendment is being made to satisfy a requirement of the Applicable Tax Legislation.

We and the Trustee may agree to make an amendment effective as of a date prior to the date when the amendment is made. We will give you thirty days written notice of any amendment and its effective date.

## **23. Replacement of the trustee**

The Trustee may resign by providing 60 days written notice to us or any shorter period that is acceptable to us. We may remove the Trustee from its position as trustee under the Plan by providing 60 days written notice to the Trustee or any shorter period that is acceptable to the Trustee. The Trustee's resignation or removal will be effective on the date we appoint another trustee (the "**Replacement Trustee**"). The Replacement Trustee must be a corporation which is resident in Canada, authorized under the laws of Canada or a province to offer trustee services to the public in Canada and which has entered into an agreement concerning Grants with the Minister. If we do not appoint a Replacement Trustee within 60 days after we have received notice of



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the Trustee's resignation or given notice to the Trustee of its removal, the Trustee may appoint a Replacement Trustee. On the date the Trustee's resignation or removal becomes effective, the Trustee will sign and deliver to the Replacement Trustee all conveyances, transfers and further assurances that may be necessary or desirable to give effect to the appointment of the Replacement Trustee.

#### **24. Binding**

The Plan will be binding upon your heirs, executors, administrators and upon our successors and assigns.

#### **25. Governing law**

The Plan will be interpreted, administered and enforced according to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario. This Plan shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Promoter is located where the account is maintained.

#### **26. Language**

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

# Part Five: BMO Trust Company Registered Accounts

## Education Savings Plan Individual Plan Terms and Conditions (Specimen 1012003)

We, **BMO Nesbitt Burns Inc.**, are the promoter of the BMO Nesbitt Burns Investor-directed Education Savings Plan - (Individual) (the "**Plan**"). (The words "us" and "our" refer only to **BMO Nesbitt Burns Inc.**). You are the "**Subscriber**" or "**Subscribers**" to the Plan. If there is more than one subscriber to the Plan at the same time, "you" refers to each and every subscriber. The Plan is an agreement between you and us on the following terms and conditions. The application on the other side of this document (the "**Application**") forms part of this agreement. The purpose of the Plan is to make Educational Assistance Payments to or for the Beneficiary. The Application becomes effective, and the Plan is entered into, at the time it is accepted by us. As the promoter, we have ultimate responsibility for the Plan under the Applicable Tax Legislation and for the administration of the Plan. BMO Trust Company (the "**Trustee**") will be the trustee for the property of the Plan. The Trustee is responsible for the administration of all applicable federal and provincial grants and incentives ("**Grants**").

### 1. Property of the plan held in trust

The Trustee agrees to hold the property of the Plan (in the aggregate, the "**Fund**") irrevocably in trust, pursuant to the Plan, for any one or more of the following purposes:

- the payment of Educational Assistance Payments to or for a Beneficiary of the Plan;
- the payment to (or to a trust in favour of) one or more Designated Educational Institutions in Canada;
- the refund of contributions and, if required, the repayment of amounts under the Canada Education Savings Act (the "**CES Act**") or a "designated provincial program" defined below;
- the payment of Accumulated Income Payments; or
- the transfer to another trust that irrevocably holds property under a "registered education savings plan" (an "**RESP**") within the meaning of the Act.

A "**designated provincial program**" means:

- a program administered pursuant to an agreement entered into under section 12 of the CES Act, or
- a program established under the laws of a province to encourage the financing of children's post-secondary education through savings in registered education savings plans.

### 2. Registration of the plan

We will apply to register the Plan under the Income Tax Act (Canada) (the "**Act**") and, if required, under any income tax legislation of a province which applies to the Plan (together the "**Applicable Tax Legislation**"). We will ensure that the Plan complies at all times with the requirements of the Applicable Tax Legislation regarding RESPs. The promoter must be a resident of Canada as per paragraph 146.1(2)(c) of the Act.

### 3. Grants

Upon your request in the form required by the Minister of Employment and Social Development Canada (the "**Minister**"), we will apply to the Minister for any applicable Grants in respect of the Plan. We will apply for the Grants in accordance with the CES Act, regulations made under the CES Act (the "**CES regulations**") and any agreement concerning Grants between the Trustee and the Minister. Before we applies for any Grants, the Plan must be registered under the Act. Grants, when received and held by the Trustee, form part of the property of the Plan. The Trustee will hold and account for Grants in accordance with the CES Act, the CES regulations and any agreement concerning Grants between the Trustee and the Minister. We will act in accordance with any agreement concerning Grants between us and the Minister. The Trustee will be required under the CES regulations to repay part or all of the "**grant account**" (as that term is defined in the CES regulations) in certain circumstances. A Beneficiary who has received more than \$7,200 as the "grant portion" (as that term is defined in the CES regulations) of Educational Assistance Payments will be required to repay the excess to the Minister.

### 4. Who is a Subscriber to the plan

Any one individual (but not a trust), an individual and their spouse or common-law partner, or a public primary caregiver of a Beneficiary can become a subscriber to the Plan by being named in the Application as a subscriber and entering into the Plan. After the Plan has been entered into, the spouse or common-law partner of an individual who is a subscriber can become a subscriber (as well as the individual) by giving us instructions and agreeing to be bound by the terms and conditions of the Plan. The terms "common-law partner" and "public primary caregiver" are as defined in the Act.

After the Plan has been entered into, another individual or another public primary caregiver can become a subscriber to the Plan (and you cease to be a subscriber) by acquiring a public primary caregiver's rights as a subscriber under the Plan under a written agreement. After the Plan has been entered into, an individual can become a subscriber to the Plan (and you cease to be a subscriber) by acquiring your rights as a subscriber under the Plan pursuant to a decree, order or judgment of a competent tribunal or under a written agreement in settlement of rights arising out of, or on the breakdown of, marriage or common-law partnership. To do this, you must give us instructions and the individual or public primary caregiver acquiring your rights must agree to be bound by the terms and conditions of the Plan. After the death of the last surviving subscriber to the Plan (who is an individual), another person, including the estate of the deceased subscriber, can become a subscriber to the Plan by acquiring the subscriber's rights under the Plan or by making a contribution to the Plan for a Beneficiary. To do this, the legal personal representative(s) of the last surviving subscriber must give us instructions and the person must agree to be bound by

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the terms and conditions of the Plan. No one can become a subscriber to the Plan other than as described in this section. A subscriber may resign by giving us instructions (however if all the subscribers resign, the Plan will terminate under section 15). To become a subscriber, you must provide us your address, Social Insurance Number and date of birth (or if you are a public primary caregiver, your Business Number) in the Application or in instructions. As a subscriber, you must inform us whether you are a resident of Canada (for the purpose of the Act) in the Application or by instructions and you must inform us whenever you become or cease to be resident in Canada by instructions.

Where there is more than one subscriber at the same time, the instruction of any one subscriber (or a person authorized by them) will bind all subscribers.

## 5. Who is a Beneficiary of the plan

A “**Beneficiary**” of the Plan means any person to whom or for whom Educational Assistance Payments are to be made if the person qualifies under the Plan. You may designate one or more individuals as Beneficiaries in the Application, by naming them and providing their address, Social Insurance Number, date of birth and relationship to you. An individual may only be designated as a Beneficiary where the individual is resident in Canada (for the purpose of the Act) when the designation is made. However, if the designation is made in conjunction with a transfer of property into the Plan from another RESP under which the individual was a Beneficiary immediately before the transfer, the individual need not be resident in Canada (and in that case, if you are designating a non-resident individual, you need not provide the individual’s Social Insurance Number if the individual was not assigned a Social Insurance Number before the designation is made). You may add, remove or change a Beneficiary by giving us instructions. When adding or changing a Beneficiary, the requirements of the two paragraphs above must be met. (If all the Beneficiaries of the Plan are removed, the Plan will terminate under section 15.) Every Beneficiary must be under the age of 21 at the time they are named in the Application, added or named in place of another Beneficiary (unless the Beneficiary being named or added is at the time a member of another RESP which allows more than one Beneficiary at the same time). Each Beneficiary of the Plan must be connected to each subscriber, or have been connected to a deceased subscriber if a subscriber has died, by “blood relationship” or by “adoption”, as those terms are defined in the Act. (But in order to qualify for certain additional Grants under the CES Act, Beneficiaries can only be brothers and /or sisters as defined under the CES regulations). As subscriber, you cannot be a Beneficiary of the Plan.

Within 90 days after an individual becomes a Beneficiary under the Plan, we will notify the individual (or, where the individual is under 19 years of age at that time and either ordinarily resides with a parent of the individual or is maintained by a public primary caregiver of the individual, that parent or public primary caregiver) in writing of the existence of the Plan and the name and address of the subscriber in respect of the Plan. You must inform us, by instructions, whenever a Beneficiary ceases to be resident in Canada (for the purpose of the Act) or becomes a resident of Canada again. But in order to qualify for certain additional Grants under the CES Act, beneficiaries can only be brothers and/or sisters as defined under the CES regulations.

## 6. Contributions

All contributions to the Plan must be made by you or on your behalf as subscriber and must be made for a Beneficiary under the Plan. You must provide us the Beneficiary’s Social Insurance Number before a contribution is made for the Beneficiary (except where the Plan was entered into before 1999). The Beneficiary must be resident in Canada (for the purpose of the Act) when a contribution is made for the Beneficiary. However, if a contribution is made by way of a transfer from another RESP under which the Beneficiary was a Beneficiary immediately before the transfer, you need not provide us with the Beneficiary’s Social Insurance Number, and the Beneficiary need not be resident in Canada, before a contribution is made. If there is more than one Beneficiary at the same time, you must give us instructions telling us how much of each contribution is for each Beneficiary. Contributions to an education savings plan does not include an amount paid into the plan under or because of the Canada Education Savings Act or a designated provincial program, or any other program that has a similar purpose to a designated provincial program and that is funded, directly or indirectly, by a province (other than an amount paid into the plan by a public primary caregiver in its capacity as subscriber under the plan). Contributions may be made periodically or by lump sum payment to us, but a contribution must not be less than the minimum amount that we establish. The total cumulative contributions made to the Plan for the Beneficiary cannot exceed the “**RESP lifetime limit**”, as defined in subsection 204.9(1) of the Act. It is your responsibility to ensure that the total contributions for a Beneficiary made to the Plan and to other RESPs, by yourself and by others as subscribers, do not exceed this limit. If this limit is exceeded, a penalty tax may apply. You have to determine whether a penalty tax applies and you have to pay the penalty tax if it applies. The calculation of the “excess amount” (if any) for the Beneficiary, your share of the excess amount and any penalty tax are determined under the Act. You may request a refund of contributions sufficient to stop the application of the penalty tax. For the purpose of determining whether the limit has been exceeded, special rules apply where a Beneficiary is changed or where property is transferred from one RESP to another for a Beneficiary. Where a Beneficiary is changed, the new Beneficiary assumes the contribution history of the former Beneficiary, except where, at the time of transfer, the new Beneficiary is under 21 years of age and the new Beneficiary and former Beneficiary have a common parent, or where both the new Beneficiary and the former Beneficiary are under 21 years of age and are connected by blood relationship or adoption to an original Subscriber. Where there is a transfer from another RESP to the Plan, the contribution history of each Beneficiary of the other RESP is assumed by each Beneficiary of the Plan, except where, at the time of transfer, any Beneficiary under the Plan is also a Beneficiary under the other RESP, or where a Beneficiary of the Plan is under 21 years of age and that Beneficiary and a Beneficiary under the other Plan have a common parent. Contributions cannot be made to the Plan for a Beneficiary who was 31 years old or older before the time that the contribution was made, unless the contribution is by transfer from another RESP which allows more than one Beneficiary at the same time. Contributions cannot be made to the Plan after the 31<sup>st</sup> year following the year the Plan was entered into. If an amount is transferred to the Plan from another RESP and the other RESP was

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created before the Plan, then contributions cannot be made to the Plan after the 31<sup>st</sup> year following the year in which the other RESP was entered into.

### **6.1 Contributions where Disability Tax Credit applies to Beneficiary**

Notwithstanding section 6 above, contributions to the Plan can be made until the end of the 35<sup>th</sup> year following the year the Plan was entered into if the Beneficiary is an individual in respect of whom paragraphs 118.3(1)(a) to (b) of the Act apply for the Beneficiary's taxation year that ends in the 31<sup>st</sup> year following the year in which the Plan was entered into. But at all times after the end of the 35<sup>th</sup> year following the year the Plan was entered into no other individual may be designated as a Beneficiary under the Plan.

### **7. Transfers from another RESP**

You may transfer property to the Plan for the Beneficiary of the Plan from another RESP, in accordance with the Act, by giving instructions to us. If there is more than one Beneficiary of the Plan, you must give us instructions telling us how much of the property transferred is for each Beneficiary. Property cannot be transferred to the Plan from another RESP after the other RESP has made an Accumulated Income Payment.

### **8. Investment of the property of the plan**

The property of the Plan shall be invested and reinvested by the Trustee exclusively on your instructions (or of a person authorized by you, in a form and manner satisfactory to the Trustee or us, to manage the investments of the Plan) only in such investments as may be made available for the Plan from time to time by us or the Trustee. The property of the Plan may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds. The property of the Plan may be invested in investments which are issued by the Trustee, us or our affiliates. Neither the Trustee nor we (acting in the capacity as administrative agent for the Trustee) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation regarding trustee investment duties and powers) to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the property of the Plan, except as otherwise expressly provided in these terms and conditions. Other than our duties with respect to the property of the Plan expressly stated in these terms and conditions, neither the Trustee nor we shall be required or expected to take any action with regard to an investment without prior instructions from you. To the fullest extent provided by law and despite any other provision, the Trustee excludes all liability arising out of or in connection with the Plan for indirect, incidental, special, or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill (whether or not either party knew of the possibility of such damage or such damage was otherwise foreseeable). You shall not sign any document or authorize any action for the Plan or the property of the Plan in the name of the Trustee or us, including permitting any property of the Plan to be used as security for a loan, without first having authorization from the Trustee or us. We shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the registered

plan holds a non-qualified investment. The Trustee, in its sole discretion, may deposit any uninvested cash in the Plan into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee) and all interest earned on the cash will be retained by the Trustee.

### **9. Payments from the plan**

The Trustee will make payments, refunds or transfers out of the Plan for one or more of the purposes listed in section 1 above, according to your instructions, provided that the payments, refunds or transfers are permitted under the Plan and under the Applicable Tax Legislation and the property of the Plan is sufficient. (In the case of Educational Assistance Payments, the Trustee must first receive our direction.) The Trustee will not make any payment, refund or transfer out of the Plan to the extent that, after the payment, refund or transfer, the fair market value of the property of the Plan would be less than the balance of the grant account. We have the final authority on whether a payment, refund or transfer you instruct the Trustee to make is permitted under the Plan and under the Applicable Tax Legislation. The decision made by us will be binding on you and the Beneficiary. Before the first Educational Assistance Payment is made to or for the Beneficiary, you must confirm in writing to the Trustee whether the Beneficiary is at that time a resident or non-resident of Canada (for the purpose of the Act). You may give the Trustee instructions telling the Trustee which property to sell if the Trustee is required to sell property of the Plan in order to make a payment, refund or transfer out of the Plan. If you do not give the Trustee instructions, the Trustee will sell the property that the Trustee in its sole discretion considers appropriate. Before making a payment, refund or transfer out of the Plan, the Trustee will deduct, as required, any costs, fees or charges related to the sale of property, any amount required to be withheld under the Applicable Tax Legislation and any taxes, interest or penalties that are or may become payable by the Plan. Once the Trustee has made a payment out of the Plan in accordance with this section, the Trustee will have no liability or duty to you for the property of the Plan which was sold.

### **10. Educational assistance payments**

An “**Educational Assistance Payment**” means any amount, other than a refund of payments, paid out of the Plan to or for an individual to assist the individual to further the individual's education at a post-secondary school level. Beneficiaries who cease to be enrolled in a Qualifying Post Secondary Educational Program after 2007 are allowed to receive Education Assistance Payments for up to 6 months after ceasing enrolment, provided that the payments would have qualified as Education Assistance Payments if they had been made immediately before the student's enrolment ceased. Where the Beneficiary has a mental or physical impairment, and it has been certified as required under the Act that the effects of the impairment are such that the Beneficiary cannot reasonably be expected to be enrolled as a fulltime student, Educational Assistance Payments can be paid where the Beneficiary is not a full-time student.

A “**qualifying educational program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires that each student taking the program spend not less than ten hours per week on courses or work in the program. A

program is not a qualifying educational program for a particular student if the student is enrolled in the program in connection with, or as part of, the duties of employment and the student is receiving employment income while enrolled in the program. The total amount of Educational Assistance Payments paid to or for a Beneficiary (from BMO Nesbitt Burns Inc. RESPs) where the Beneficiary has not been enrolled, during the preceding 12 months, for at least 13 consecutive weeks in a “qualifying educational program” cannot exceed \$5,000. (unless a greater amount is approved in writing by the Minister designated for the purposes of the Canada Education Savings Act).

A “**specified educational program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires each student, who has attained the age of 16 years, taking the program to spend not less than twelve hours per month on courses or work in the program. Where the Beneficiary is enrolled in a “specified educational program”, the total amount of Educational Assistance Payments paid to or for a Beneficiary (from BMO Nesbitt Burns Inc. RESPs) in the 13 week period preceding the time of payment cannot exceed \$2,500 (unless a greater amount is approved in writing by the Minister designated for the purpose of the Canada Education Savings Act).

A “**post-secondary educational institution**” means

- a. an educational institution in Canada that is (i) a university, college or other educational institution designated by the lieutenant governor in council of a province as a specified educational institution under the Canada Student Loans Act, or designated, for the purposes of An Act respecting financial assistance for education expenses, R.S.Q., c A-13.3, by the Minister of the Province of Quebec responsible for the administration of that act, or (ii) certified by the Minister of Employment and Social Development to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person’s skills in, an occupation; or
- b. an educational institution outside of Canada that provides courses at a post-secondary school level and that is (i) a university, college or other educational institution at which a beneficiary was enrolled in a course of not less than 13 consecutive weeks, or (ii) a university at which a beneficiary was enrolled on a full-time basis in a course of not less than three consecutive weeks.

“**Post secondary school level**” includes a program of courses, at an institution described in subparagraph (b) of the definition “post Secondary educational institution” above, of a technical or vocational nature designed to furnish a person with skills for, or improve a person’s skills in, an occupation.

## 11. Payments to designated educational institutions

A “**Designated Educational Institution**” must be a post-secondary educational institution as defined in paragraph (a) of section 10 above.

You may select one or more Designated Educational Institutions (or a trust for one or more Designated Educational Institutions) in Canada to which payments may be made in the Application or by giving instructions to us.

## 12. Refund of contributions

A refund of contributions cannot exceed the total of all contributions to the Plan less any refunds of contributions previously made.

## 13. Accumulated income payments

“**Accumulated Income Payments**” are any payments out of the Plan other than Educational Assistance Payments, payments to (or to a trust in favour of) one or more Designated Educational Institutions in Canada, refunds of payments, repayments of amounts under the CES Act or under a program administered pursuant to an agreement entered under section 12 of that Act or transfers to another RESP. A payment out of the Plan will only be recognized as an Accumulated Income Payment to the extent the payment exceeds the fair market value of all property at the time when it was contributed or paid into the Plan. Accumulated Income Payments will be paid to you or, if you were a subscriber at the time of your death, to your estate. You or your estate must be resident in Canada at the time of payment. If there is more than one subscriber at the same time, each Accumulated Income Payment can only be paid to one subscriber. You must give us instructions stating which subscriber is to receive each Accumulated Income Payment. Accumulated Income Payments can be paid if, at the time a payment is made:

- a. each individual (other than a deceased individual) who is or was a Beneficiary under the Plan has attained 21 years of age before the payment is made and is not, when the payment is made, eligible under the Plan to receive an Educational Assistance Payment and the time is the 10th calendar year following the calendar year in which the Plan was entered into or later;
- b. the payment is made in the 35<sup>th</sup> year following the year in which the Plan is entered into; or
- c. each individual who was a Beneficiary under the Plan is deceased when the payment is made. (For paragraph (a) above, if property is transferred to the Plan from another RESP, then the time must be the 10th calendar year or later following the calendar year in which either the Plan or the other RESP was entered into, whichever is earlier) Accumulated Income Payments may be made at any time if, on our written application, the Minister of National Revenue waives the conditions in clause 146.1(2) (d.1)(iii)(A) of the Act, as described in paragraph (a). above, where a Beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a qualifying educational program at a post-secondary educational institution. The Plan will terminate under section 15 by the end of February of the year following the calendar year in which the first Accumulated Income Payment is made.

## 14. Transfer to another RESP

You may give us instructions at any time to pay some or all of the property of the Plan to another RESP. In the event that you wish to transfer some, but not all, of the assets in the Fund in accordance with the provisions herein, We and the Trustee reserve the right to require that all assets or certain assets other than those requested be transferred.



## 15. Termination of the plan

You may designate the date the Plan is to terminate (the “**Termination Date**”) in the Application. You may also designate or change the Termination Date by instructions to us. On the Termination Date or in the event that the trust governed by the Plan is terminated, we will make payments, refunds or transfers out of the Plan or cause the Trustee to make payments, refunds or transfers out of the Plan for one or more of the purposes listed in section 1 above, according to your instructions to us regarding termination, provided that the payments, refunds or transfers are permitted under the Plan and under the Applicable Tax Legislation. We will give you written notice at least six months prior to the Termination Date. The Termination Date cannot be later than the last day of the 35<sup>th</sup> year following the year in which the Plan was entered into. If property is transferred to the Plan from another RESP and the other RESP was entered into before the Plan, then the Termination Date cannot be later than the last day of the 35<sup>th</sup> year following the year in which the other RESP was entered into. However, if section 6.1 applies to the Plan, the latest Termination Date is the last day of the 40<sup>th</sup> year following the year the Plan was entered into. If you do not designate a Termination Date, the Termination Date will be the latest date possible. The provisions of section 9 will apply to payments, refunds or transfers on termination. If you have not given the Trustee instructions regarding termination by the Termination Date, the Trustee will pay a refund of contributions, to the maximum extent possible, to you. (If you have not given the Trustee instructions regarding payment, the Trustee may deposit the refund of contributions in an interest-bearing account at Bank of Montreal.) The Trustee will pay any remaining amount to (or to a trust in favour of) a Designated Educational Institution in Canada selected by the Trustee. The Trustee will also deduct on termination any fees or other charges owing to us or to the Trustee under section 20.

## 16. If the last surviving subscriber dies

If you are the last surviving subscriber and you die before the Termination Date, your legal personal representative(s) may continue to administer the Plan on your behalf. However, if the legal personal representative(s) give(s) us instructions, in accordance with section 4, to make another person or your estate the subscriber, then the legal personal representative(s) will cease to administer the Plan on your behalf.

## 17. Maintaining your account

We will maintain an account to record: (1) contributions and transfers made to the Plan; (2) the grant accounts; (3) purchases and sales of investments held in the Plan; (4) income, gains and losses on investments held in the Plan; (5) Educational Assistance Payments; (6) payments to (or to a trust in favour of) one or more Designated Educational Institutions; (7) refunds of contributions; (8) Accumulated Income Payments; (9) transfers to another RESP; (10) any costs, fees or charges related to the sale of property, any amount required to be withheld under the Applicable Tax Legislation and any taxes, interest or penalties that are or may become payable by the Plan; and (11) fees and other charges to the Plan and expenses of the Plan. We will provide you with periodic statements of your account.

## 18. Ownership of the property of the plan and exercise of voting rights

Ownership of the property of the Plan will be vested in the Trustee. You are the beneficial owner of the property of the Plan. The property of the Plan will be held in the Trustee’s name or nominee name, bearer form or any other name that the Trustee determines. The voting rights attached to any securities held under the Plan and credited to your account may be exercised by you. For this purpose, you are hereby appointed as the Trustee’s agent and attorney to execute and deliver proxies and/or other instruments mailed by us or the Trustee to you according to applicable laws.

## 19. Instructions and written notice

Instructions may take any form, however any reasonable requirements regarding form, content, receipt and timing established by us or the Trustee must be satisfied. We and the Trustee will be entitled to rely upon instructions received from you (or by any person you designate to us to give instructions on your behalf) and any person purporting to be you (or purporting to be the person designated by you). We and the Trustee may decline to act upon instructions if there are doubts about their accuracy or whether they are from you (or a person designated by you) or if we or the Trustee do not understand them. If there is more than one subscriber at the same time, instructions given by one subscriber will bind all subscribers. If you give us or the Trustee instructions more than once, we or the Trustee will follow the instructions with the latest date, even though they may be different from previous instructions. We or the Trustee may give you or the Beneficiary any written notice, statement or receipt by personal delivery or by mail, postage prepaid, at the address you gave on the Application. If you give us or the trustee instructions regarding a change of address for you or the Beneficiary, any written notice, statement or receipt will be sent to the new address. Any notice, statement or receipt from us or the Trustee will be considered to have been given to you or the Beneficiary at the time of personal delivery, or if mailed, on the third day after mailing.

## 20. Fees for us and the trustee

The Trustee may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee and/or us from time to time (the “**Trustee Fees**”), provided that the Trustee and/or us shall give prior written notice to the Subscriber of such Trustee Fees and any change in the amount of the Trustee Fees. The Trustee Fees may be paid for out of the Fund or recovered from the Fund, to the extent that they are not paid when due by the Subscriber.

The Subscriber acknowledges that we (or an affiliate) may charge fees, spreads, commissions and expenses to the Fund in its capacity as the investment advisory firm for the Subscriber (the “**Advisory Fees**”). The Subscriber acknowledges and agrees that the Advisory Fees do not constitute Trustee Fees and are governed by the terms of the Client Account Agreement as amended from time to time. If there are any inconsistencies between this Plan and the Client Account Agreement with respect to the Advisory Fees, the terms of the Client Account Agreement govern.

The Trustee and/or us may charge expenses incurred by the Trustee and/or us in the administration of the Plan. All such expenses will, unless paid directly to the Trustee and/or us, be paid out of or recovered from the Fund.

All taxes, penalties, and interest that may be imposed on the Trustee or Subscriber in respect of the Plan or any other charges related to the Plan may be paid out of or recovered from the Fund.

The Trustee may, without instructions from the Subscriber, apply any cash held in the Fund for the payment of fees (including the Trustee Fees and the Advisory Fees) or expenses or taxes, penalties and interest charged to the Plan. Where there is insufficient cash in the Fund at any time, the Trustee or us shall make reasonable requests for instructions from the Subscriber regarding which assets of the Fund to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Subscriber at the last address provided by the Subscriber, the Trustee or us does not receive satisfactory instructions from the Subscriber within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the Fund in order to realize sufficient cash to make the payment. Neither the Trustee nor us shall be responsible for any loss occasioned by any such realization. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to us for our own account, at such price as the Trustee considers fair and proper.

## **21. Our liability and the Trustee's liability**

Except for charges, taxes or penalties for which we and/or the Trustee are liable and that cannot be charged against or deducted from the Fund in accordance with the Act, if the Trustee or us are liable for:

- a. any tax, interest or penalty that may be imposed on us and/or the Trustee in respect of the Plan, or
- b. any other charges levied or imposed by any governmental authority on or related to the Plan as a result of the purchase, sale or retention of any investment including, without limitation thereof, nonqualified investments within the meaning of the Act, the Trustee or us shall be reimbursed or may pay any of these taxes, interest, penalties or charges out of the Fund.

The Trustee and us will not be liable (including for greater certainty under any common law or equitable principles) for any cost incurred in the performance of their duties as set out herein or in the performance of their duties under the Act.

Unless caused by the Trustee's or our bad faith, willful misconduct or negligence, the Trustee and us will not be liable for any loss or damage suffered or incurred by the Plan, the Subscriber or any beneficiary under the Plan, caused by or resulting from:

- a. Any loss or diminution of the assets of the Plan;
- b. The purchase, sale or retention of any investment;
- c. Payments out of the Plan that are made in accordance herewith; or

- d. Acting or declining to act on any instructions given to the Trustee or us by the Subscriber or an individual purporting to be the Subscriber.

For greater certainty, in no event shall either the Trustee or us have any liability to the Subscriber (or to the spouse or common-law partner of the Subscriber, or any beneficiary or legal personal representative of the Subscriber) for any special, indirect, reliance, incidental, punitive, consequential, economic or commercial loss or damage of any kind whatsoever (whether foreseeable or not), suffered or incurred by the Subscriber or any beneficiary under the arrangement (including without limitation, loss of profits or revenue, failure to realize expected savings or other economic losses and costs), howsoever arising, resulting or caused.

Except as otherwise prohibited by law, the Subscriber, his/her legal personal representatives and each beneficiary of this Plan will at all times indemnify and save harmless the Trustee and us in respect of any taxes, interest and penalties which may be imposed on the Trustee in respect of the Plan or any losses incurred by the Plan as a result of the acquisition, retention or transfer of any investment or as a result of payments or distributions out of the Plan made in accordance with these terms and conditions or as a result of the Trustee or us acting or declining to act upon any instructions given to us and/or the Trustee by the Subscriber and any costs or expenses of the Trustee and us related thereto (including legal fees).

Except as otherwise prohibited by law, in the event the Subscriber breaches this Trust Agreement, the Subscriber, his/her legal personal representatives and each beneficiary of this Plan will indemnify and save harmless the Trustee and us in respect of any loss, damage, or other expense (including legal fees) incurred by the Trustee or us related to such breach.

In all cases where the Trustee or us are entitled to be indemnified in accordance with the Tax Act, they shall be entitled to cause such indemnity to be paid from the Fund. If the Fund is insufficient to indemnify the Trustee and us fully, the Subscriber agrees to indemnify and hold the Trustee and us harmless for any such costs, expenses, charges or liabilities.

## **22. Amendment of the plan**

We and the Trustee may agree to amend the Plan as long as:

- a. we obtain approval from the Canada Revenue Agency or any government authority administering the Applicable Tax Legislation; and
- b. the amendment does not disqualify the Plan as an RESP within the meaning of the Act or the amendment is being made to satisfy a requirement of the Applicable Tax Legislation.

We and the Trustee may agree to make an amendment effective as of a date prior to the date when the amendment is made. We will give you thirty days written notice of any amendment and its effective date.

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## 23. Replacement of the trustee

The Trustee may resign by providing 60 days written notice to us or any shorter period that is acceptable to us. We may remove the Trustee from its position as trustee under the Plan by providing 60 days written notice to the Trustee or any shorter period that is acceptable to the Trustee. The Trustee's resignation or removal will be effective on the date we appoint another trustee (the "**Replacement Trustee**"). The Replacement Trustee must be a corporation which is resident in Canada, authorized under the laws of Canada or a province to offer trustee services to the public in Canada and which has entered into an agreement concerning Grants with the Minister. If we do not appoint a Replacement Trustee within 60 days after we have received notice of the Trustee's resignation or given notice to the Trustee of its removal, the Trustee may appoint a Replacement Trustee. On the date the Trustee's resignation or removal becomes effective, the Trustee will sign and deliver to the Replacement Trustee all conveyances, transfers and further assurances that may be necessary or desirable to give effect to the appointment of the Replacement Trustee.

## 24. Binding

The Plan will be binding upon your heirs, executors, administrators and upon our successors and assigns.

## 25. Governing law

The Plan will be interpreted, administered and enforced according to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario. This Plan shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Promoter is located where the account is maintained.

## 26. Language

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

# Part Six: BMO Trust company Registered Accounts

## BMO Nesbitt Burns Inc. First Home Savings Account Declaration of Trust (Specimen 35270024)

BMO Trust Company (the “**Trustee**”) will act as trustee of an arrangement for a BMO Nesbitt Burns Inc. First Home Savings Account, as defined under the Income Tax Act (Canada) (the “**Act**”), with the Accountholder named in the included application and, after the death of such Accountholder, an individual, if any, who becomes the Successor Accountholder as provided herein. The Accountholder named in the included application and, after the Accountholder’s death, any Successor Accountholder, is known as the “**Accountholder**”. This arrangement is known as the “**Account**”. The Account is governed by the terms and conditions of this Declaration of Trust, the included application and applicable law including, without limitation, the Act.

The Trustee may delegate the performance of any of the Trustee’s duties and responsibilities in respect of the Account to BMO Nesbitt Burns Inc. (the “**Agent**”). References to “Trustee” herein shall also refer to the Agent where the Agent is acting as delegate of the Trustee, except that the Trustee shall, however, remain ultimately responsible for the administration of the Account.

The term “**Accountholder**” has the same meaning as the term “**Holder**” as defined under the Act. The terms “**common-law partner**”, “**beneficiary**” and “**spouse**” have the same meanings as defined or used under the Act, as it may be altered or amended from time to time.

Qualifying arrangements established under this Declaration of Trust must meet prescribed conditions in accordance with s. 146.6(2)(i) of the Act.

### 1. Eligibility

At the time the Account is entered into, the Accountholder named in the included application must be a “**Qualifying Individual**” which is an individual who (i) is at least 18 years of age, and (ii) did not, at any prior time in the calendar year or in the preceding four calendar years, inhabit as a principal place of residence a Qualifying Home (or what would be a Qualifying Home if it were located in Canada) that was owned, whether jointly with another person or otherwise, by the Accountholder or a person who is the spouse or common law partner of the Accountholder at such time. A “**Qualifying Home**” is either a housing unit located in Canada or a share of the capital stock of a cooperative housing corporation, the Accountholder of which is entitled to possession of a housing unit located in Canada. The statement by the Accountholder named in the included application as to the Accountholder’s date of birth and status with respect to a Qualifying Home (or what would be a Qualifying Home if it were located in Canada) shall constitute a certification by such Accountholder and an undertaking to furnish such further evidence as may be required by the Trustee.

### 2. Registration

The Trustee will file with the Minister of National Revenue an election to register the qualifying arrangement as a “first home savings account” under the Act (“**FHSA**”) in the prescribed form and manner under the

Social Insurance Number of the Accountholder named in the included application. The Trustee will make any corresponding filing as required by applicable provincial or territorial tax legislation. The Accountholder is solely responsible for ensuring that the information provided to the Trustee in the included application is consistent with the information on file with the Canada Revenue Agency and is solely responsible for contacting the Canada Revenue Agency to rectify any inconsistencies.

### 3. Exclusive Benefit of the Accountholder

The Account shall be maintained for the exclusive benefit of the Accountholder (determined without regard to any right of a person to receive a payment out of or under the Account only on or after the death of the Accountholder).

### 4. Contributions

Contributions of cash and other property acceptable to the Trustee may be made to the Account by the Accountholder. No person other than the Accountholder may make a contribution to the Account. Any dishonoured cheque or other amount that cannot be processed or is otherwise not accepted by the Trustee will not be considered to be a contribution to the Account. The property of the Account (in the aggregate, the “**Fund**”) shall consist of such contributions, together with any income or gains earned or realized, and shall be held in trust by the Trustee and used, invested or otherwise applied in accordance with this Declaration of Trust.

### 5. Contribution Receipts

The Trustee shall provide the Accountholder with contribution receipts as required under the Act.

### 6. Excess Contributions

It is the sole responsibility of the Accountholder to determine whether contributions made to the Account are tax-deductible and do not exceed the maximum permitted under the Act. The Trustee shall, on the instructions of the Accountholder, refund an amount to the Accountholder where the amount is paid to reduce the amount of tax otherwise payable under Part XI.01 of the Act by the Accountholder..

### 7. Investments

The Fund shall be invested and reinvested by the Trustee exclusively on the instructions of the Accountholder (or of a person authorized by the Accountholder, in a form and manner satisfactory to the Trustee, to manage the investments of the Account). The Fund may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds. The Account may be invested in investments which are issued by the Trustee, the Agent or any of their affiliates.

To the fullest extent provided by law and despite any other provision of this Declaration of Trust, the Trustee excludes all liability arising out of or in connection with the Account for indirect, incidental, special or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill (whether or not either party knew of the possibility of such damage or such damage was otherwise foreseeable).

BMO Nesbitt Burns Inc. (or an affiliate) will be the investment advisory firm for the Accountholder. In its capacity as investment advisory firm for the Accountholder, BMO Nesbitt Burns Inc. (or an affiliate) will be governed by the BMO Nesbitt Burns Inc. Client Account Agreement entered into with the Accountholder and by the applicable laws, rules and regulations of the applicable securities regulatory authorities, including the **Canadian Investment Regulatory Organization (CIRO)** and the Toronto Stock Exchange.

The Accountholder agrees not to provide any instructions or series of instructions that would cause the Account to contravene the Act.

Neither the Trustee nor the Agent (in its capacity as Agent) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation or common law principles regarding trustee investment duties and powers), to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the Fund, except as otherwise expressly provided in this Declaration of Trust. Other than its duties with respect to the Account and the Fund as expressly stated in this Declaration of Trust, the Trustee shall not be required or expected to take any action with regard to an investment without prior instructions from the Accountholder.

The Accountholder shall not sign any document or authorize any action for the Account in the name of the Trustee or the Agent, including permitting any asset in the Fund to be used as security for a loan, without first having obtained authorization in writing from the Trustee.

The Accountholder shall not use or permit to be used any property of the Account as security for a loan.

The Trustee will only accept funds in Canadian or U.S. currency. Acceptance of any other foreign currency is at the sole discretion of the Trustee. The Trustee, in its sole discretion, may deposit any uninvested cash in the Fund into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee) and all interest earned on the cash will be retained by the Trustee.

Self-directed mortgages may not be held in the Account.

The Trustee reserves the right to refuse instructions with respect to the making of any investment in its absolute discretion and reserves the right to require that the Accountholder provide in a manner satisfactory to it, information to establish the market value of the investment (including but not limited to any shareholders' agreements and any audited financial statements) and information required in the Trustee's reasonable discretion to ensure compliance with the Act, applicable laws, regulations, and other rules with respect to investments (including, but not limited to, anti-money laundering legislation).

The Trustee reserves the right to refuse any investment by means of a private placement. If the Trustee permits an investment through a private placement, the Trustee must receive satisfactory information from the Accountholder to establish the market value of the investment. The Trustee reserves the right to request an independent valuation of such investment, and any other details and documents of the company offering the private placement, including but not limited to any shareholders' agreements and any audited financial statements.

## **8. Account**

The Trustee will maintain an account for the Fund showing all contributions and transfers made to the Fund, all investment transactions and investment earnings, gains and losses and all transfers and withdrawals made from the Fund. The Agent shall prepare periodic statements of the account for the Accountholder in accordance with the rules, regulations and practices applicable to investment dealers.

## **9. Non-Qualified and Prohibited Investments**

The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Account holds a non-qualified investment (as defined under the Act) for an FHSA.

Notwithstanding the foregoing, if the Fund acquires property that is a non qualified investment for a FHSA or is a prohibited investment for the Account, or if property held in the Fund becomes a non-qualified investment or a prohibited investment, it is the responsibility of the Accountholder to file the applicable prescribed form required under the Act and to pay the applicable tax under Part XI.01 of the Act.

## **10. No Carrying on Business**

The Accountholder agrees not to provide any instructions or series of instructions that could cause the Account to carry on a business for the purposes of the Act. For greater certainty, the Accountholder acknowledges that this includes, but is not limited to, using the Account for "day trading" or other high volume trading that may constitute carrying on a business under the Act.

## **11. No Borrowing**

The trust is prohibited from borrowing money or any other property. The Accountholder acknowledges that this includes a borrowing that results from purchasing assets using the proceeds of sale of Account assets prior to the settlement of such sale and the Accountholder shall not provide any instructions that would have such result. The Accountholder will be liable for any tax, penalties and interest arising in respect of any indebtedness arising in connection with the Account.

## **12. Distribution to Accountholder**

The Accountholder may, at any time, instruct the Trustee to make a payment out of or under the Account, in satisfaction of all or part of the Accountholder's interest in the Account. The Accountholder acknowledges that, unless the amount withdrawn is a "qualifying withdrawal" or is a "designated amount" paid to reduce the amount of tax otherwise payable under Part XI.01 of the Act by the Accountholder, the amount withdrawn must be included in the income of the Accountholder. The Trustee shall withhold from any withdrawal such taxes as required to be withheld by applicable law.



A “**qualifying withdrawal**” of the Accountholder is an amount received at a particular time by the Accountholder from the Account if all of the following conditions are satisfied:

- i. the amount is received because of the Accountholder’s written request to the Trustee in prescribed form which sets out the location of a Qualifying Home that the Accountholder has either begun to use as a principal place of residence or intends to begin using as a principal place of residence not later than one year after its acquisition by the Accountholder;
- ii. the Accountholder is a resident of Canada for the purposes of the Act throughout the period that (x) begins at the time the amount is received, and (y) ends at the earlier of the time that the Accountholder acquires the Qualifying Home or dies;
- iii. in the period that (x) begins at the beginning of the fourth preceding calendar year that ended before the amount is received, and (y) ends on the 31<sup>st</sup> day before the amount is received, the Accountholder does not own, whether jointly with another person or otherwise,
  - i. a housing unit that is inhabited by the Accountholder as the Accountholder’s principal place of residence at that time, or
  - ii. a share of the capital stock of a cooperative housing corporation which was acquired for the purpose of acquiring a right to possess a housing unit owned by the corporation and that unit is inhabited by the Accountholder as the Accountholder’s principal place of residence at that time;
- iv. the Accountholder entered into an agreement in writing before the amount is received for the acquisition or construction of the Qualifying Home before October 1 of the calendar year following the year in which the amount is received; and
- v. the individual did not acquire the Qualifying Home more than 30 days before the amount is received.

If the Accountholder requests the distribution of some, but not all, of the assets in the Fund in accordance with the provisions herein, the Trustee reserves the right to require that assets other than those requested by the Accountholder be distributed.

### 13. Transfers

The Accountholder may instruct the Trustee in writing to transfer all or part of the Fund (or an amount equal to its value) to another FHSA of the Accountholder or to a Registered Retirement Savings Plan (“**RRSP**”) or a registered retirement income fund Registered Retirement Income Fund (“**RRIF**”) under which the Accountholder is the annuitant. Any transfer is subject to the terms of the investments of the Fund, the withholding of any applicable tax and the deduction of all proper fees, expenses, commissions and other charges.

If the Accountholder transfers all or part of the Fund (or an amount equal to its value) to another FHSA or to a RRSP or RRIF for which another entity (including affiliates of either the Trustee or the Agent) acts as trustee or agent, the Accountholder is solely responsible for ensuring that such other financial institution is aware of any designation of beneficiaries.

### 14. Transfer on Breakdown of Marriage or Common-Law Partnership

The Accountholder may instruct the Trustee in writing to transfer on behalf of the Accountholder all or part of the Fund to a RRSP, RRIF or FHSA under which the Accountholder’s spouse or common-law partner or former spouse or common law partner is the Accountholder or annuitant, as applicable, where the payment or transfer is made under a decree, order or judgment of a competent tribunal, or under a written agreement, relating to a division of property between the Accountholder and the Accountholder’s spouse or common-law partner or former spouse or common-law partner in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership.

### 15. Death of Accountholder (applies to Provinces and Territories where it is permissible to designate a successor Accountholder or beneficiary under a FHSA otherwise than by Will)

The Accountholder named in the included application (in this Section 5, the “**Initial Accountholder**”) may appoint the spouse or common-law partner of the Initial Accountholder to become the holder of the Account (in this Section 16, the “**Successor Accountholder**”) in the event of the death of the Initial Accountholder and provided that the individual so appointed is a Qualified Individual (as set forth in Section 1 of this Declaration of Trust) at the date of death of the Initial Accountholder. Such appointment shall be made using a form provided by the Agent, and shall be effective on the death of the Initial Accountholder provided that the individual who is appointed survives the Initial Accountholder and is a Qualified Individual. The Accountholder may change or revoke such appointment.

An individual appointed as Successor Accountholder shall, at and after the death of the Initial Accountholder, have all of the Initial Accountholder’s rights as the holder of the Account provided that such individual (i) survives the Initial Accountholder, (ii) is a Qualified Individual at the date of death of the Accountholder, and (iii) within 30 days following the date that the Trustee receives satisfactory evidence of the death of the Accountholder, and (iv) within 30 days following the date that the Trustee received satisfactory evidence of the death of the Initial Accountholder, certifies to the Trustee that the individual was a Qualified Individual at the date of death of the Initial Accountholder and furnishes such further evidence of such status as may be required by the Trustee. For the avoidance of doubt, the rights acquired by the Successor Accountholder at and after the death of the Initial Accountholder include the unconditional right to revoke any beneficiary designation made (or similar direction imposed) by the Initial Accountholder under the paragraph below or relating to the property held in connection with the Account. The Successor Accountholder shall be deemed for the purposes of the Act to have entered into a new qualifying arrangement in respect of the Account unless, by the end of the year following the year of death of the Initial Accountholder, the property of the Fund is transferred to a RRSP or a RRIF under which the Successor Accountholder is the annuitant or is distributed to the Successor Accountholder in accordance with subsection 146.6(14) of the Act.

The Accountholder may designate (and may add, change or delete) beneficiaries of the Account in accordance with, and in the form and manner provided by, applicable law. It is the Accountholder's responsibility to update any beneficiary designations should there be any change in personal circumstances. After the death of the Accountholder, if there is no Successor Accountholder, the Trustee shall pay or transfer the Fund in accordance with applicable law to any beneficiaries of the Account so designated; provided, however, that if the spouse or common-law partner of the Accountholder is designated as the beneficiary of the Account, the property of the Fund may be transferred to a RRSP or a RRIF under which the spouse or common-law partner is the annuitant. Where no beneficiary has been so designated and the Trustee has not been notified of any beneficiary in accordance with applicable law, the Trustee will distribute the property of the Account to the legal personal representative(s) of the Accountholder. Before any payment or transfer contemplated by this paragraph, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as may be required and the Trustee and the Agent will be fully discharged by such payment or transfer. The Trustee shall withhold from any payment or transfer such taxes as required to be withheld by applicable law.

Where the Trustee, after making reasonable requests for instructions from the beneficiary or the legal personal representative(s), does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion pay or transfer the Fund to the beneficiary or the legal personal representative(s). The Trustee may in its discretion liquidate all or any part of the Fund before making any such payment or transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the asset at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper. If the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of so doing.

#### **16. Death of Accountholder (applies to Quebec and any other Province or Territory where it is permissible to designate a successor Accountholder or beneficiary under a FHSA only by Will)**

If the Accountholder named in the included application (in this Section 16, the **"Initial Accountholder"**) wishes to (x) appoint the spouse or common-law partner of the Initial Accountholder to become the holder of the Account (in this Section 17, the **"Successor Accountholder"**) in the event of the death of the Initial Accountholder and provided that the individual so appointed is a Qualified Individual (as set forth in Section 1 of this Declaration of Trust) at the date of death of the Initial Accountholder, and/or (y) name a beneficiary (or beneficiaries), the Accountholder, shall do so in a will or other written document that meets the requirements of applicable law.

On the death of the Initial Accountholder, and upon receipt by the Trustee of satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as may be required:

- i. The individual appointed as Successor Accountholder shall, at and after the death of the Initial Accountholder, have all of the Initial Accountholder's rights as the holder of the Account provided that such individual (i) survives the Initial Accountholder, (ii) is a Qualified Individual at the date of death of the Initial Accountholder, and (iii) within 30 days following the date that the Trustee receives satisfactory evidence of the death of the Initial Accountholder, certifies to the Trustee that the individual was a Qualified Individual at the date of death of the Initial Accountholder and furnishes such further evidence of such status as may be required by the Trustee. For the avoidance of doubt, the rights acquired by the Successor Accountholder at and after the death of the Initial Accountholder include the unconditional right to revoke any beneficiary designation made (or similar direction imposed) by the Initial Accountholder or related to the property held in connection with the Account. The Successor Accountholder shall be deemed for the purposes of the Act to have entered into a new qualifying arrangement in respect of the Account unless, by the end of the year following the year of death of the Initial Accountholder, the property of the Fund is transferred to a RRSP or RRIF under which the Successor Accountholder is the annuitant or is distributed to the Successor Accountholder in accordance with subsection 146.6(14) of the Act; or
- ii. If paragraph (i) does not apply, the Trustee shall distribute the property of the Account to the legal personal representative(s) of the Initial Accountholder. The Trustee and the Agent will be fully discharged by such payment or transfer. The Trustee shall withhold from any payment or transfer such taxes as required to be withheld by applicable law.

Where the Trustee, after making reasonable requests for instructions from the legal personal representative(s), does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion pay or transfer the Fund to the legal personal representative(s). The Trustee may in its discretion liquidate all or any part of the Fund before making any such payment or transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the asset at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper. If the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of so doing.

#### **17. Other Conditions**

While there is an Accountholder, no person other than the Accountholder or the Trustee shall have any right under the Account relating to the amount and timing of distributions and the investing of funds.

## 18. Ceasing to be a FHSA

Unless the Minister of National Revenue specifies a later time in writing, the Account will cease to be a FHSA at the earliest of the following times: (i) the end of the maximum participation period of the last Accountholder; (ii) the end of the year following the year of the death of the last Accountholder; (iii) the time at which the Account ceases to be a qualifying arrangement (as defined under the Act); or (iv) the time at which the Account is not being administered in accordance with the conditions in subsection 146.6(2) of the Act.

The “maximum participation period” of an Accountholder is the period that

- i. begins when the Accountholder first enters into, or in the case of a Successor Accountholder, is deemed to enter into a FHSA (including the Account), and
- ii. ends at the end of the year following the year in which the earliest of the following events occurs (a) the 14th anniversary of the date the Accountholder first enters into, or in the case of a Successor Accountholder, is deemed to enter into, a FHSA (including the Account), (b) the Accountholder attains 70 years of age, and
- iii. the Accountholder first makes a qualifying withdrawal from a FHSA (including the Account).

If the Account ceases to be an FHSA, the arrangement will nevertheless continue as a trust for the benefit of the Accountholder governed by this Declaration of Trust and the included application, except that no further contributions or transfers may be made to the Account under Section 4 and no transfers or distributions may be made under Sections 13 or 14. The trust ends, and this Declaration of Trust terminates, at the time when all the property of the Account has been disbursed, whether as a distribution to the Accountholder, spouse, common-law partner, beneficiary and/or legal personal representative of the Accountholder or paid or charged on account of fees, commissions, expenses, taxes penalties and interest; provided, however, that the obligations of the Accountholder under Sections 24 and 27 shall continue.

## 19. Failure to be a FHSA

The Account will not qualify as a FHSA until it is registered under the Act. An Account that is not registered will not qualify for tax benefits. If, for any reason, the Account cannot be registered under the Act, all income earned will be taxed in the hands of the Accountholder (and the Trustee shall be indemnified in relation to any expenses incurred with respect thereto in accordance with Section 29).

If the Account cannot be registered under the Act, or if it ceases to be a FHSA, the Trustee may, in its sole discretion, transfer the property held in the Fund to a new (non-registered) account opened on the Accountholder’s behalf or to a non-registered account which the Accountholder already has in place.

The Trustee shall be entitled to place a hold on some or all of the assets in the new or existing account until the documentation required in accordance with Section 27 is received and may use such funds to satisfy the indemnities set out in Sections 20 and 28 hereof.

The Trustee may also, in its sole discretion, close the Account and return the property held in the Fund to the Accountholder. This may require the Trustee to liquidate or redeem property in the Fund. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the property at the time. The Accountholder will be responsible for any fees, penalties or loss of value that may occur as a result.

The Accountholder is solely responsible for any income tax implications that may arise as a result of the Account failing to attain registered status or ceasing to be a FHSA.

## 20. Third Party Orders or Demands

The Trustee shall be entitled to be indemnified out of the Fund in respect of any costs, expenses, charges or liabilities whatsoever that may arise out of the Trustee’s good faith compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee a duty to take or refrain from taking any action concerning the Account or part or all of its property, or to issue payment from the Fund, with or without instructions from the Accountholder or in contradiction of instructions of the Accountholder. The Trustee retains the ability to restrict trading upon receipt of an order or demand. The Trustee will not be liable for any decreases in account value during the restriction period. In order for any related restriction to be removed from the Account, the Accountholder must provide proof satisfactory to the Trustee in its sole discretion, that it is no longer applicable. The Trustee may permit any duly authorized party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Account or related to the Account and shall similarly be entitled to indemnity out of the Fund for so doing. If the assets of the Fund shall be insufficient to indemnify the Trustee fully in any such regard, by establishing the Account the Accountholder agrees to indemnify and hold the Trustee harmless for any such costs, expenses, charges or liabilities.

## 21. Ownership and Voting Rights

The Trustee may hold any property of the Fund in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. The voting or other ownership rights attached to any property of the Fund may be exercised by the Accountholder and the Accountholder is appointed as the Trustee’s agent and attorney for this purpose, to execute and deliver proxies and/or other instruments, in accordance with applicable laws.

## 22. Advantages

If an advantage (as defined under the Act) in relation to the Account is extended to, or is received or receivable by, the Accountholder, the Fund or a person who does not deal at arm’s length with the Accountholder for the purposes of the Act, it is the responsibility of the Accountholder to file a tax return Act and pay the tax under Part XI.01 of the Act; except that if the advantage is extended by the Trustee or by a person with whom the Trustee is not dealing at arm’s length, it is the responsibility of the Trustee to file a tax return and pay the applicable tax under Part XI.01 of the Act.

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### 23. Fees, Expenses, Taxes, Interest and Penalties

The Trustee may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee from time to time (the “**Trustee Fees**”), provided that the Trustee shall give prior written notice to the Accountholder of such Trustee Fees and any change in the amount of the Trustee Fees. The Trustee Fees shall be paid out of the Fund or recovered from the Fund.

The Accountholder acknowledges that the Agent (or an affiliate) may charge fees, spreads, commissions and expenses to the Fund in its capacity as the investment advisory firm for the Accountholder (the “**Advisory Fees**”). The Accountholder acknowledges and agrees that the Advisory Fees do not constitute Trustee Fees and are governed by the terms of the Client Account Agreement as amended from time to time. If there are any inconsistencies between this Account and the Client Account Agreement with respect to the Advisory Fees, the terms of the Client Account Agreement govern.

The Trustee and/or the Agent may charge expenses incurred by the Trustee and/or the Agent in the administration of the Account. All such expenses shall be paid out of or recovered from the Fund.

Except as prohibited by the Act, all taxes, penalties, and interest that may be imposed on the Trustee in respect of the Account or any other charges related to the Account shall be paid out of or recovered from the Fund and, if the property of the Fund is insufficient, from the Accountholder.

Except as prohibited by the Act, the Trustee may, without instructions from the Accountholder, apply any cash held in the Fund for the payment of fees (including the Trustee Fees and the Advisory Fees) or expenses or taxes, penalties and interest charged to the Account. Where there is insufficient cash in the Fund at any time, the Trustee or the Agent shall make reasonable requests for instructions from the Accountholder regarding which assets of the Fund to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Accountholder at the last address provided by the Accountholder, the Trustee or the Agent does not receive satisfactory instructions from the Accountholder within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the Fund in order to realize sufficient cash to make the payment. Neither the Trustee nor the Agent shall be responsible for any loss occasioned by any such realization. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent’s own account, at such price as the Trustee considers fair and proper.

### 24. Instructions

The Trustee and the Agent shall be entitled to rely upon instructions received from the Accountholder or from any person designated in writing, in accordance with applicable laws, by the Accountholder to give instructions on behalf of the Accountholder or from any person purporting to be the Accountholder or such designated person, as if they were from the Accountholder. The Trustee or the Agent may,

without incurring any liability to the Accountholder or any other person, decline to act upon any instruction if the instruction is not given in a timely manner, is not in writing where the Trustee or Agent requires it, is not in a form or format which the Trustee or Agent requires, or in the opinion of the Trustee or Agent is not complete; or if either of them has any doubt that the instruction has been properly authorized or accurately transmitted.

### 25. Amendment

The Trustee may from time to time in its discretion amend this Declaration of Trust or the included application which comprise the Account; provided, however that any amendment shall not disqualify the Account as a FHSA acceptable for registration under the Act and any applicable provincial legislation. The Trustee shall notify the Accountholder within 60 days after any such amendment becomes effective.

### 26. Replacement of Trustee

The Trustee may resign and be released and discharged from all further duties and liabilities under this Declaration of Trust upon 60 days’ prior written notice given to the Agent (or such shorter notice as the Agent may accept). The Agent may terminate the Trustee as trustee, and the Trustee will be released from all further duties and liabilities under the Declaration of Trust, upon 60 days prior written notice given to the Trustee (or such shorter notice as the Trustee may accept). Upon the resignation or termination of the Trustee, the Agent shall appoint a successor trustee, provided that the successor trustee is acceptable under the Act. The Agent shall give the Accountholder written notice of the successor trustee within 30 days of the appointment.

### 27. Documentation

Notwithstanding anything to the contrary herein, the Trustee may require such satisfactory instructions, releases, indemnities, tax clearance certificates, death certificates and other documents as the Trustee in its discretion deems appropriate.

### 28. Limitation of Liability and Indemnity

Except for charges, taxes or penalties for which the Trustee is personally liable and that cannot be charged against or deducted from the Fund in accordance with the Act, if the Trustee or the Agent is liable for:

- a. any tax, interest or penalty that may be imposed on the Trustee in respect of the Account, or
- b. any other charges levied or imposed by any governmental authority on or related to the Account as a result of the purchase, sale or retention of any investment including, without limitation thereof, non-qualified investments within the meaning of the Act.

The Trustee or Agent shall be reimbursed or may pay any of these taxes, interest, penalties or charges out of the Fund.

The Trustee and the Agent will not be liable (including for greater certainty under any common law or equitable principles) for any cost incurred in the performance of their duties as set out herein or in the performance of their duties under the Act.

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Unless caused by the Trustee's or the Agent's bad faith, willful misconduct or negligence, the Trustee and the Agent will not be liable for any loss or damage suffered or incurred by the Account, the Accountholder or any beneficiary under the Account, caused by or resulting from:

- a. Any loss or diminution of the Fund;
- b. The purchase, sale or retention of any investment;
- c. Payments out of the Account that are made in accordance herewith; or
- d. Acting or declining to act on any instructions given to the Trustee or Agent by the Accountholder or an individual purporting to be the Accountholder.

For greater certainty, in no event shall the Trustee or the Agent have any liability to the Accountholder (or to the spouse or common-law partner of the Accountholder, or any beneficiary or legal personal representative of the Accountholder) for any special, indirect, reliance, incidental, punitive, consequential, economic or commercial loss or damage of any kind whatsoever (whether foreseeable or not), suffered or incurred by the Accountholder or any beneficiary under the arrangement (including without limitation, loss of profits or revenue, failure to realize expected savings or other economic losses and costs), howsoever arising, resulting or caused.

Except as otherwise prohibited by law, the Accountholder, the legal personal representatives of the Accountholder and each beneficiary of the Account will at all times indemnify and save harmless the Trustee and its Agent in respect of any taxes, interest and penalties which may be imposed on the Trustee in respect of the Account or any losses incurred by the Account as a result of the acquisition, retention or transfer of any investment or as a result of payments or distributions out of the Account made in accordance with these terms and conditions or as a result of the Trustee or its Agent acting or declining to act upon any instructions given to it by the Accountholder and any costs or expenses of the Trustee and the Agent related thereto (including legal fees).

Except as otherwise prohibited by law, if the Accountholder breaches this Declaration of Trust, the Accountholder, the legal personal representatives of the Accountholder and each beneficiary of this Account will indemnify and save harmless the Trustee and its Agent in respect of any loss, damage, or other expense (including legal fees) incurred by the Trustee or the Agent related to such breach.

In all cases where the Trustee or the Agent is entitled to be indemnified in accordance with the Act, it shall be entitled to cause such indemnity to be paid from the Fund. If the Fund is insufficient to indemnify the Trustee or the Agent fully, the Accountholder agrees to indemnify and hold the Trustee and the Agent harmless for any such costs, expenses, charges or liabilities.

## **29. Notice**

Any notice given by the Trustee to the Accountholder regarding the Account (including this Declaration of Trust) shall be sufficiently given if it is delivered to the Accountholder personally, or if it is mailed, postage prepaid, to the Accountholder at the address set out in the included application or the last address provided by the Accountholder. If mailed, any such notice shall be deemed to have been delivered by the tenth business day following the day of mailing.

## **30. Binding**

The terms of this Declaration of Trust shall be binding upon the Accountholder, the spouse or common-law partner of the Accountholder, the beneficiaries, heirs, executors and administrators of the Accountholder and upon the respective successors and assigns of the Trustee and the Agents.

## **31. Governing Law**

This Declaration of Trust shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Agent (or an affiliate) is located where the Account is maintained. If any provision of legislation referred to in this Declaration of Trust is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.

## **32. Language**

The Client acknowledges receipt of the French version (bmo.com/nb/ CELIAPP) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/CELIAPP](https://www.bmo.com/nb/CELIAPP)). Les parties aux présentes ont expressément exigé et accepté que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.



# Architect Program Account Agreement

## Agreement and Definitions

Thank you for your interest in the BMO Nesbitt Burns Architect® Program. The BMO Nesbitt Burns Architect Program ("Architect Program") provides you with the advantage of an Account with at least one Sub-advised Sleeve and the option to maintain a Client-directed Sleeve. The Account may include more than one Sub-advised Sleeve. Sub-advised Sleeves may be created for different reasons: to diversify investment styles or to have different investment vehicles among Sub-advised Sleeves.

This Agreement outlines the terms and conditions of the Architect Program, which in addition to the terms and conditions that generally apply to your Account, is made between you and BMO Nesbitt Burns and not between you and any of BMO Nesbitt Burns' registered representatives. Please review this Agreement carefully prior to enrolling in the Architect Program. If you have any questions about this Agreement, the Architect Program in general, or your Account, please contact your Investment Advisor.

## This Agreement is divided into four Parts:

**Part A: Definitions** – these definitions apply to both the Sub-advised Sleeve and the Client-directed Sleeve of the Architect Program Account

**Part B: General Terms and Conditions** – these terms and conditions apply to only the Sub-advised Sleeve of the Architect Program Account

**Part C: General Terms and Conditions** – these terms and conditions apply to only the Client-directed Sleeve of the Architect Program Account

**Part D: General Terms and Conditions** – these terms and conditions apply to both the Sub-advised Sleeve and the Client-directed Sleeve of the Architect Program Account

### Part A: Definitions

This section applies to both the Client-directed Sleeve and the Sub-advised Sleeve.

*When you see a capitalized term in this agreement, refer back to this section for its definition.*

For the purposes of this Agreement (defined below), the following words and phrases will have the meanings set out below:

**"Account(s)"** means at least one of the Client's investment portfolios in the BMO Nesbitt Burns Architect Program as identified in the Client Account Application;

**"Account Agreements"** means the Architect Program Account Agreement (which is this Agreement), the Investment Policy Statement ("IPS", provided separately), the Client Account Application and the other applicable Client Account Agreements within the BMO Nesbitt Burns Client Account Agreements and Disclosures ("AA&D");

**"Advisory Fees"** are fees, spreads and expenses that may be charged by BMO Nesbitt Burns;

**"Agreement"** means this Architect Program Account Agreement within the AA&D;

**"Applicable Rules and Regulations"** means the constitutions, by-laws, rules, rulings, regulations, customs and usages of the exchanges or markets and their clearing houses on which any Transactions are undertaken, and all laws, regulations and orders of any applicable governmental or regulatory authorities or self-regulatory organizations with jurisdiction over BMO Nesbitt Burns or the Bank of Montreal (the "Bank");

**"Architect Program"** see "BMO Nesbitt Burns Architect Program";

**"Billing Group"** means the Lead Account and those Linkable Accounts participating with the Lead Account on a combined basis which are listed in the Client Account Application;

**"Billing Year"** means the twelve-month period commencing on the date the Account is enrolled in the Architect Program and each succeeding twelve-month period thereafter;

**"BMO Nesbitt Burns"** or **"Us"** means BMO Nesbitt Burns Inc., a wholly-owned subsidiary of the Bank of Montreal;

**"BMO Nesbitt Burns Architect Program"** or **"Architect Program"** means an investment Account that comprises Sub-advised Sleeve(s) and if opted, a Client-directed Sleeve, in a single Account;

**"BMO Nesbitt Burns Client Account Agreements and Disclosures"** or AA&D, means the booklet containing Relationship Disclosure, Client Account Agreements and managed account agreements, including the Architect Program Account Agreement, as applicable to your Account(s) with us;

**"Business Day"** means any day upon which the Toronto Stock Exchange is open for business;

**"Client"** or **"You"** means the holder (or co-holder if applicable) of an Account who has signed the IPS (as such term is defined herein) in such capacity;

**"Client Account Agreement"** means the BMO Nesbitt Burns Client Account Agreements within the AA&D, containing the terms and conditions generally applicable to your Account(s);

**"Client Account Application"** means the BMO Nesbitt Burns Client Account Application ("CAA") which includes your Applicant Information, your Investor Profile, your Personal Information, and your signatures;

**"Client-directed Sleeve"** means if the Client has opted, the portion of the Client's investment portfolio(s) within the Account for which the Client provides direction to their Investment Advisor.

**"Eligible Assets"** means Securities including equities and fixed income instruments, and alternative assets, trust units as well as cash. Any assets that would pay a trailing commission to BMO Nesbitt Burns are not considered Eligible Assets, including but not limited to exchange-traded funds (ETFs), closed-end funds, mutual funds, principal protected notes, principal at risk notes, and high interest savings accounts;

**"Fee Schedule"** means the list of asset-based percentage Fees that BMO Nesbitt Burns will charge for management of your Account(s) for the Billing Year, as set out in your current Investment Policy Statement;

**"Investment Advisor"** means the registered advisor designated by BMO Nesbitt Burns;

**"Investment Policy Statement"** or IPS, means the statement of investment policy that is part of your Account Agreements;

**"Instruments"** means bills of exchange, promissory notes, cheques, orders for payment of money, securities, coupons or notes;

**"Lead Account"** refers to the primary Account of the Lead Client, or the Lead Account in a group of Linkable Accounts. The Lead Account may be a standalone Account or an Account whereby Linkable Accounts are combined to form a Billing Group in the manner described in the IPS Fee Schedule;

**"Lead Client"** means the holder of a Lead Account who has signed the Client Account Application in the capacity of a holder of a Lead Account;

**"Linkable Account"** means an Account established with BMO Nesbitt Burns, other than the Lead Account, that BMO Nesbitt Burns deems, in its sole discretion, to be acceptable for the purposes of linking to the Lead Account provided, in each case, that any holder of such Account has executed the Architect Program Account Agreements;

**"NB Sub-Advisors"** means the sub-advisors chosen by us;

**"Participating Sub-Advisors"** means the group of sub-advisors that are participating in the BMO Nesbitt Burns Architect Program;

**"Permitted Transfer"** has the meaning set out in Section 2 of Part C – General Terms and Conditions Applicable to the Client-directed Sleeve of your Architect Program Account;

**"Responsible Person"** a partner, Director, officer, employee or agent of a Dealer Member who exercises discretionary authority over the account of a client, or approves discretionary orders; or participates in formulating investment decisions made on behalf of, or advice given to, a managed account holder.

**"Securities"** includes, without limitation, shares, mutual funds, guaranteed investment certificates (GICs), bonds, debentures, notes, warrants, rights, cash equivalents (including treasury bills, commercial paper, marketable securities, money market funds, and high interest savings accounts), exchange-traded funds (ETFs), closed end funds, principal protected notes and principal at risk notes;

**"Selected Sub-Advisors"** means the sub-advisor(s) chosen by the Client from among the Participating Sub-Advisors and as identified in the Investment Policy Statement;

**"Sub-advised Sleeve"** means the portion of a Client's investment portfolio(s) in the Account managed by Selected Sub-Advisors and NB Sub-Advisors;

**"Trade Request"** means any request for a Transaction that BMO Nesbitt Burns would undertake for or on behalf of the Client-directed Sleeve of the Account;

**"Transaction"** means a purchase of, sale or exercise or, or otherwise dealing in, Securities or Derivatives;

**"Us"** see BMO Nesbitt Burns;

**"Valuation Date"** means, in the event that the monthly billing option is selected, the last Business Day in the applicable month, or, in the event that the quarterly billing option is selected, the last Business Day of each of the months in the applicable quarter; and

**"You"** see Client.

## **Part B: General Terms and Conditions Applicable Only to the Sub-advised Sleeve of Your Architect Program Account**

In connection with the Sub-advised Sleeve of your Account(s), you have given us the authority to invest your portfolio according to your Investment Policy Statement.

### **1. Operation of Account**

You hereby authorize us to manage the Sub-advised Sleeve of your Account(s) identified in the IPS, on a discretionary basis based on the terms set out therein and in this Agreement.

### **2. Discretionary Investment Management**

You hereby grant us discretionary management and full power and authority to purchase, sell or otherwise deal in Securities for the Sub-advised Sleeve of your Account(s) in accordance with: (a) your Investor Profile (as defined herein); (b) the recommendations and related investment advice provided by the Selected Sub-Advisor(s) pursuant to the investment strategies we specify; and (c) the recommendations for portfolio management and related investment advice provided by the NB Sub-Advisor.

For further clarity, BMO Nesbitt Burns may make determinations regarding all aspects of the Securities held in the Sub-advised Sleeve of the Account(s), including, but not limited to, the processing of class action claims on your behalf and voting on matters requiring a security holder vote.

### **3. Sub-Advisor Substitution**

We retain the discretion in the Sub-advised Sleeve of the Account(s) to replace any of the funds, other investment instruments or Selected Sub-Advisor(s) with another fund, other investment instrument or Selected Sub-Advisor that BMO Nesbitt Burns believes to be appropriate given your Investor Profile.

### **4. Investor Profile**

You have completed, executed, and delivered to BMO Nesbitt Burns, the BMO Nesbitt Burns Client Account Application, which outlines your investment objectives, investment knowledge, risk profile,

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time horizon, target asset allocation, current financial situation and personal circumstances (the "Investor Profile"). An IPS has been prepared based on information that you have provided, a copy of which is provided to you. You hereby represent and warrant that the information, instructions and consents contained in the Client Account Agreement and IPS are true, complete and accurate.

BMO Nesbitt Burns is entitled to rely on this information and you are responsible for advising BMO Nesbitt Burns promptly, in writing, of any changes in your circumstances, of any restrictions regarding trading in securities for the Account(s), or of any other matter which would affect BMO Nesbitt Burns' management of the Account(s) or the information set out in the IPS. You hereby acknowledge that the IPS and this Agreement shall be read together and shall govern the conduct of the parties hereto related to the Architect Program.

*In connection with the Sub-advised Sleeve of your Account(s), you have given us the authority to engage Sub-Advisors.*

## **5. Selected Sub-Advisor(s)**

You acknowledge and agree that we will help you select one or more funds or other investment instruments, and/or sub-advisors from the list of Participating Sub-Advisors. The sub-advisor(s) chosen by you are referred to as the "Selected Sub-Advisor(s)".

We will recommend to you one or more of the Participating Sub-Advisor(s) to provide advisory services for the Sub-advised Sleeve of the Account(s). In recommending Participating Sub-Advisor(s), we will try to identify those Participating Sub-Advisors that have investment strategies and philosophies that are consistent with your Investor Profile. If you wish, different Selected Sub-Advisors can manage different Sub-advised Sleeves of the Account(s).

## **6. Sub-Advisor Changes**

You may select Participating Sub-Advisor(s) either verbally (by phone or in person) or in writing, at any time. If you wish to change your Selected Sub-Advisor, please advise us.

## **7. NB Sub-Advisor**

You understand and acknowledge that in managing the Sub-advised Sleeve of your Account(s), we will engage the services of NB Sub-Advisor to provide portfolio management and related investment advisory services and the Selected Sub-Advisor(s) to provide advisory services.

## **8. Execution of Transactions**

You acknowledge that we will execute Transactions in the Sub-advised Sleeve of your Account(s) based upon advice we receive from the NB Sub-Advisor and the Selected Sub-Advisor(s).

## **9. Due Diligence**

In carrying out BMO Nesbitt Burns' and the NB Sub-Advisor's responsibilities concerning the Sub-advised Sleeve of the Account(s) under this Agreement, we will exercise the diligence, competence and skill as would be expected of a reasonably prudent person under similar circumstances and in similar market conditions. You

acknowledge, however, that neither BMO Nesbitt Burns, the NB Sub-Advisor nor any of their respective officers, directors, employees or agents shall have any liability to you for errors or omissions that occur in the course of, arise from, or are related to transactions by BMO Nesbitt Burns or NB Sub-Advisor for the Sub-advised Sleeve(s) of the Account(s), unless such errors or omissions are caused by, or attributable to, the willful misconduct, negligence or failure of BMO Nesbitt Burns to comply with its responsibilities under this Agreement. BMO Nesbitt Burns shall not be liable in any circumstances for any indirect, consequential, special or punitive damages.

You acknowledge that the performance of the Sub-advised Sleeve(s) of your Account(s) and any return on your investments therein is not guaranteed by us. You understand that losses may occur in your Account(s) and acknowledge that you are financially capable of bearing these losses. You also understand that past performance of any particular managed strategy is not an indication of how the Sub-advised Sleeve(s) of the Account(s) will perform now or in the future.

## **10. Corporate Actions and Voting Proxies**

You agree that any of BMO Nesbitt Burns, the NB Sub-Advisor or the Selected Sub-Advisor(s) can take all appropriate actions, if any, with respect to corporate actions and voting proxies, including voting or refraining from voting, as they deem appropriate, with respect to corporate actions on any securities held in the Sub-advised Sleeve of the Account(s).

## **11. Shareholder Information**

- a. You acknowledge, understand and agree that you have elected not to receive the security holder materials that are to be sent to beneficial owners of Securities as indicated on your BMO Nesbitt Burns Client Account Application and/or Investment Policy Statement. You also understand and agree that, by electing not to receive shareholder information, you will not receive proxy information for the Securities held in the Sub-advised Sleeve of the Account(s) and will not be able to vote on matters requiring a security holder vote. You acknowledge that BMO Nesbitt Burns, the NB Sub-Advisor and/or the Selected Sub-Advisor(s) will vote on proxies for Securities held in the Sub-advised Sleeve of the Account(s), in their sole discretion, in circumstances they deem appropriate.
- b. To the extent that the Sub-Advisor is governed by the Investment Advisors Act of 1940, you hereby appoint BMO Nesbitt Burns to receive and review the Sub-Advisor's Form ADV Part II. Notwithstanding the foregoing, you are entitled to receive a copy of the Sub-Advisor's Form ADV Part II if so desired, by requesting a copy from your Investment Advisor.

## **12. Investment Parameters**

- a. In order for BMO Nesbitt Burns to be able to invest in a Security or derivative of a Security of an issuer that is related or connected to BMO Nesbitt Burns, or new or secondary offerings underwritten by BMO Nesbitt Burns, we require your consent to such purchases. You hereby authorize BMO Nesbitt Burns to exercise its discretion to purchase or sell Securities of any issuers related and/or

connected to, or underwritten by, BMO Nesbitt Burns for the Sub-advised Sleeve(s) of the Account(s). Please note, BMO Nesbitt Burns currently does not permit new issue and secondary offerings that pay a commission to be acquired within the Sub-advised Sleeve of the Account(s).

- b. BMO Nesbitt Burns shall not knowingly allow the Sub-advised Sleeve to invest in a Security, or derivative of a Security, of an issuer that is related or connected to a Responsible Person or to BMO Nesbitt Burns, or of which the Selected Sub-Advisor is an officer or director, without your written consent and unless such office or directorship is disclosed to you.

BMO Nesbitt Burns, its affiliates, partners, directors, officers, employees or associates, of any of them, will be deemed not to have breached the forgoing if a Transaction or activity is conducted in compliance with any securities legislation or rule, policy, directive or order of any securities commission, which specifically applies to the Transaction or activity.

### 13. Client Investment Constraints

For Accounts which BMO Nesbitt Burns determines are eligible, you may request to impose investment constraints within your Account to:

- a. exclude any individual equity or fixed income securities;
- b. exclude a group of equity securities in certain predefined industries; and/or
- c. exclude a group of equity and/or fixed income securities for a particular issuer.

BMO Nesbitt Burns will endeavour to maintain the investment constraints you have requested on a best efforts basis. You acknowledge and agree that the application of your requested investment constraints may cause your Account to experience significant performance deviations from the selected mandate for which BMO Nesbitt Burns will not be responsible.

BMO Nesbitt Burns reserves the right to refuse to open an Account or to close an existing Account if we determine that the Account is not eligible for any investment constraints you request.

### 14. Fair Allocation of Investment Opportunities

BMO Nesbitt Burns' fair allocation policy for its managed accounts allows it to pool orders on behalf of an account, with orders placed on behalf of BMO Nesbitt Burns' other managed account programs. In allocating investment opportunities to BMO Nesbitt Burns' managed accounts, BMO Nesbitt Burns will act with a view to the equitable allocation of such opportunities in accordance with the following policy:

- a. BMO Nesbitt Burns will allocate the Securities purchased or sold, as the case may be, on a pro rata basis based on the order size; and
- b. When orders for more than one account are entered as a combined order, and Transactions are executed at varying prices, BMO Nesbitt Burns will endeavour to treat all clients on a basis that is fair and reasonable in the context of the nature of the particular Transaction and the Transaction costs. This may include calculating a weighted average execution price to be attributed to all accounts having orders included in the combined order.

### 15. Sub-Advisor Registration

In the event that the NB Sub-Advisor or a Selected Sub-Advisor is not registered in the jurisdiction in which you are resident, pursuant to applicable securities regulation or exempted relief, we will be responsible for any loss that arises out of the failure of a Selected Sub-Advisor or the NB Sub-Advisor:

- a. to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of BMO Nesbitt Burns and the Client for whose benefit the advice is, or portfolio management services are, to be provided; or
- b. to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. BMO Nesbitt Burns acknowledges that you cannot relieve us from our responsibility for such loss.

### 16. Relationship with Ameriprise Financial, Inc.

Bank of Montreal has entered into an agreement with Ameriprise Financial, Inc. ("Ameriprise"). Under this agreement, Ameriprise acquired the sub-advisory entities and certain sub-advisory mandates comprising Bank of Montreal's asset management business in Europe, Middle East, Africa, Asia and the U.S. These transactions and a related agreement give rise to conflicts of interest that may relate to the Account.

For a discussion of these conflicts please see Section 2.6 Relationship with Ameriprise Financial, Inc. in our Conflicts of Interest Statement.

### 17. Reinvestment

Income and proceeds from the disposition of Securities in the Sub-advised Sleeve of the Account(s) are held in the Account(s) as cash until reinvested as appropriate.

### 18. Acting as Principal or Agent

You hereby acknowledge and agree that BMO Nesbitt Burns, or any company affiliated with us, may act as principal or agent for others in the purchase or sale of Securities for the Sub-advised Sleeve of the Account(s).

### 19. Tax Harvesting

You acknowledge that you have the right to request, on an annual basis, for us to realize losses in the Sub-advised Sleeve of the Account(s) (often referred to as "tax loss harvesting"). You further acknowledge we will review the realized gains position in your Account(s), and if practicable, realize losses in the Sub-advised portion of the Account(s) to offset the gains. For the Sub-advised Sleeve of the Account(s), you also authorize the NB Sub-Advisor to invest, at their discretion, in exchange-traded funds (ETFs), with the proceeds of the sales. You understand that the NB Sub-Advisor is not obligated to use ETFs and may choose to invest in alternate securities or leave the proceeds in cash.

By choosing to authorize tax loss harvesting, you recognize the NB Sub-Advisor will be constrained from repurchasing the securities sold for at least 30 calendar days after settlement due to superficial loss rules; that these Transactions may alter your investment portfolio and



its performance results; that the NB Sub-Advisor of your managed portion of your Account(s) is not responsible for the adjusted performance during the tax loss period; and that, if utilized, ETFs have additional management expense ratios that are in excess of program fees and that you accept these additional charges for the time the ETFs are held.

You acknowledge that in the event you repurchase the Securities sold for tax loss harvesting purposes in the Sub-advised or Client-directed portion of your portfolio within 30 calendar days after settlement would be considered a superficial loss occurrence and may negate their realized losses, which may alter your investment portfolio and its performance results.

You also understand that you have the ability, at any point in time, to request that the NB Sub-Advisor realize capital gains or losses in the Sub-advised portion of the Account(s).

### **Part C: General Terms and Conditions Applicable to the Client-directed Sleeve of the Architect Program Account(s)**

*You can choose to manage a sleeve of your Account(s) yourself. This section describes the terms and conditions that apply to the sleeve of your Account(s) that you direct for yourself, with the advice of your Investment Advisor.*

Where an Account(s) includes a Client-directed Sleeve, the following terms apply:

#### **1. Trade Request Review**

We have the right to determine in our discretion whether or not any Trade Request is acceptable, including whether it falls within your Investor Profile, and whether to execute the Trade Request. Without limiting the generality of the foregoing, we will not permit activities in the Client-directed Sleeve of the Account(s) which we determine, in our discretion, to be in furtherance of a day trading strategy or other forms of extreme trading strategies, such as trading in mutual funds based on market timing.

#### **2. Non-Transferability of Eligible Assets**

Eligible Assets (other than cash and cash equivalents) may not be transferred from an Account to another account at BMO Nesbitt Burns unless the other account is a Fee-Based account, or where BMO Nesbitt Burns consents to the transfer (each such transfer referred to as a "Permitted Transfer"). In the event you wish to effect a transfer which does not constitute a Permitted Transfer, you will be required to pay a fee equal to the amount of the BMO Nesbitt Burns' full standard brokerage, and other Transaction-related charges that would have been charged if you were to sell or redeem the Eligible Assets and purchase Eligible Assets of the same, or a similar type, outside of the Account(s).

#### **3. Account Agreements**

You will do all acts and things and will execute all documents or Instruments as are necessary or desirable to give effect to the provisions of the Account Agreements, including, without limitation, to give effect to all Transactions executed by BMO Nesbitt Burns for the

Client-directed Sleeve of the Account(s) pursuant to the Account Agreements and to permit BMO Nesbitt Burns and the Bank to debit the Account(s) as provided for in the Account Agreements.

#### **4. Corporate Actions and Voting Proxies**

You agree that BMO Nesbitt Burns can take all appropriate actions, if any, with respect to corporate actions and voting proxies, including voting or refraining from voting, as we deem appropriate, with respect to corporate actions on any Securities held in the Client-directed Sleeve of the Account(s).

#### **5. Shareholder Information**

- a. You acknowledge, understand and agree that you have elected not to receive security holder materials sent to beneficial owners of securities as indicated on the Client Account Application and/or Investment Policy Statement. You also understand and agree that by electing not to receive shareholder information, you will not receive proxy information for the securities held in the Client-directed Sleeve of the Account(s) and will not be able to vote on matters requiring a security holder vote.
- b. You acknowledge, understand and agree that BMO Nesbitt Burns will have to close the Client-directed Sleeve of the Account(s) in the event that you wish to receive all security holder materials.

#### **6. Investor Profile**

- a. You acknowledge, understand and agree that when viewed as a whole, the investments in the Sub-advised and Client-directed Sleeves of the Account(s) will be consistent with your Investor Profile.
- b. You further acknowledge, understand and agree that it is your responsibility to ensure that the investments in the Client-directed Sleeve of the Account(s) are adjusted so that the holdings in the Account(s), as a whole, are consistent with your Investor Profile.

### **Part D: General Terms and Conditions Applicable to Both the Sub-advised Sleeve and the Client-directed Sleeve of your Architect Program Account(s)**

*This section describes the terms and conditions that apply to the sleeve(s) of your Account(s) that we manage for you AND the sleeve of your Account(s) that you direct for yourself.*

#### **1. Agreement**

You acknowledge and agree that BMO Nesbitt Burns, the NB Sub-Advisor and the Selected Sub-Advisor(s) may share information relating to you and your investments at BMO Nesbitt Burns in order to service your Account(s).

#### **2. Calculation of Fees**

As set out in the current IPS Fee Schedule, BMO Nesbitt Burns will charge you fees payable in respect of a Billing Year calculated as a percentage of the Aggregate Market Value (defined below) of the Eligible Assets in each sleeve of a standalone Account, or in the sleeves of the combined Accounts of a Billing Group (the "Fees"). Clients in a Billing Group may, however, agree with BMO Nesbitt Burns to be charged customized fees that vary from those set out in the IPS Fee Schedule.



Fees will be calculated and payable as follows:

- a. If you have chosen the monthly billing option in the Fee Schedule, the Fees are payable in arrears on the last Business Day of each calendar month and are based upon the Aggregate Market Value of the Eligible Assets in each sleeve of the Account.

The "Aggregate Market Value" means the total market value of the Eligible Assets in each sleeve of an Account calculated as the sum of the market values of each Eligible Asset in each sleeve of the Account on the Valuation Date (or the date on which the Account is closed, the "Termination Date") determined in Canadian or US dollars as applicable.

In the event that the Account(s) is opened or closed during a calendar month, the Fees payable will be prorated based on the number of days remaining or elapsed in such calendar month.

- b. If you have chosen the quarterly billing option in the Fee Schedule, the Fees are payable in arrears on the last Business Day of each calendar quarter and are based upon the average of the Aggregate Market Value of the Eligible Assets in each sleeve of the standalone Account or in the sleeves of the combined Accounts of a Billing Group in the previous calendar quarter.

In the event that the Account(s) is opened or closed during a calendar quarter, the Fees payable will be prorated based on the number of days remaining or elapsed in such calendar quarter.

- c. The market value of any Security or other asset held in the Account(s) on a Valuation Date or Termination Date ("Market Value") will be:

- i. with respect to a Security or other asset for which there is a published market, an amount equal to the closing price of such security on that date, or if there is no closing price, the closing bid price. Where there is more than one published market for such Security or other asset, the value will be determined by reference to the closing price, or if there is no closing price, the closing bid price of such Security or other asset on the principal market on which it is traded, as determined by BMO Nesbitt Burns.
- ii. with respect to a Security or other asset for which there is not a published market and any other Security or asset held in the Account(s), other than a Security or other asset of the type referred to in item (i) above, the Security or other asset will be valued in a manner determined by BMO Nesbitt Burns, in its sole discretion, acting in good faith, to reflect the fair market value thereof.

The Market Value calculated for the purpose of the Fees as indicated in i. and ii. above is determined by the BMO Nesbitt Burns book of record which may not always match the Account statement market values due to different calculation systems.

- d. You acknowledge and agree that we may increase the Fees in the Fee Schedule from time to time upon sixty (60) days' prior written notice to you.
- e. You acknowledge and agree that we will pay, out of the Fees you pay us, a fee to the NB Sub-Advisor for the provision of portfolio

management and related investment advisory services and to Selected Sub-Advisor(s) for the provision of advisory services to BMO Nesbitt Burns.

- f. You hereby authorize BMO Nesbitt Burns to sell or dispose of, in its discretion, sufficient Securities in any sleeve of the Account(s) to pay any outstanding amounts you may owe in connection with the services provided under this Agreement and to deduct any and all of the amounts when due from the Account(s).

### 3. Additional Charges and Payments

In addition to the Fees, you are obligated to pay all applicable taxes, fees and other charges that may be levied by any applicable intermediary, third party, government, regulatory authority or agency in connection with the operation of the Account(s), including, without limitation, service charges, safekeeping fees, goods and services taxes and fees levied by market intermediaries or securities regulatory authorities in the applicable province or territory. You acknowledge that the Fees relate only to the operation of the Account(s) and are not inclusive of any other fees that may be payable by you to BMO Nesbitt Burns or its affiliates in connection with other accounts, agreements, Transactions or otherwise. For greater certainty, should you elect to close the Account(s), and thereafter liquidate assets, the liquidating trades will be subject to commission charges as per regular commission policy guidelines.

You further acknowledge and agree that BMO Nesbitt Burns may, from time to time, be paid fees by third parties for certain corporate actions, for actions taken by BMO Nesbitt Burns on your behalf, such as voting the Client's shares ("Corporate Action Fees"). Any Corporate Action Fees received by BMO Nesbitt Burns shall be retained by BMO Nesbitt Burns. At your request, BMO Nesbitt Burns shall disclose the details of any Corporate Action Fees paid to BMO Nesbitt Burns. For the purposes of this Section, 'Corporate Actions' include, but are not limited to, corporate reorganizations, normal course issuer bids, proxy solicitation, takeover bids, and bond restructuring.

### 4. Currency Conversion

Conversion of any funds to another currency, when necessary, shall take place on the Transaction date using the rate employed by BMO Nesbitt Burns on such Transaction date, unless otherwise agreed to.

BMO Nesbitt Burns (or parties related to us) will charge and collect Advisory Fees, including revenue on the conversion of currency as set out in the BMO Nesbitt Burns Client Account Agreements and Disclosures document.

### 5. Debit Balance Coverage

You acknowledge that there is no distinction between currencies in the Account(s) in the event that there are debits in the Account(s) created by withdrawals, purchases and/or fees. You agree that we will perform inter-sleeve swapping in order to cover any such debits in the Account(s) and to ensure that the combined balances are properly weighted. When inter-sleeve swapping requires currency conversion due to the debit in an Account being covered by funds or Securities of a different currency denomination, BMO Nesbitt Burns will charge Advisory Fees and collect the revenue on the conversion of currency.

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## 6. Sleeve Minimum

You acknowledge and agree that the minimum aggregate value of the assets in any sleeve of the Account(s) shall not be less than a minimum amount (the "Sleeve Minimum") assigned to each respective sleeve. You acknowledge and agree that BMO Nesbitt Burns shall have the right to terminate the Agreement pursuant to the Amendment and Termination section in Part D herein, should the value of the Eligible Assets in any sleeve of the Account(s) fall below such Sleeve Minimum.

## 7. Documentation

You agree to promptly provide us with any and all documentation we may reasonably request in connection with the Account(s).

## 8. Calculations

You will be provided with an annual gain/loss statement, showing all sales that have occurred throughout the fiscal year and detailing the gains or losses arising therefrom. The Adjusted Cost Base (ACB) of your holdings may differ from the book value provided in your gain/loss statement. We do not report ACB, you are responsible for determining your ACB for tax purposes.

## 9. Trade Confirmations

In connection with any purchase or sale of Securities for the Account(s), you agree that BMO Nesbitt Burns will suppress the trade confirmations in the Sub-advised Sleeve unless directed otherwise by you in writing. In accordance with regulatory requirements, BMO Nesbitt Burns will deliver to the Client all trade confirmations resulting from Transactions completed in the Client-directed Sleeve.

## 10. Certificate

We may hold all certificates and other evidence of investments made on your behalf at our offices or any acceptable depository.

## 11. Capacity

The Client, if a corporation, represents that it has the power and capacity to enter into this Agreement and to effect the Transactions contemplated by this Agreement and that the execution and delivery of this Agreement has been duly authorized by all necessary corporate action on your part. If you are a partnership, trust or another form of organization, you represent that you have the power and capacity to enter into this Agreement and to effect the Transactions contemplated by this Agreement and that the execution and delivery of this Agreement have been duly authorized by all necessary action on your part.

The Client, if an individual, represents that he or she has reached the age of majority and has the capacity to enter into this Agreement and perform his or her obligations hereunder.

## 12. Amendment and Termination

We may amend this Agreement at any time upon written notice to you. Such amendment will take effect at the time stipulated in the notice of such amendment.

You may terminate this Agreement by notice in writing, effective on receipt by BMO Nesbitt Burns except with respect to Transactions entered into prior to the receipt. If you also instruct us to liquidate all Securities in your Account(s) or to transfer out in-cash, we will place sell orders on a best efforts basis for execution at market. We may terminate this Agreement by notice in writing to you pursuant to Notices to Client section below. Such termination will be effective no earlier than thirty (30) days from the date of delivery or deemed receipt of such notice.

## 13. Entire Agreement

The Account Agreements and all schedules and attachments constitute the entire agreement between the parties with respect to the subject matter contained in this Agreement.

## 14. Notices to Client

Any notice or communication to you may be given by prepaid mail, facsimile or e-mail if provided, to any address of record you hold with BMO Nesbitt Burns, or may be delivered personally (including by commercial courier) to any such address of record, and shall be deemed to have been received, if mailed, on the second business day after mailing or, if sent by facsimile or e-mail, on the day sent, or if delivered, when delivered. Nothing in this Section shall be interpreted as requiring BMO Nesbitt Burns to give any notice to you which is not otherwise required to be given.

## 15. No Assignment

You may not assign this Agreement without the prior express written approval of BMO Nesbitt Burns.

BMO Nesbitt Burns may assign this Agreement and its respective rights and obligations to any affiliate, upon notice to you and to any regulatory authority having jurisdiction with respect to such assignment.

## 16. Death or Incapacity of Client

This Agreement will continue and pass on to the benefit of, and be binding upon, the parties and their respective heirs, executors, administrators, liquidators, personal representatives, successors and permitted assigns, as the case may be. This Agreement will continue in full force and effect in the event of your death or incapacity, in which case the Account(s) will continue to be administered in accordance with your Investor Profile set out in the Client Account Application and any limitations and restrictions as set out in the Investment Policy Statement in effect as of the date of your death or incapacity, and elsewhere until such time as BMO Nesbitt Burns receives instructions from, or this Agreement is terminated by, your authorized estate representative or legal representative.

BMO Nesbitt Burns has the right to refuse to act upon any instructions of your authorized estate representative or legal representative without evidence satisfactory to BMO Nesbitt Burns regarding your death or incapacity, or their authority to act.

## 17. Governing Law

The Account Agreements shall be governed by, and construed and enforced in accordance with, the laws of the jurisdiction in Canada where the BMO Nesbitt Burns office that services the Account(s) is located and the federal laws of Canada applicable therein.

## 18. Account Agreements

In the event of any conflict or inconsistency among the Account Agreements, to the extent necessary, the terms and provisions of this Agreement will supersede the terms and provisions of such other Account Agreement(s), (including, for certainty, but not limited to, the BMO Nesbitt Burns Investment Account Agreement), whether or not referred to therein. Subject to the foregoing, the provisions of this Agreement will in no way limit or restrict any other right that we may have under any other Account Agreements with you.

If any Applicable Rules and Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of the Account Agreements is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or conditions will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules and Regulations. Any term or condition of the Account Agreements which, notwithstanding any such variation, is invalid will not invalidate the remaining terms.

You agree to do all acts and things and execute all documents or Instruments as are necessary or desirable to give effect to the provisions of the Account Agreements, including, without limitation, to give effect to all Transactions executed by BMO Nesbitt Burns for the Account(s) pursuant to this Agreement and to permit BMO Nesbitt Burns and the Bank to debit the Account(s) as provided for in the Account Agreements.

## 19. Class Action Claims

We will, in our sole discretion, determine what role we will take in any legal proceedings affecting any securities held in your Account. BMO Nesbitt Burns has engaged Broadridge Investor Communication Solutions, Inc. ("**Broadridge**") to file claims on your behalf in certain securities class action lawsuits and disgorgements ordered by Canadian or U.S. regulators identified by Broadridge ("**Class Action Service**"). It is intended that the Class Action Service will commence in January 2022. You will be automatically enrolled in this Class Action Service once it commences or the date on which you opened your Account, whichever is later. Broadridge's fee for this service is a contingency fee of 10% of any of the class action recoveries you receive through the Class Action Service, which fee will be deducted from any recoveries that are credited to your Account. We will not charge you our own fee, and do not receive any direct fee from Broadridge, with respect to the Class Action Service with Broadridge. If you wish for your Account(s) to be removed from the Class Action Service, please speak with your Investment Advisor.

Prior to the commencement of the Class Action Service, and for any eligible class actions not part of the Class Action Service, or in the event that BMO Nesbitt Burns' engagement with Broadridge is terminated, we may, in our sole discretion process class action claims on your behalf or may enlist another company or firm to exercise

such discretion (a "**Third Party**"). The actions in the Class Action Service shall be limited to "opt-out" cases and eligibility to participate in the class is based solely on sales and purchases of securities in your Account. Under the Class Action Service, claims will only be filed once a court or administrative order has been issued that sets forth a claim filing deadline. An "opt-out" case means all eligible security holders are automatically considered to be part of the class and if an individual does not wish to be part of the class action lawsuit, they must actively opt-out of the class. The Class Action Service will only cover those securities that were purchased while you were a client of BMO Nesbitt Burns. It will not include securities that you purchased other than through BMO Nesbitt Burns. For the avoidance of doubt, the Class Action Service does not include any lawsuit which requires prospective class members to provide additional evidence of eligibility other than purchases and sales of the applicable security, including but not limited to evidence of actual or individual reliance on allegedly fraudulent or misleading statements. The Class Action Service shall not include consumer class action settlements or bankruptcies and, generally, class actions that do not involve publicly traded securities or "opt-in" cases, being those cases where a person must provide express consent ("opt-in") to be part of the class.

With "opt-out" class actions, all class members are bound by the outcome of the class action unless a member actively opt-outs. This means that class members who do not opt-out may not bring individual cases. Therefore, for all claims filed on your behalf, either pursuant to the Class Action Service or by BMO Nesbitt Burns or a Third Party, you acknowledge and agree that you will be bound by, and subject to, the terms of all forms and releases that may be entered into for settlements in which a claim is filed on your behalf, and may not bring your own individual case. You will not be notified of each action in which you are enrolled under the Class Action Service; if at any time you wish to know your participation in, or status of, any actions, please speak with your Investment Advisor.

The receipt of any settlement amounts may subject you to tax on such amounts, including in foreign jurisdictions. There may be tax implications to receiving settlement proceeds. You are responsible for any tax liabilities (including any tax filing obligations) associated with participation in the Class Action Service. You may not receive a tax receipt in connection with settlement proceeds that are deposited into one of your registered plans (registered savings plans, retirement income funds and/or tax-free savings accounts). If you require tax advice, please contact your personal tax advisor. For avoidance of doubt, you acknowledge that BMO Nesbitt Burns cannot and shall not provide legal, tax or other professional advice to you or any other party in respect to any class action. You shall seek and obtain your own legal, accounting and other professional advice as you shall see fit, independent of BMO Nesbitt Burns.

In connection with any claims processing, claims administrators require BMO Nesbitt Burns (or Broadridge or a Third Party) to provide all necessary information in its possession regarding class actions. This information will include your name, address, securities holding, trade information and, in certain cases, social insurance number. As part of the Class Action Service, Broadridge has agreed to maintain your personal information in a confidential manner and not use the information other than for the purpose of processing claims.

Notwithstanding the above, neither we nor Broadridge, nor any Third Party, will process any class action or disgorgement claims on your behalf or take any action whatsoever with respect to class actions or disgorgements if your Account is closed. Accordingly, you have an obligation to keep track of class actions and disgorgements in the event that your Account is closed. If a claim was processed prior to your Account being closed, and the settlement funds received after the Account is closed, a cheque will be mailed to your last known address provided to BMO Nesbitt Burns.

BMO Nesbitt Burns may terminate its engagement with Broadridge in its sole discretion; if so terminated BMO Nesbitt Burns will retain the right, in its sole discretion, to determine what role it will take in any legal proceedings affecting any securities held in your Account. It is not our current practice to take the role of lead plaintiff on class actions, but we may in our sole discretion decide to do so in the future.

For any class action claim that we handle outside of the Class Action Service, we may charge you a reasonable fee for the filing of each class action claim, which, if applicable, will be charged quarterly. We may choose not to file a class action claim on your behalf, including in instances where we believe that the proceeds of settlement of a class action claim may not cover the filing fee.

## **20. Extraordinary Events**

You agree that BMO Nesbitt Burns shall not be liable for any losses in your Account(s), however caused, whether directly or indirectly, by events beyond the control of BMO Nesbitt Burns and its agents and employees, including by government restrictions, exchange or market rulings, the suspension of trading, wars, strikes, disease or natural disasters which may delay or halt processing of Transactions, the transfer of Securities or funds to a third party or otherwise affect the operation of your Account.

## **21. Language**

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](https://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](https://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

## **22. Account Approval**

You acknowledge that this Agreement together with the IPS, will not become effective until the day on which the IPS has been:

- a. approved by a Branch Supervisor or other signing officer of BMO Nesbitt Burns, as designated from time to time; and
- b. accepted by the NB Sub-Advisor.

## **23. Severability and Enforceability**

If any provision or condition of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall apply only to such provision or condition. The validity of the remainder of this Agreement shall not be affected and the Agreement shall be carried out as if such invalid or unenforceable provision was not contained therein.

## **24. Acknowledgement**

You hereby acknowledge that you have read and understood this Agreement, the AA&D and the Investment Policy Statement provided to you, and confirm receipt of a copy.

# BluePrint Program Account Agreement

## Account Agreement

### 1. Agreement and Definitions

Thank you for your interest in the BMO Nesbitt Burns BluePrint Program ("BluePrint Program"). The BluePrint Program offers a single investment solution that provides you with a diverse portfolio of securities, aligned to your specific investment goals and tolerance for risk.

This Agreement outlines the terms and conditions of the BluePrint Program, which in addition to the terms and conditions that generally apply to your Account(s), is made between you and BMO Nesbitt Burns, and not between you and any of BMO Nesbitt Burns' registered representatives. Please review this Agreement carefully prior to enrolling in the BluePrint Program. If you have any questions about this Agreement, the BluePrint Program in general, or your Account(s), please contact your Investment Advisor.

For the purposes of this Agreement (defined below), the following words and phrases will have the meanings set out below:

**"Account(s)"** means at least one of the Client's investment portfolios in the BMO Nesbitt Burns BluePrint Program as identified in the Client Account Application;

**"Account Agreements"** means the BluePrint Program Account Agreement (which is this Agreement), the Investment Policy Statement ("IPS", provided separately), the Client Account Application and the other applicable Client Account Agreements within the BMO Nesbitt Burns Client Account Agreements and Disclosures ("AA&D");

**"Advisory Fees"** are fees, spreads and expenses that may be charged by BMO Nesbitt Burns;

**"Agreement"** means this BluePrint Program Account Agreement within the AA&D;

**"Applicable Rules and Regulations"** means the constitutions, by-laws, rules, rulings, regulations, customs and usages of the exchanges or markets and their clearing houses on which any Transactions are undertaken, and all laws, regulations and orders of any applicable governmental or regulatory authorities or self-regulatory organizations with jurisdiction over BMO Nesbitt Burns or the Bank of Montreal;

**"Billing Group"** means the Lead Account and those Linkable Accounts participating with the Lead Account on a combined basis which are listed in the Client Account Application;

**"Billing Year"** means the twelve-month period commencing on the date the Account is enrolled in the BluePrint Program and each succeeding twelve-month period thereafter;

**"BMO Nesbitt Burns"** means BMO Nesbitt Burns Inc., a wholly-owned subsidiary of the Bank of Montreal (the "Bank");

**"BMO Nesbitt Burns Client Account Agreements and Disclosure"** or AA&D, means the booklet containing Relationship Disclosure, Client Account Agreements and managed account agreements, including the BluePrint Program Account Agreement, as applicable to your Account(s) with us;

**"Business Day"** means any day upon which the Toronto Stock Exchange is open for business;

**"Client"** or **"You"** means the holder (or co-holder if applicable) of an Account who has signed the IPS (as such term is defined herein) in such capacity;

**"Client Account Agreements"** means the BMO Nesbitt Burns Client Account Agreements within the AA&D, containing the terms and conditions generally applicable to your Account(s);

**"Client Account Application"** means the BMO Nesbitt Burns Client Account Application ("CAA") which includes your Applicant Information, your Investor Profile, your Personal Information, and your signatures;

**"Eligible Assets"** means Securities including equities and fixed income instruments, and alternative assets, trust units as well as cash. Any assets that would pay a trailing commission to BMO Nesbitt Burns are not considered Eligible Assets, including but not limited to exchange-traded funds (ETFs), closed-end funds, mutual funds, principal protected notes, principal at risk notes, and high interest savings accounts;

**"Fee Schedule"** means the list of asset-based percentage Fees that BMO Nesbitt Burns will charge for management of your Account(s) for the Billing Year, as set out in your current Investment Policy Statement;

**"Investment Advisor"** means the registered advisor designated by BMO Nesbitt Burns;

**"Investment Policy Statement"** or IPS, means the statement of investment policy that is part of your Account Agreements;

**"Instruments"** means bills of exchange, promissory notes, cheques, orders for payment of money, securities, coupons or notes;

**"Lead Account"** refers to the primary Account of the Lead Client, or the Lead Account in a group of Linkable Accounts. The Lead Account may be a standalone Account or an Account whereby Linkable Accounts are combined to form a Billing Group in the manner described in the IPS Fee Schedule;

**"Lead Client"** means the holder of a Lead Account who has signed the Client Account Application in the capacity of a holder of a Lead Account;



**“Linkable Account”** means an Account established with BMO Nesbitt Burns, other than the Lead Account, that BMO Nesbitt Burns deems, in its sole discretion, to be acceptable for the purposes of linking to the Lead Account provided, in each case, that any holder of such Account has executed the Blueprint Program Account Agreement;

**“Responsible Person”** a partner, Director, officer, employee or agent of a Dealer Member who exercises discretionary authority over the account of a client, or approves discretionary orders; or participates in formulating investment decisions made on behalf of, or advice given to, a managed account holder.

**“Securities”** includes, without limitation, shares, mutual funds, guaranteed investment certificates (GICs), bonds, debentures, notes, warrants, rights, cash equivalents (including treasury bills, commercial paper, marketable securities, money market funds, and high interest savings accounts), exchange-traded funds (ETFs), closed end funds, principal protected notes and principal at risk notes;

**“Transaction”** means a purchase or, sale or exercise of, or otherwise dealing in, Securities or Derivatives;

**“Us” or “We”** see BMO Nesbitt Burns;

**“Valuation Date”** means, in the event that the monthly billing option is selected, the last Business Day in the applicable month, or, in the event that the quarterly billing option is selected, the last Business Day of each of the months in the applicable quarter; and

**“You”** see Client.

## 2. Discretionary Investment Management

You hereby authorize BMO Nesbitt Burns to manage your investment portfolio and enter into Transactions, on a continuing basis, in your Account(s) in accordance with your Investor Profile (as defined herein) on a discretionary basis, upon the terms set out in this Agreement. You understand and acknowledge that BMO Nesbitt Burns, in managing the Account(s), may engage the services of a sub-advisor (the “Sub-Advisor”) to provide advisory services in respect of certain portfolios offered by the Blueprint Program.

For further clarity, BMO Nesbitt Burns may make determinations regarding all aspects of the Securities held in the Account(s), including, but not limited to, the processing of class action claims on your behalf and voting on matters requiring a security holder vote.

## 3. Corporate Actions and Voting Proxies

You acknowledge, understand and agree that you have elected not to receive the security holder materials that are to be sent to beneficial owners of Securities as indicated on your BMO Nesbitt Burns Client Account Application and/or Investment Policy Statement. You also understand and agree that, by electing not to receive shareholder information, you will not receive proxy information for the Securities held in your Account(s) and will not be able to vote on matters requiring a security holder vote.

You agree that BMO Nesbitt Burns or the Sub-Advisor can take all

appropriate actions, if any, as they deem appropriate, with respect to corporate actions and voting proxies regarding the Securities held in your Account(s), and take all appropriate actions, if any, in their sole discretion, including, but not limited to, the processing of class action claims on your behalf and voting or refraining from voting on matters requiring a security holder vote with respect to corporate actions on Securities held in your Account(s). For the purposes of this Section, ‘Corporate Actions’ include, but are not limited to, corporate reorganizations, normal course issuer bids, proxy solicitation, takeover bids, and bond restructuring.

## 4. Investor Profile

You have completed, executed, and delivered the Client Account Application to BMO Nesbitt Burns which outlines your investment objectives, investment knowledge, risk profile, time horizon, target asset allocation, current financial situation, and personal circumstances (the “Investor Profile”). Based on information you have provided, an Investment Policy Statement has been prepared and is provided to you. You hereby represent and warrant that the information, instructions and consents contained in the IPS are true, complete and accurate.

BMO Nesbitt Burns is entitled to rely on this information and you are responsible for advising BMO Nesbitt Burns promptly, in writing, of any changes in your circumstances, of any restrictions regarding trading in securities for the Account(s), or of any other matter which would affect BMO Nesbitt Burns’ management of the Account(s) or the information set out in the IPS. You hereby acknowledge that the IPS and this Agreement will govern the conduct of the parties hereto related to the Blueprint Program.

## 5. Share Information

You acknowledge that BMO Nesbitt Burns and the Sub-Advisor may share information relating to you and your investments at BMO Nesbitt Burns for the purpose of servicing the Account(s).

## 6. Due Diligence

You acknowledge that BMO Nesbitt Burns shall execute trades based upon advice received from the Sub-Advisor in respect to those portfolios for which the Sub-Advisor is appointed. In carrying out BMO Nesbitt Burns’ responsibilities concerning the Account(s) under this Agreement, we will exercise the diligence, competence and skill as would be expected of a reasonably prudent person under similar circumstances and in similar market conditions. You acknowledge, subject to section 15 of this Agreement, that neither BMO Nesbitt Burns, the Sub-Advisor, nor its respective officers, directors, employees or agents shall have any liability to you for errors or omissions that occur in the course of, arise from, or are related to transactions executed by BMO Nesbitt Burns for the Account(s), unless such errors or omissions are caused by, or attributable to, the willful misconduct, negligence or failure of BMO Nesbitt Burns or the Sub-Advisor to comply with their respective responsibilities under this Agreement. BMO Nesbitt Burns and the Sub-Advisor shall not be liable in any circumstances for any indirect, consequential, special or punitive damages.

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You acknowledge that the performance of your Account(s) and any return on your investments therein is not guaranteed by us. You understand that losses may occur in your Account(s) and acknowledge that you are financially capable of bearing these losses. You also understand that past performance of any particular managed strategy is not an indication of how the Account(s) will perform now or in the future.

## 7. Class Action Claims

We will, in our sole discretion, determine what role we will take in any legal proceedings affecting any Securities held in your Account. BMO Nesbitt Burns has engaged Broadridge Investor Communication Solutions, Inc. ("**Broadridge**") to file claims on your behalf in certain securities class action lawsuits and disgorgements ordered by Canadian or U.S. regulators identified by Broadridge ("**Class Action Service**"). It is intended that the Class Action Service will commence in January 2022. You will be automatically enrolled in this Class Action Service once it commences or the date on which you opened your Account, whichever is later. Broadridge's fee for this service is a contingency fee of 10% of any of the class action recoveries you receive through the Class Action Service, which fee will be deducted from any recoveries that are credited to your Account. We will not charge you our own fee, and do not receive any direct fee from Broadridge, with respect to the Class Action Service with Broadridge. If you wish for your Account(s) to be removed from the Class Action Service, please speak with your Investment Advisor.

Prior to the commencement of the Class Action Service, and for any eligible class actions not part of the Class Action Service, or in the event that BMO Nesbitt Burns' engagement with Broadridge is terminated, we may, in our sole discretion process class action claims on your behalf or may enlist another company or firm to exercise such discretion (a "**Third Party**").

The actions in the Class Action Service shall be limited to "opt-out" cases and eligibility to participate in the class is based solely on sales and purchases of Securities in your Account. Under the Class Action Service, claims will only be filed once a court or administrative order has been issued that sets forth a claim filing deadline. An "opt-out" case means all eligible Security holders are automatically considered to be part of the class and if an individual does not wish to be part of the class action lawsuit, they must actively opt-out of the class. The Class Action Service will only cover those securities that were purchased while you were a client of BMO Nesbitt Burns. It will not include securities that you purchased other than through BMO Nesbitt Burns. For the avoidance of doubt, the Class Action Service does not include any lawsuit which requires prospective class members to provide additional evidence of eligibility other than purchases and sales of the applicable Security, including but not limited to evidence of actual or individual reliance on allegedly fraudulent or misleading statements. The Class Action Service shall not include consumer class action settlements or bankruptcies and, generally, class actions that do not involve publicly traded securities or "opt-in" cases, being those cases where a person must provide express consent ("opt-in") to be part of the class.

With "opt-out" class actions, all class members are bound by the outcome of the class action unless a member actively opt-outs. This means that class members who do not opt-out may not bring individual cases. Therefore, for all claims filed on your behalf, either pursuant to the Class Action Service or by BMO Nesbitt Burns or a Third Party, you acknowledge and agree that you will be bound by, and subject to, the terms of all forms and releases that may be entered into for settlements in which a claim is filed on your behalf, and may not bring your own individual case. You will not be notified of each action in which you are enrolled under the Class Action Service; if at any time you wish to know your participation in, or status of, any actions, please speak with your Investment Advisor.

The receipt of any settlement amounts may subject you to tax on such amounts, including in foreign jurisdictions. There may be tax implications to receiving settlement proceeds. You are responsible for any tax liabilities (including any tax filing obligations) associated with participation in the Class Action Service. You may not receive a tax receipt in connection with settlement proceeds that are deposited into one of your registered plans (registered savings plans, retirement income funds and/or tax-free savings accounts). If you require tax advice, please contact your personal tax advisor. For avoidance of doubt, you acknowledge that BMO Nesbitt Burns cannot and shall not provide legal, tax or other professional advice to you or any other party in respect to any class action. You shall seek and obtain your own legal, accounting and other professional advice as you shall see fit, independent of BMO Nesbitt Burns.

In connection with any claims processing, claims administrators require BMO Nesbitt Burns (or Broadridge or a Third Party) to provide all necessary information in its possession regarding class actions. This information will include your name, address, securities holding, trade information and, in certain cases, social insurance number. As part of the Class Action Service, Broadridge has agreed to maintain your personal information in a confidential manner and not use the information other than for the purpose of processing claims.

Notwithstanding the above, neither we nor Broadridge, nor any Third Party, will process any class action or disgorgement claims on your behalf or take any action whatsoever with respect to class actions or disgorgements if your Account is closed. Accordingly, you have an obligation to keep track of class actions and disgorgements in the event that your Account is closed. If a claim was processed prior to your Account being closed, and the settlement funds received after the Account is closed, a cheque will be mailed to your last known address provided to BMO Nesbitt Burns.

BMO Nesbitt Burns may terminate its engagement with Broadridge in its sole discretion; if so terminated BMO Nesbitt Burns will retain the right, in its sole discretion, to determine what role it will take in any legal proceedings affecting any securities held in your Account. It is not our current practice to take the role of lead plaintiff on class actions, but we may in our sole discretion decide to do so in the future.

For any class action claim that we handle outside of the Class Action Service, we may charge you a reasonable fee for the filing of each

class action claim, which, if applicable, will be charged quarterly. We may choose not to file a class action claim on your behalf, including in instances where we believe that the proceeds of settlement of a class action claim may not cover the filing fee.

## 8. Calculation of Fees

BMO Nesbitt Burns will charge you management fees (the “Fees”) as set out in the current Investment Policy Statement which are payable in respect of a Billing Year, calculated as a percentage of the Aggregate Market Value (defined below) of the Eligible Assets in a standalone Account, or in the combined Accounts of a Billing Group. Clients in a Billing Group may, however, agree with BMO Nesbitt Burns to be charged customized fees that vary from those set out in the IPS Fee Schedule.

Fees on Eligible Assets shall be calculated and payable as follows:

- a. If the monthly billing option is selected, that portion of the Fees payable in respect of the applicable month is payable in arrears on the last Business Day of a calendar month based upon the Aggregate Market Value of the Eligible Assets in the Standalone Account or Billing Group.

The “Aggregate Market Value” means the sum of the Market Values of the Eligible Assets in an Account calculated by adding the Market Value of each Eligible Asset in each Account on the Valuation Date (or the date on which the Account is closed, the “Termination Date”), determined in Canadian or US dollars as applicable.

In the event that the Account(s) is opened or closed during a calendar month, the Fees payable will be prorated based on the number of days remaining or elapsed in such calendar month and if closed, are due and payable at the close of business on the Termination Date.

- b. If the quarterly billing option is selected, that portion of the Fees payable in respect of the applicable quarter is payable in arrears on the last Business Day of a calendar quarter based upon the average of the Aggregate Market Value of the Eligible Assets in the Billing Group or Standalone Account in the previous calendar quarter.

In the event that the Account(s) is opened or closed during a calendar quarter, the Fees payable will be prorated based on the number of days remaining or elapsed in such calendar quarter and if closed, are due and payable at the close of business on the Termination Date.

- c. The market value of any Security or other asset held in the Account(s) on a Valuation Date or Termination Date (“Market Value”) will be:
  - i. with respect to a Security or other asset for which there is a published market, an amount equal to the closing price of such security on that date, or if there is no closing price, the closing bid price. Where there is more than one published market for such Security or other asset, the value will be determined by reference to the closing price, or if there is no closing price, the closing bid price of such security on the principal market on which it is traded, as determined by BMO Nesbitt Burns.

- ii. with respect to a Security or other asset for which there is not a published market and any other Security or asset held in the Account(s), other than a Security or other asset of the type referred to in item (i) above, the Security or other asset will be valued in a manner determined by BMO Nesbitt Burns, in its sole discretion, acting in good faith, to reflect the fair market value thereof.

The Market Value calculated for the purpose of the Fees as indicated in i. and ii. above is determined by the BMO Nesbitt Burns book of record which may not always match the Account statement market values due to different calculation systems.

- d. You hereby acknowledge and agree that BMO Nesbitt Burns may increase the Fees in the Fee Schedule upon sixty (60) days’ prior written notice to you.
- e. You hereby acknowledge and agree that BMO Nesbitt Burns will pay, out of the Fees paid by you, a fee to the Sub-Advisor for the provision of advisory services to BMO Nesbitt Burns for certain of the portfolios offered pursuant to the Blueprint Program. You will not be charged any additional fees in connection with portfolios in respect of which the Sub-Advisor has been appointed.
- f. You hereby authorize BMO Nesbitt Burns to sell, or dispose of, in its discretion, sufficient securities in the Account to pay any outstanding amounts which may be owing by you, in connection with the services provided under this Agreement and to deduct any and all of the amounts when due from the Account.

## 9. Additional Charges and Payments

In addition to the Fees, you are obligated to pay all applicable taxes and fees levied by any applicable third party, government, regulatory authority or agency in connection with the operation of the Account, including, without limitation, goods and services taxes and fees levied by market intermediaries or securities regulatory authorities in the applicable province or territory. You acknowledge that the Fees relate only to the operation of the Account and are not inclusive of any other fees that may be payable by you to BMO Nesbitt Burns or its affiliates, in connection with other accounts, agreements, Transactions or otherwise. For greater certainty, should you elect to close the Account(s), and thereafter liquidate assets, the liquidating trades will be subject to commission charges as per regular commission policy guidelines.

You further acknowledge and agree that BMO Nesbitt Burns may, from time to time, be paid fees by third parties for certain corporate actions, for actions taken by BMO Nesbitt Burns on your behalf, such as voting the Client’s shares (“Corporate Action Fees”). Any Corporate Action Fees received by BMO Nesbitt Burns shall be retained by BMO Nesbitt Burns. At your request, BMO Nesbitt Burns shall disclose the details of any Corporate Action Fees paid to BMO Nesbitt Burns. For the purposes of this Section, ‘Corporate Actions’ include, but are not limited to, corporate reorganizations, normal course issuer bids, proxy solicitation, takeover bids, and bond restructuring.

## 10. Currency Conversion

Conversion of any funds to another currency, when necessary, shall take place on the Transaction date using the rate employed by BMO Nesbitt Burns on such Transaction date, unless otherwise agreed to.

BMO Nesbitt Burns (or parties related to us) may charge and collect Advisory Fees, including revenue on the conversion of currency as set out in the BMO Nesbitt Burns Client Account Agreements and Disclosures document.

## 11. Program Minimum

You acknowledge and agree that the minimum aggregate value of the assets in the Account shall not be less than the Program Minimum (the "Minimum Amount") assigned to each respective portfolio. You acknowledge and agree that BMO Nesbitt Burns shall have the right to terminate the Agreement pursuant to the Amendment and Termination term herein, should the value of the Eligible Assets in the Account fall below such Minimum Amount.

## 12. Investment Parameters

- a. In order for BMO Nesbitt Burns to be able to invest in a Security or derivative of a Security of an issuer that is related or connected to BMO Nesbitt Burns, or new or secondary offerings underwritten by BMO Nesbitt Burns, we require your consent to such purchases. You hereby authorize BMO Nesbitt Burns to exercise its discretion to purchase or sell Securities of any issuers related and/or connected to, or underwritten by, BMO Nesbitt Burns for the Account(s). Please note, BMO Nesbitt Burns currently does not permit new issue and secondary offerings that pay a commission to be acquired within the Account(s).
- b. BMO Nesbitt Burns shall not knowingly allow the Account to invest in a Security or a derivative of a Security, of an issuer that is related or connected to a Responsible Person or to BMO Nesbitt Burns, or of an issuer of which the selected Sub-Advisor is an officer or director, without your written consent and unless such office or directorship is disclosed to you.

BMO Nesbitt Burns, its affiliates, partners, directors, officers, employees or associates, of any of them, will be deemed not to have breached the forgoing if a Transaction or activity is conducted in compliance with any securities legislation or rule, policy, directive or order of any securities commission, which specifically applies to the Transaction or activity.

## 13. Client Investment Constraints

For Accounts which BMO Nesbitt Burns determines are eligible, you may request to impose investment constraints within your Account portfolio to:

- a. exclude any individual equity or fixed income Securities;
- b. exclude a group of equity Securities in certain predefined industries; and/or
- c. exclude a group of equity and/or fixed income Securities for a particular issuer.

BMO Nesbitt Burns will endeavour to maintain the constraints you have indicated on a best efforts basis. You acknowledge and agree that the application of your requested investment constraints may cause your Account(s) to experience significant performance deviations from the selected mandate for which BMO Nesbitt Burns will not be responsible.

BMO Nesbitt Burns reserves the right to refuse to open an Account or to close an existing Account if we determine that the Account is not eligible for any investment constraints you request.

## 14. Fair Allocation of Investment Opportunities

BMO Nesbitt Burns' fair allocation policy for its managed accounts allows it to pool orders on behalf of an Account, with orders placed on behalf of BMO Nesbitt Burns' other managed account programs. In allocating investment opportunities to BMO Nesbitt Burns' managed accounts, BMO Nesbitt Burns acts with a view to the equitable allocation of such opportunities in accordance with the following policy:

- a. BMO Nesbitt Burns will allocate the Securities purchased or sold, as the case may be, on a pro rata basis, based on the order size.
- b. When orders for more than one account are entered as a combined order, and transactions are executed at varying prices, BMO Nesbitt Burns will endeavour to treat all clients on a basis that is fair and reasonable in the context of the nature of the particular transaction and the transaction costs. This may include calculating a weighted average execution price to be attributed to all accounts having orders included in the combined order.

## 15. Sub-Advisor Registration

In the event that the Sub-Advisor is not registered in the jurisdiction in which you are a resident, pursuant to applicable securities regulation or exempted relief, we will be responsible for any loss that arises out of the failure of a Sub-Advisor:

- a. to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of BMO Nesbitt Burns and you, for whose benefit the advice is, or portfolio management services are, to be provided; or
- b. to exercise the degree of care diligence and skill that a reasonably prudent person would exercise in the circumstances.

BMO Nesbitt Burns acknowledges that you cannot relieve it from its responsibility for such loss.

## 16. Relationship with Ameriprise Financial, Inc.

Bank of Montreal has entered into an agreement with Ameriprise Financial, Inc. ("Ameriprise"). Under this agreement, Ameriprise acquired the sub-advisory entities and certain subadvisory mandates comprising Bank of Montreal's asset management business in Europe, Middle East, Africa, Asia and the U.S. These transactions and a related agreement give rise to conflicts of interest that may relate to the Account. For a discussion of these conflicts please see Section 2.6 Relationship with Ameriprise Financial, Inc. in our Conflicts of Interest Statement.



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## 17. Calculations

You will be provided with an annual gain/loss statement, showing all sales that have occurred throughout the fiscal year and detailing the gains or losses arising therefrom. The Adjusted Cost Base (ACB) of your holdings may differ from the book value provided in your gain/loss statement. We do not report ACB, you are responsible for determining your ACB for tax purposes.

## 18. Tax Harvesting

You acknowledge that you have the right to request, on an annual basis, for BMO Nesbitt Burns to realize losses in your Account (often referred to as “tax loss harvesting”). You also authorize BMO Nesbitt Burns to invest, at its discretion, in ETFs, with the proceeds of the sales. You understand that BMO Nesbitt Burns is not obligated to use ETFs and may choose to invest in alternate securities or leave the proceeds in cash.

By choosing to authorize tax loss harvesting, you recognize BMO Nesbitt Burns will be constrained from repurchasing the securities sold for at least 30 calendar days after settlement, due to superficial loss rules; that these transactions may alter your investment portfolio and its performance results; that BMO Nesbitt Burns is not responsible for the adjusted performance during the tax loss period; and that, if utilized, ETFs have additional management expense ratios that are in excess of program fees and you accept these additional charges for the time the ETFs are held.

You also understand that you have the ability at any point in time to request that BMO Nesbitt Burns realize capital gains or losses in the Account.

## 19. Certificates

BMO Nesbitt Burns may hold all certificates and other evidence of investments made on your behalf at the offices of BMO Nesbitt Burns or any acceptable depository.

## 20. Trade Confirmations

In connection with any purchase or sale of Securities or Derivatives for the Account, you agree that BMO Nesbitt Burns will suppress the trade confirmations unless directed otherwise by you in writing.

## 21. Reinvestment

Proceeds from the disposition of Securities or Derivatives in the Account are held in the Account as cash until re-invested, as appropriate.

## 22. Acting as Principal or Agent

You hereby acknowledge and agree that BMO Nesbitt Burns, or any company affiliated with BMO Nesbitt Burns, may act as principal or agent for others in the purchase or sale of securities for the Account(s).

## 23. Capacity

The Client, if a corporation, represents that it has the power and capacity to enter into this Agreement and to effect the transactions contemplated herein and that the execution and delivery of this

Agreement have been duly authorized by all necessary corporate action on the part of the Client. The Client, if a partnership, trust or another form of organization, represents that it has the power and capacity to enter into this Agreement and to effect the transactions contemplated herein and that the execution and delivery of this Agreement have been duly authorized by all necessary action on the part of the Client. The Client, if an individual, represents that he or she has reached the age of majority and has the capacity to enter into this Agreement and perform his or her obligations hereunder.

## 24. Account Agreements

In the event of any conflict or inconsistency among the Account Agreement(s), notwithstanding any statement to the contrary in such other Account Agreement(s), to the extent necessary, the terms and provisions of this Agreement shall supersede the terms and provisions of such other Account Agreement(s) (including, for certainty, but not limited to, the BMO Nesbitt Burns Investment Account Agreement), whether or not referred to therein. Subject to the foregoing, the provisions of this Agreement shall in no way limit or restrict any other right which BMO Nesbitt Burns may have under any other Account Agreements with you.

If any Applicable Rules and Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of this Agreement is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or conditions will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules and Regulations. Any term or condition of this Agreement which, notwithstanding any such variation, is invalid shall not invalidate the remaining terms.

You agree to do all acts and things and execute all documents as are necessary or desirable to give effect to the provisions of the Account Agreements, including, without limitation, to give effect to all Transactions in Securities executed by BMO Nesbitt Burns for the Account(s) pursuant to this Agreement and to permit BMO Nesbitt Burns and the Bank to debit the Account(s) as provided for in the Account Agreements.

## 25. Extraordinary Events

You agree that BMO Nesbitt Burns shall not be liable for any losses in your Account(s), however caused, whether directly or indirectly, by events beyond the control of BMO Nesbitt Burns and its agents and employees, including by government restrictions, exchange or market rulings, the suspension of trading, wars, strikes, disease or natural disasters which may delay or halt processing of Transactions, the transfer of Securities or funds to a third party or otherwise affect the operation of your Account.

## 26. Amendment and Termination

We may amend this Agreement at any time upon written notice to you. Such amendment will take effect at the time stipulated in the notice of such amendment.



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You may terminate this Agreement by notice in writing, effective on receipt by BMO Nesbitt Burns except with respect to transactions entered into prior to the receipt. If you also instruct us to liquidate all Securities in your Account(s) or to transfer out in-cash, we will place sell orders on a best efforts basis for execution at market. BMO Nesbitt Burns may terminate this Agreement by notice in writing to you, pursuant to the Notices to Client section below. Such termination will be effective no earlier than thirty (30) days from the date of delivery or deemed receipt of such notice.

### **27. Notices to Client**

Any notice or communication to you may be given by prepaid mail, facsimile or e-mail if provided, to any address of record of you with BMO Nesbitt Burns, or may be delivered personally (including by commercial courier) to any such address of record, and shall be deemed to have been received, if mailed, on the second business day after mailing or, if sent by facsimile or e-mail, on the day sent, or if delivered, when delivered. Nothing in this Section shall be interpreted as requiring BMO Nesbitt Burns to give any notice to you which is not otherwise required to be given.

### **28. Entire Agreement**

The Account Agreements and all schedules and attachments constitute the entire agreement between the parties with respect to the subject matter contained in this Agreement.

### **29. No Assignment**

You may not assign this Agreement without the prior express written approval of BMO Nesbitt Burns.

BMO Nesbitt Burns may assign this Agreement and its respective rights and obligations to any affiliate, upon notice to you and to any regulatory authority having jurisdiction with respect to such assignment.

### **30. Death or Incapacity of Client**

This Agreement will continue and pass on to the benefit of, and be binding upon, the parties and their respective heirs, executors, administrators, liquidators, personal representatives, successors and permitted assigns, as the case may be. This Agreement will continue in full force and effect notwithstanding your death, or incapacity, in which case the Account will continue to be administered in accordance with your Investor Profile set out in the Client Account Application and any limitations and restrictions as set out in the Investment Policy Statement, in effect as of the date of your death, disability or incapacity, and elsewhere until such time as BMO Nesbitt Burns receives instructions from, or this Agreement is terminated by, your authorized estate representative or legal representative. BMO Nesbitt Burns has the right to refuse to act upon any instructions of your authorized estate representative or legal representative without evidence satisfactory to BMO Nesbitt Burns regarding your death or incapacity, or their authority to act.

### **31. Governing Law**

The Account Agreements shall be governed by and construed and enforced in accordance with the laws of the jurisdiction where the BMO Nesbitt Burns office that services the Account is located and the federal laws of Canada applicable therein.

### **32. Acknowledgement**

You hereby acknowledge that you have read and understood the AA&D including this Agreement, and the attached Investment Policy Statement, and confirm receipt of a copy.

### **33. Sub-Advisor's Form ADV Part II**

To the extent that the Sub-Advisor is governed by the Investment Advisors Act of 1940, you hereby appoint BMO Nesbitt Burns to receive and review the Sub-Advisor's Form ADV Part II.

Notwithstanding the foregoing, you are entitled to receive a copy of the Sub-Advisor's Form ADV Part II, if so desired, by requesting a copy from your Investment Advisor.

### **34. Language**

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

### **35. Account Approval**

You acknowledge that this Agreement will not become effective until it has been approved by a Branch Supervisor or other signing officer of BMO Nesbitt Burns, as designated from time to time.

# Managed Portfolio Account Agreement

## Introduction

Thank you for your interest in the BMO Nesbitt Burns Managed Portfolio Account Program® (“Managed Portfolio Account Program”). The Managed Portfolio Account Program is a comprehensive service that offers all the benefits of a relationship with a professional Portfolio Manager and provides a full range of wealth advisory services.

The services offered through the Managed Portfolio Account Program are available for an asset-based fee (pursuant to the conditions set out in the attached Managed Portfolio Account Agreement). The Managed Portfolio Account Program is intended for investors interested primarily in a fee-based approach to investment management and wealth advisory services.

The Managed Portfolio Account Agreement (“MPAA” or “Agreement”) herein outlines the terms and conditions applicable to the Managed Portfolio Account Program, which in addition to the terms and conditions that generally apply to your Account(s), is made between you and BMO Nesbitt Burns, and not between you and any of BMO Nesbitt Burns’ registered representatives.

Please review the MPAA thoroughly prior to enrolling in the Managed Portfolio Account Program. If you have any questions about this Agreement, the Managed Portfolio Account Program in general, or your Account(s), please contact your Investment Advisor.

## Part One | General Terms, Conditions and Definitions applicable to Managed Portfolio Account Agreement

The following general terms, conditions and definitions set out in this MPAA are applicable to, and are deemed to form this MPAA and each Client that has signed the Investment Policy Statement (“IPS”) agrees to be subject to and bound by them.

### 1. Definitions

For the purposes of the Managed Portfolio Account Agreement (the MPAA), the following words and phrases shall have the meanings set out below:

“**Account(s)**” means at least one of the Client’s investment portfolios in the BMO Nesbitt Burns Managed Portfolio Account Program as identified in the Client Account Application;

“**Account Agreements**” means the Managed Portfolio Account Agreement (which is this Agreement), the Investment Policy Statement (“IPS”, provided separately), the Client Account Application and the other applicable Client Account Agreements within the BMO Nesbitt Burns Client Account Agreements and Disclosures (“AA&D”);

“**Advisory Fees**” are fees, spreads, and expenses that may be charged by BMO Nesbitt Burns;

“**Applicable Rules and Regulations**” means the constitutions, by-laws, rules, rulings, regulations, customs and usages of the exchanges or markets and their clearing houses on which any Transactions are undertaken and all laws, regulations and orders of any applicable governmental or regulatory authorities or self-regulatory organizations with jurisdiction over BMO Nesbitt Burns or the Bank of Montreal (the “Bank”);

“**Billing Group**” means the Accounts that form part of a Managed Account Group identified in the IPS, as well as any other Linkable Accounts participating with the Lead Account on a combined basis;

“**Billing Year**” means the twelve-month period commencing on the date the Account is enrolled in the Managed Portfolio Account Program and each succeeding twelve-month period thereafter;

“**BMO Nesbitt Burns**” or “**Us**” or “**We**” means BMO Nesbitt Burns Inc., a wholly-owned subsidiary of Bank of Montreal;

“**BMO Nesbitt Burns Client Account Agreements and Disclosures**” (“AA&D”) means the booklet containing Relationship Disclosure, Client Account Agreements and managed account agreements, including the Managed Portfolio Account Agreement, as applicable to your Account(s) with us;

“**Business Day**” means any day upon which the Toronto Stock Exchange is open for business;

“**Client**” or “**You**” means the holder (or co-holder, if applicable) of an Account that has signed the IPS (as such term is defined herein) in such capacity;

“**Client Account Application**” means the BMO Nesbitt Burns Client Account Application (“CAA”) which includes your Applicant Information, your Investor Profile, your Personal Information, and your signatures;

“**Derivatives**” means options;

“**Eligible Assets**” means Securities including equities and fixed income instruments, and Derivatives, alternative assets, trust units as well as cash. Any assets that would pay a trailing commission to BMO Nesbitt Burns are not considered Eligible Assets, including but not limited to exchange traded funds (ETFs), closed-end funds, mutual funds, principal protected notes, principal at risk notes, and high interest savings accounts;

“**Fee Schedule**” means the list of asset-based percentage Fees that BMO Nesbitt Burns will charge for management of your Account(s) for the Billing Year, as set out in your current Investment Policy Statement;

“**Instruments**” means bills of exchange, promissory notes, cheques, orders for payment of money, securities, coupons or notes;

“**Investment Policy Statement**” (“IPS”) means the Managed Portfolio Account Investment Policy Statement that is part of your Account Agreements;

**“Lead Account”** refers to the primary Account of the Lead Client, or is the Lead Account in a group of Linkable Accounts. The Lead Account may be a standalone Account or an Account whereby Linkable Accounts are combined to form a Billing Group in the manner described in the IPS Fee Schedule;

**“Lead Client”** means the holder of a Lead Account who has signed the Client Account Application in the capacity of a holder of a Lead Account;

**“Linkable Account”** means an account established with BMO Nesbitt Burns, other than the Lead Account, that BMO Nesbitt Burns deems, in its sole discretion, to be acceptable for the purposes of linking to the Lead Account provided, in each case, that any holder of such account has executed the Architect Program Account Agreements;

**“Managed Account Group”** has the meaning ascribed to it in Section 6 of Part One of this MPAA;

**“MPAA”** means this Managed Portfolio Account Agreement within the AA&D;

**“Permitted Transfer”** has the meaning ascribed to it in Section 10 of Part 1 of this MPAA;

**“Responsible Person”** a partner, Director, officer, employee or agent of a Dealer Member who exercises discretionary authority over the account of a client or approves discretionary orders; or participates in formulating investment decisions made on behalf of, or advice given to, a managed account holder;

**“Securities”** includes, without limitation, shares, mutual funds, guaranteed investment certificates (GICs), bonds, debentures, notes, warrants, rights, cash equivalents (including treasury bills, commercial paper, marketable securities, money market funds, and high interest savings accounts), exchange-traded funds (ETFs), closed-end funds, principal protected notes and principal at risk notes;

**“Standalone Account”** means an Account which is not a part of a Managed Account Group or combined with any Linkable Accounts for the purposes of the Managed Portfolio Account Program IPS Fee Schedule;

**“Trade”** means a Transaction involving Securities;

**“Transaction”** means a purchase of, sale or exercise of, or otherwise dealing in Securities or Derivatives whether or not on margin;

**“Valuation Date”** means, in the event that the monthly billing option is selected, the last Business Day in the applicable month, or, in the event that the quarterly billing option is selected, the last Business Day of each of the months in the applicable quarter;

**“You”** see Client and refers to each Client that agrees to be subject to and bound by this MPAA.

## 2. Discretionary Investment Management

You hereby authorize BMO Nesbitt Burns to enter into Transactions, at its sole discretion, on a continuing basis, for the Account(s) identified in the IPS, on the terms set out therein and in this MPAA. BMO

Nesbitt Burns is granted discretionary management and full power and authority to purchase, sell or otherwise deal in Securities for each Account in accordance with your Investor Profile (as defined herein).

## 3. Corporate Actions and Voting Proxies

You agree that BMO Nesbitt Burns may make determinations regarding all aspects of the Securities held in your Account(s), and take all appropriate actions, if any, in its sole discretion, including, but not limited to, the processing of class action claims on your behalf and voting or refraining from voting on matters requiring a security holder vote with respect to corporate actions on Securities held in your Account(s). For the purposes of this Section, ‘Corporate Actions’ include, but are not limited to, corporate reorganizations, normal course issuer bids, proxy solicitation, takeover bids, and bond restructuring.

## 4. Shareholder Information

You acknowledge, understand and agree that you have elected not to receive the security holder materials that are to be sent to beneficial owners of Securities as indicated on your BMO Nesbitt Burns Client Account Application and/or Investment Policy Statement. You also understand and agree that, by electing not to receive shareholder information, you will not receive proxy information for the Securities held in your Account(s) and will not be able to vote on matters requiring a security holder vote. You acknowledge that BMO Nesbitt Burns will vote on proxies for Securities held in your Account(s), in their sole discretion, in circumstances they deem appropriate.

## 5. Investor Profile

You have completed, executed, and delivered the Client Account Application to BMO Nesbitt Burns, which outlines your investment objectives, investment knowledge, time horizon, risk profile, target asset allocation, current financial situation and personal circumstances (the “Investor Profile”). An IPS has been prepared based on information that you have provided, a copy of which is provided to you. You hereby represent and warrant that the information, instructions and consents contained in the IPS are true, complete and accurate.

BMO Nesbitt Burns is entitled to rely on this information and you are responsible for advising BMO Nesbitt Burns, promptly in writing, of any changes in your circumstances or of any restrictions regarding trading in Securities for the Account(s), or of any other matter that would affect BMO Nesbitt Burns’ management of the Account(s) or the information set out in the IPS. You hereby acknowledge that the IPS and this MPAA shall be read together and will govern the conduct of the parties hereto related to the Managed Portfolio Account Program.

## 6. Managed Account Group

You may request that your Account(s) be grouped with certain other Account(s) as part of a managed account group (each a “Managed Account Group”). This request can be made to your Portfolio Manager/ Associate Portfolio Manager, who will include all the Account(s) that will form part of a Managed Account Group in your IPS. The Managed Account Group will have an aggregated “Group Investment Policy” as

set out in the IPS, which will apply to each Account in the Managed Account Group. Despite having a Group Investment Policy, each Account within a Managed Account Group is managed in accordance with the Investor Profile of that Account. The Group Investment Policy is prepared for informational and illustrative purposes only and the accounts that form part of the Managed Account Group are not managed in accordance with the Group Investment Policy.

As a Client that is part of a Managed Account Group, you acknowledge and agree that the aggregated information presented in the Group Investment Policy is provided for informational purposes only, that your Account(s) that form part of the Managed Account Group are not managed in accordance with the Group Investment Policy but instead each Account is managed in accordance with its own Investor Profile and that Securities held in any individual Account forming part of the Managed Account Group may not correspond with the Group Investment Policy.

## **7. Disclosure**

In the event that your Account forms part of a Managed Account Group, you hereby authorize BMO Nesbitt Burns to disclose any information relating to the Account to any other Client that is part of that Managed Account Group and party to this MPAA, including any information contained in the Client Account Application, any information contained in the IPS, any investment report and any other statements and reports that are provided by BMO Nesbitt Burns in respect of your Account.

## **8. Withdrawal from a Managed Account Group and MPAA Termination**

If you wish to withdraw one or more of your Accounts from a Managed Account Group, you must give BMO Nesbitt Burns notice of your intention to do so and to terminate this MPAA in respect of your particular Account(s) pursuant to the Amendment and Termination section below (a “termination notice”). Once withdrawn, if you do not enter into another BMO Nesbitt Burns managed account agreement, the Account(s) will operate as non-discretionary, commission-based account(s), in accordance with the BMO Nesbitt Burns Investment Account Agreement and if applicable, the BMO Nesbitt Burns Joint Account Agreement, each set out in the AA&D.

You acknowledge and agree that a termination notice provided to BMO Nesbitt Burns by any Client in the Managed Account Group will only apply in respect of the particular Account(s) of the terminating Client as specified in the termination notice and that this MPAA shall continue to apply to each remaining Account(s) that form the Managed Account Group. If an Account is either withdrawn from, or added to the Managed Account Group, each Client in the Managed Account Group will be requested to execute a new IPS. BMO Nesbitt Burns is entitled to rely upon the then current IPS until such time as it receives an updated version from the Clients.

## **9. BMO Nesbitt Burns Preferred Plus Account™ or a BMO Nesbitt Burns Preferred Account™**

If an Account is also a BMO Nesbitt Burns Preferred Plus Account™ or a BMO Nesbitt Burns Preferred Account™, you agree and acknowledge that deposits into, or withdrawals, from the Account by you may result in the assets in the Account not corresponding to your investment objectives in your Investor Profile until such time as BMO Nesbitt Burns has rebalanced the Account.

## **10. Non-Transferability of Eligible Assets**

Eligible Assets (other than cash and cash equivalents) may not be transferred from an Account to another account at BMO Nesbitt Burns unless the other account is a fee-based account, or where BMO Nesbitt Burns consents to the transfer (each such transfer referred to as a “Permitted Transfer”).

In the event you wish to effect a transfer which does not constitute a Permitted Transfer, you will be required to pay a fee equal to the amount of the BMO Nesbitt Burns’ full standard brokerage, and other Transaction-related charges that would have been charged if you were to sell or redeem the Eligible Assets and purchase Eligible Assets of the same or a similar type outside of the Account(s).

## **11. Governing Law**

This MPAA and the IPS shall be governed by, construed and enforced in accordance with the laws of the jurisdiction in Canada where the BMO Nesbitt Burns office that services the Account which is the Lead Account is located and the federal laws of Canada applicable therein.

## **12. First Use**

The first use of the Account, in the case of a Lead Account, shall be deemed to occur at the time at which the Account is opened. The first use of a Linkable Account shall be deemed to occur when it is combined with a Lead Account to form a Billing Group.

## **13. Investment Parameters**

- a. In order for BMO Nesbitt Burns to be able to invest in a Security or derivative of a Security of an issuer that is related or connected to BMO Nesbitt Burns, or new or secondary issues underwritten by BMO Nesbitt Burns, we require that you consent to such purchases. You hereby authorize BMO Nesbitt Burns to exercise its discretion to purchase or sell securities of any of the issuers related and/or connected to, or underwritten by, BMO Nesbitt Burns for your Account(s). Please note BMO Nesbitt Burns currently does not permit new issues and secondary offerings that pay a commission to be acquired within the Account(s).
- b. BMO Nesbitt Burns shall not knowingly allow the Portfolio Manager/ Associate Portfolio Manager of the Account to invest in a Security, or derivative of a Security of an issuer that is related or connected to a Responsible Person or to BMO Nesbitt Burns; or which the Portfolio Manager/Associate Portfolio Manager is an officer or director, and no such investment will be made without your written consent and unless such office or directorship is disclosed to you.

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BMO Nesbitt Burns, a related company, or any partner, director, officer, employee or associate of any of them, shall be deemed not to have breached the forgoing if a Transaction or activity is conducted in compliance with any Securities legislation or rule, policy, directive or order of any securities commission which specifically applies to the Transaction or activity.

#### **14. Client Investment Constraints**

For Accounts which BMO Nesbitt Burns determines are eligible, you may request to impose investment constraints within your Account to:

- a. exclude any individual equity or fixed income securities;
- b. exclude a group of equity securities in certain predefined industries; and/or
- c. exclude a group of equity and/or fixed income securities for a particular issuer.

BMO Nesbitt Burns will endeavour to maintain the investment constraints you have requested on a best efforts basis. You acknowledge and agree that the application of your requested investment constraints may cause your Account to experience significant performance deviations from the selected mandate for which BMO Nesbitt Burns will not be responsible.

BMO Nesbitt Burns reserves the right to refuse to open an Account or to close an existing Account if we determine that the Account is not eligible for any investment constraints you request.

#### **15. Fair Allocation of Investment Opportunities**

BMO Nesbitt Burns' fair allocation policy for its managed accounts allows it to pool orders on behalf of an account, with orders placed on behalf of BMO Nesbitt Burns' other managed account programs. In allocating investment opportunities to BMO Nesbitt Burns' managed accounts, BMO Nesbitt Burns will act with a view to the equitable allocation of such opportunities in accordance with the following policy:

- a. BMO Nesbitt Burns will allocate the Securities purchased or sold, as the case may be, on a pro rata basis based on the order size.
- b. When orders for more than one account are entered as a combined order, and Transactions are executed at varying prices, BMO Nesbitt Burns will endeavour to treat all clients on a basis that is fair and reasonable in the context of the nature of the particular Transaction and the Transaction costs. This may include calculating a weighted average execution price to be attributed to all accounts having orders included in the combined order.

#### **16. Due Diligence**

In carrying out BMO Nesbitt Burns' responsibilities under the MPAA, we will exercise the diligence, competence and skill as would be expected of a reasonably prudent person under similar circumstances and in similar market conditions. You acknowledge, however, that neither BMO Nesbitt Burns nor any of its officers, directors, employees or agents shall have any liability to you for errors or omissions that occur in the course of, arise from, or are related to transactions by BMO Nesbitt Burns for the Account(s), unless such errors or omissions are caused by, or attributable to, BMO Nesbitt Burns' willful misconduct, negligence or failure to comply with its responsibilities under the

MPAA. BMO Nesbitt Burns shall not be liable in any circumstances for any indirect, consequential, special or punitive damages.

You acknowledge that the performance of your Account(s) and any return on your investments is not guaranteed by us. You understand that losses may occur in your account and acknowledge that you are financially capable of bearing these losses. You also understand that past performance of any particular managed strategy is not an indication of how your Account(s) will perform now or in the future.

#### **17. Calculations**

You will be provided with an annual gain/loss statement, showing all sales that have occurred throughout the fiscal year and detailing the gains or losses arising therefrom. The Adjusted Cost Base (ACB) of your holdings may differ from the book value provided in your gain/loss statement. We do not report ACB, you are responsible for determining your ACB for tax purposes.

#### **18. Certificates**

BMO Nesbitt Burns may hold all certificates and other evidence of investments made on your behalf at the offices of BMO Nesbitt Burns or any acceptable depository.

#### **19. Trade Confirmations**

In connection with any purchase or sale of Securities or Derivatives for the Account(s), you agree that BMO Nesbitt Burns will suppress the trade confirmations unless directed otherwise by you in writing.

#### **20. Reinvestment**

Income and proceeds from the disposition of Securities or Derivatives in the Account are held in the Account as cash until reinvested as appropriate.

#### **21. Acting as Principal or Agent**

You hereby acknowledge and agree that BMO Nesbitt Burns or any company affiliated with BMO Nesbitt Burns may act as principal or agent for others in the purchase or sale of Securities for the Account.

#### **22. Capacity**

The Client, if a corporation, represents that it has the power and capacity to enter into this MPAA and to effect the Transactions contemplated herein and that the execution and delivery of this MPAA has been duly authorized by all necessary corporate action on the part of the Client. The Client, if a partnership, trust or another form of organization, represents that it has the power and capacity to enter into this MPAA and to effect the Transactions contemplated herein and that the execution and delivery of this MPAA has been duly authorized by all necessary action on the part of the Client.

The Client, if an individual, represents that he or she has reached the age of majority and has the capacity to enter into this MPAA and perform his or her obligations hereunder.

#### **23. Amendments and Termination**

This MPAA may be amended at any time by BMO Nesbitt Burns upon written notice to each Client that has signed the IPS. Such amendment will take effect at the time stipulated in the notice of such amendment.



You may terminate this Agreement with respect to one or more Accounts by notice in writing, effective on receipt by BMO Nesbitt Burns except with respect to Transactions entered into prior to the receipt. If you also instruct us to liquidate all Securities in your Account(s) or to transfer out in-cash, we will place sell orders on a best efforts basis for execution at market. BMO Nesbitt Burns may terminate the MPAA with respect to one or more Accounts by notice in writing to each Client pursuant to the Notices to Client section herein. Such termination shall be effective no earlier than thirty (30) days from the date of delivery or deemed receipt of such notice.

## **24. Account Approval**

You acknowledge that this MPAA, together with the IPS, shall not be effective until the IPS has been approved by a Branch Supervisor or other signing officer of BMO Nesbitt Burns, as designated from time to time.

## **25. Currency Conversion**

Conversion of any currency, when necessary, shall take place on the Transaction date using the rate employed by BMO Nesbitt Burns on such Transaction date, unless otherwise agreed to.

BMO Nesbitt Burns (or parties related to us) will charge and collect Advisory Fees, including revenue on the conversion of currency as set out in the BMO Nesbitt Burns Client Account Agreements and Disclosures document.

## **26. No Assignment**

You may not assign the MPAA without the prior express written approval of BMO Nesbitt Burns.

BMO Nesbitt Burns may assign the MPAA and its respective rights and obligations to any affiliate, upon notice to you and to any regulatory authority having jurisdiction with respect to such assignment.

## **27. Severability and Enforceability**

If any provision or condition of the MPAA is held to be invalid or unenforceable, such invalidity or unenforceability shall apply only to such provision or condition. The validity of the remainder of the MPAA shall not be affected and the MPAA shall be carried out as if such invalid or unenforceable provision was not contained therein.

## **28. Use of Headings**

The headings used in the Agreement are for convenience of reference only and shall not in any way affect their interpretation unless the context otherwise requires. Words in the singular include the plural and vice versa and words in one gender include all genders.

## **29. Notices to Client**

Any notice or communication to you may be given by prepaid mail, facsimile or e-mail if provided, to any address of record you hold with BMO Nesbitt Burns, or may be delivered personally (including by commercial courier) to any such address of record, and shall be deemed to have been received, if mailed, on the second business

day after mailing or, if sent by facsimile or e-mail, on the day sent, or if delivered, when delivered. If there is more than one Client, notice may be given to any one or more of them and any notice so given shall bind all of the Clients. Nothing in this Section shall be interpreted as requiring BMO Nesbitt Burns to give any notice to you which is not otherwise required to be given.

## **30. Account Agreements**

In the event of any conflict or inconsistency among the Account Agreement(s), notwithstanding any statement to the contrary in such other Account Agreement(s), to the extent necessary, the terms and provisions of this MPAA shall supersede the terms and provisions of such other Account Agreement(s) (including, for certainty, but not limited to, the BMO Nesbitt Burns Investment Account Agreement), whether or not referred to therein. Subject to the foregoing, the provisions of the MPAA shall in no way limit or restrict any other right which BMO Nesbitt Burns may have under any other Account Agreements with you.

If any Applicable Rules and Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of this MPAA is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or conditions will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules and Regulations. Any term or condition of the MPAA which, notwithstanding any such variation, is invalid shall not invalidate the remaining terms.

You agree to do all acts and things and execute all documents or Instruments as are necessary or desirable to give effect to the provisions of the Account Agreements, including, without limitation, to give effect to all Transactions in Securities executed by BMO Nesbitt Burns for the Account(s) pursuant to the MPAA and to permit BMO Nesbitt Burns and the Bank to debit the Account(s) as provided for in the Account Agreements.

## **31. Death or Incapacity of Client**

This MPAA will continue and pass on to the benefit of, and be binding upon, the parties and their respective heirs, executors, administrators, liquidators, personal representatives, successors and permitted assigns, as the case may be. This MPAA will continue in full force and effect in the event of your death or incapacity, in which case the Account(s) will continue to be administered in accordance with your Investor Profile as set out in the Client Account Application and any limitations and restrictions as set out in the IPS in effect as of the date of your death or incapacity, and elsewhere until such time as BMO Nesbitt Burns receives instructions from, or this MPAA is terminated by, your authorized estate representative or legal representative.

BMO Nesbitt Burns has the right to refuse to act upon any instructions of your authorized estate representative or legal representative without evidence satisfactory to BMO Nesbitt Burns regarding your death or incapacity or their authority to act.

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## 32. Class Action Claims

We will, in our sole discretion, determine what role we will take in any legal proceedings affecting any securities held in your Account(s). BMO Nesbitt Burns has engaged Broadridge Investor Communication Solutions, Inc. ("**Broadridge**") to file claims on your behalf in certain securities class action lawsuits and disgorgements ordered by Canadian or U.S. regulators identified by Broadridge ("**Class Action Service**"). It is intended that the Class Action Service will commence in January 2022. You will be automatically enrolled in this Class Action Service once it commences or the date on which you opened your Account(s), whichever is later. Broadridge's fee for this service is a contingency fee of 10% of any of the class action recoveries you receive through the Class Action Service, which fee will be deducted from any recoveries that are credited to your Account.

We will not charge you our own fee, and do not receive any direct fee from Broadridge, with respect to the Class Action Service with Broadridge. If you wish for your Account(s) to be removed from the Class Action Service, please speak with your Investment Advisor.

Prior to the commencement of the Class Action Service, and for any eligible class actions not part of the Class Action Service, or in the event that BMO Nesbitt Burns's engagement with Broadridge is terminated, we may, in our sole discretion process class action claims on your behalf or may enlist another company or firm to exercise such discretion (a "**Third Party**"). The actions in the Class Action Service shall be limited to "opt-out" cases and eligibility to participate in the class is based solely on sales and purchases of securities in your Account. Under the Class Action Service, claims will only be filed once a court or administrative order has been issued that sets forth a claim filing deadline. An "opt-out" case means all eligible security holders are automatically considered to be part of the class and if an individual does not wish to be part of the class action lawsuit, they must actively opt-out of the class. The Class Action Service will only cover those securities that were purchased while you were a client of BMO Nesbitt Burns. It will not include securities that you purchased other than through BMO Nesbitt Burns. For the avoidance of doubt, the Class Action Service does not include any lawsuit which requires prospective class members to provide additional evidence of eligibility other than purchases and sales of the applicable security, including but not limited to evidence of actual or individual reliance on allegedly fraudulent or misleading statements. The Class Action Service shall not include consumer class action settlements or bankruptcies and, generally, class actions that do not involve publicly traded securities or "opt-in" cases, being those cases where a person must provide express consent ("opt-in") to be part of the class.

With "opt-out" class actions, all class members are bound by the outcome of the class action unless a member actively opt-outs. This means that class members who do not opt-out may not bring individual cases. Therefore, for all claims filed on your behalf, either pursuant to the Class Action Service or by BMO Nesbitt Burns or a Third Party, you acknowledge and agree that you will be bound by, and subject to, the terms of all forms and releases that may be entered into for settlements in which a claim is filed on your behalf, and may not bring your own individual case. You will not be notified of

each action in which you are enrolled under the Class Action Service; if at any time you wish to know your participation in, or status of, any actions, please speak with your Investment Advisor.

The receipt of any settlement amounts may subject you to tax on such amounts, including in foreign jurisdictions. There may be tax implications to receiving settlement proceeds. You are responsible for any tax liabilities (including any tax filing obligations) associated with participation in the Class Action Service. You may not receive a tax receipt in connection with settlement proceeds that are deposited into one of your registered plans (registered savings plans, retirement income funds and/or tax-free savings accounts). If you require tax advice, please contact your personal tax advisor. For avoidance of doubt, you acknowledge that BMO Nesbitt Burns cannot and shall not provide legal, tax or other professional advice to you or any other party in respect to any class action. You shall seek and obtain your own legal, accounting and other professional advice as you shall see fit, independent of BMO Nesbitt Burns.

In connection with any claims processing, claims administrators require BMO Nesbitt Burns (or Broadridge or a Third Party) to provide all necessary information in its possession regarding class actions. This information will include your name, address, securities holding, trade information and, in certain cases, social insurance number. As part of the Class Action Service, Broadridge has agreed to maintain your personal information in a confidential manner and not use the information other than for the purpose of processing claims.

Notwithstanding the above, neither we nor Broadridge, nor any Third Party, will process any class action or disgorgement claims on your behalf or take any action whatsoever with respect to class actions or disgorgements if your Account is closed.

Accordingly, you have an obligation to keep track of class actions and disgorgements in the event that your Account(s) is closed. If a claim was processed prior to your Account being closed, and the settlement funds received after the Account is closed, a cheque will be mailed to your last known address provided to BMO Nesbitt Burns.

BMO Nesbitt Burns may terminate its engagement with Broadridge in its sole discretion; if so terminated BMO Nesbitt Burns will retain the right, in its sole discretion, to determine what role it will take in any legal proceedings affecting any securities held in your Account. It is not our current practice to take the role of lead plaintiff on class actions, but we may in our sole discretion decide to do so in the future.

For any class action claim that we handle outside of the Class Action Service, we may charge you a reasonable fee for the filing of each class action claim, which, if applicable, will be charged quarterly. We may choose not to file a class action claim on your behalf, including in instances where we believe that the proceeds of settlement of a class action claim may not cover the filing fee.

## 33. Extraordinary Events

You agree that BMO Nesbitt Burns shall not be liable for any losses in your Account(s), however caused, whether directly or indirectly, by events beyond the control of BMO Nesbitt Burns and its agents and employees, including by government restrictions, exchange or

market rulings, the suspension of trading, wars, strikes, disease or natural disasters which may delay or halt processing of Transactions, the transfer of Securities, Derivatives or funds to a third party or otherwise affect the operation of your Account(s).

### 34. Language

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

### 35. Entire Agreement

The Account Agreements and all schedules and attachments constitute the entire agreement between the parties with respect to the subject matter contained in this MPAA.

## Part Two | BMO Nesbitt Burns Managed Portfolio Account Program IPS Fee Schedule ("Fee Schedule")

For the services you are entitled to receive in respect of your Account(s) as set out in this MPAA, the IPS as well as all other agreement(s) between BMO Nesbitt Burns and you in connection with your Account(s), you will be required to pay the fees specified in the IPS and calculated in accordance with the terms set out in the IPS Fee Schedule (the "Fees").

### 1. General

In consideration for services you are entitled to receive in respect of your Account(s) as set out in this MPAA, you will be charged the Fees pursuant to the current IPS Fee Schedule, either monthly or quarterly, depending on the election made by you in the IPS.

You hereby acknowledge and agree that BMO Nesbitt Burns may increase the Fees from time to time upon sixty (60) days' prior written notice to you.

### 2. Calculation of Fees

Fees are charged in respect of a Billing Year calculated as a percentage of the Aggregate Market Value (defined below) of the Eligible Assets in the Account if a Standalone Account, or in the Accounts which form part of a Billing Group, as the case may be. Clients in a Billing Group may, however, agree with BMO Nesbitt Burns to be charged customized fees that vary from those set out in the IPS Fee Schedule.

Fees in the IPS Fee Schedule are calculated and payable as follows:

- a. If the monthly billing option is selected, that portion of the Fees payable in respect of the applicable month is payable in arrears on the last Business Day of a calendar month based upon the Aggregate Market Value of the Eligible Assets in the Standalone Account or Billing Group.

The "Aggregate Market Value" means the sum of the Market Values of the Eligible Assets in an Account calculated by adding the Market Value of each Eligible Asset in each Account on the Valuation Date (or the date on which the Account is closed, the "Termination Date"), determined in Canadian or US dollars as applicable.

In the event that the Account(s) is opened or closed during a calendar month, the Fees payable will be prorated based on the number of days remaining or elapsed in such calendar month.

- b. If the quarterly billing option is selected, that portion of the Fees payable in respect of the applicable quarter is payable in arrears on the last Business Day of a calendar quarter based upon the average of the Aggregate Market Value of the Eligible Assets in the Billing Group or Standalone Account in the previous calendar quarter.

In the event that the Account(s) is opened or closed during a calendar quarter, the Fees payable will be prorated based on the number of days remaining or elapsed in such calendar quarter.

- c. The market value of any Security or other asset held in the Account(s) on a Valuation Date or Termination Date ("Market Value") will be:
  - i. with respect to a Security or other asset for which there is a published market, an amount equal to the closing price of such security on that date, or if there is no closing price, the closing bid price. Where there is more than one published market for such Security, the value will be determined by reference to the closing price, or if there is no closing price, the closing bid price of such security on the principal market on which it is traded, as determined by BMO Nesbitt Burns.
  - ii. with respect to a Security or other asset for which there is not a published market and any other Security or asset held in the Account(s), other than a Security or other asset of the type referred to in item (i) above, the Security or other asset will be valued in a manner determined by BMO Nesbitt Burns, in its sole discretion, acting in good faith, to reflect the fair market value thereof.

The Market Value calculated for the purpose of the Fees as indicated in i. and ii. above is determined by the BMO Nesbitt Burns book of record which may not always match the Account statement market values due to different calculation systems.

- d. You hereby authorize BMO Nesbitt Burns to sell or dispose of, in its discretion, sufficient Securities or Derivatives in each Account to pay any outstanding Fees which may be owing by you to BMO Nesbitt Burns in connection with the services provided by BMO Nesbitt Burns under this Agreement from time to time and to deduct any and all of the Fees when due from the Account.

### 3. Minimum Fee

The Billing Group or Standalone Account is subject to a Minimum Fee for each billing cycle. The Minimum Fee is determined by pro-rating an annual charge of \$3,000 for a non-options account and \$5,400 for an options account, plus applicable taxes, by the number of days in the billing cycle.

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#### **4. Additional Charges and Payments**

You acknowledge and agree that in addition to the Fees, you are obligated to pay all applicable taxes, fees and other charges that may be levied by any applicable intermediary, third party, government, regulatory authority or agency in connection with the operation of the Account(s), including, without limitation, service charges, safekeeping fees, goods and services taxes and fees levied by market intermediaries or securities regulatory authorities in the applicable province or territory. You acknowledge that the Fees relate only to the operation of the Account(s) and are not inclusive of any other fees that may be payable by you to BMO Nesbitt Burns or its affiliates in connection with other accounts, agreements, Transactions or otherwise. For greater certainty, should you elect to close the Account(s), and thereafter liquidate assets, the liquidating trades will be subject to commission charges as per regular commission policy guidelines.

You further acknowledge and agree that BMO Nesbitt Burns may, from time to time, be paid fees by third parties for certain corporate actions, for actions taken by BMO Nesbitt Burns on your behalf, such as voting the Client's shares ("Corporate Action Fees"). Any Corporate Action Fees received by BMO Nesbitt Burns shall be retained by BMO Nesbitt Burns. At your request, BMO Nesbitt Burns shall disclose the details of any Corporate Action Fees paid to BMO Nesbitt Burns. For the purposes of this Section, 'Corporate Actions' include, but are not limited to, corporate reorganizations, normal course issuer bids, proxy solicitation, takeover bids, and bond restructuring.

#### **5. Acknowledgement**

You hereby acknowledge that you have read and understood this MPAA, including the AA&D and Investment Policy Statement provided to you, and confirm receipt of a copy.

# Quadrant Program® Account Agreement

## Account Agreement

### 1. Agreement and Definitions

Thank you for your interest in the BMO Nesbitt Burns Quadrant Program ("Quadrant Program"). The Quadrant Program offers systematic asset allocation, access to global institutional investment managers and investment styles, and individual portfolio development.

This Agreement outlines the terms and conditions of the Quadrant Program, which in addition to the terms and conditions that generally apply to your Account(s), is made between you and BMO Nesbitt Burns, and not between you and any of BMO Nesbitt Burns' registered representatives. Please review this Agreement carefully prior to enrolling in the Quadrant Program. If you have any questions about this Agreement, the Quadrant Program in general, or your Account(s), please contact your Investment Advisor. For the purposes of this Agreement (defined below), the following words and phrases will have the meanings set out below:

**"Account(s)"** means at least one of the Client's investment portfolios in the BMO Nesbitt Burns Quadrant Program as identified in the Client Account Application;

**"Account Agreements"** means the Quadrant Program Account Agreement (which is this Agreement), the Investment Policy Statement ("IPS", provided separately), the Client Account Application and the other applicable Client Account Agreements within the BMO Nesbitt Burns Client Account Agreements and Disclosures ("AA&D");

**"Advisory Fees"** are fees, spreads and expenses that may be charged by BMO Nesbitt Burns;

**"Agreement"** means this Quadrant Program Account Agreement within the AA&D;

**"Applicable Rules and Regulations"** means the constitutions, by-laws, rules, rulings, regulations, customs and usages of the exchanges or markets and their clearing houses on which any Transactions are undertaken, and all laws, regulations and orders of any applicable governmental or regulatory authorities or self-regulatory organizations with jurisdiction over BMO Nesbitt Burns or the Bank of Montreal;

**"Billing Group"** means the Lead Account and those Linkable Accounts participating with the Lead Account on a combined basis which are listed in the Client Account Application;

**"Billing Year"** means the twelve-month period commencing on the date the Account is enrolled in the Quadrant Program and each succeeding twelve-month period thereafter;

**"BMO Nesbitt Burns"** means BMO Nesbitt Burns Inc., a wholly-owned subsidiary of the Bank of Montreal (the "Bank");

**"BMO Nesbitt Burns Client Account Agreements and Disclosures"** or AA&D, means the booklet containing Relationship Disclosure, Client Account Agreements and managed account agreements, including the Quadrant Program Account Agreement, as applicable to your Account(s) with us;

**"Business Day"** means any day upon which the Toronto Stock Exchange is open for business;

**"Client"** or **"You"** means the holder (or co-holder if applicable) of an Account who has signed the IPS (as such term is defined herein) in such capacity;

**"Client Account Agreements"** means the BMO Nesbitt Burns Client Account Agreements within the AA&D, containing the terms and conditions generally applicable to your Account(s);

**"Client Account Application"** means the BMO Nesbitt Burns Client Account Application ("CAA") which includes your Applicant Information, your Investor Profile, your Personal Information, and your signatures;

**"Eligible Assets"** means Securities including equities and fixed income instruments, and alternative assets, trust units as well as cash. Any assets that would pay a trailing commission to BMO Nesbitt Burns are not considered Eligible Assets, including but not limited to exchange-traded funds (ETFs), closed-end funds, mutual funds, principal protected notes, principal at risk notes, and high interest savings accounts;

**"Fee Schedule"** means the list of asset-based percentage Fees that BMO Nesbitt Burns will charge for management of your Account(s) for the Billing Year, as set out in your current Investment Policy Statement;

**"Investment Advisor"** means the registered advisor designated by BMO Nesbitt Burns;

**"Investment Policy Statement"** or IPS, means the statement of investment policy that is part of your Account Agreements;

**"Instruments"** means bills of exchange, promissory notes, cheques, orders for payment of money, securities, coupons or notes;

**"Lead Account"** refers to the primary Account of the Lead Client, or the Lead Account in a group of Linkable Accounts. The Lead Account may be a standalone Account or an Account whereby Linkable Accounts are combined to form a Billing Group in the manner described in the IPS Fee Schedule;

**"Lead Client"** means the holder of a Lead Account who has signed the Client Account Application in the capacity of a holder of a Lead Account;



**“Linkable Account”** means an Account established with BMO Nesbitt Burns, other than the Lead Account, that BMO Nesbitt Burns deems, in its sole discretion, to be acceptable for the purposes of linking to the Lead Account provided, in each case, that any holder of such Account has executed the Quadrant Program Account Agreement;

**“Responsible Person”** a partner, Director, officer, employee or agent of a Dealer Member who exercises discretionary authority over the account of a client, or approves discretionary orders; or participates in formulating investment decisions made on behalf of, or advice given to, a managed account holder.

**“Securities”** includes, without limitation, shares, mutual funds, guaranteed investment certificates (GICs), bonds, debentures, notes, warrants, rights, cash equivalents (including treasury bills, commercial paper, marketable securities, money market funds, and high interest savings accounts), exchange-traded funds (ETFs), closed end funds, principal protected notes and principal at risk notes;

**“Transaction”** means a purchase of, sale or exercise of, or otherwise dealing in Securities or Derivatives;

**“Us” or “We”** see BMO Nesbitt Burns;

**“Valuation Date”** means, in the event that the monthly billing option is selected, the last Business Day in the applicable month, or, in the event that the quarterly billing option is selected, the last Business Day of each of the months in the applicable quarter; and

**“You”** see Client.

## 2. Discretionary Investment Management

You hereby authorize BMO Nesbitt Burns to manage your investment portfolio and enter into Transactions, on a continuing basis, in your Account(s) in accordance with your Investor Profile (as defined herein) on a discretionary basis upon the terms set out in this Agreement.

For further clarity, BMO Nesbitt Burns may make determinations regarding all aspects of the Securities held in the Account, including, but not limited to, the processing of class action claims on your behalf and voting on matters requiring a security holder vote.

## 3. Corporate Actions and Voting Proxies

You acknowledge, understand and agree that you have elected not to receive the security holder materials that are to be sent to beneficial owners of Securities as indicated on your BMO Nesbitt Burns Client Account Application and/or Investment Policy Statement. You also understand and agree that, by electing not to receive shareholder information, you will not receive proxy information for the Securities held in your Account(s) and will not be able to vote on matters requiring a security holder vote.

You agree that BMO Nesbitt Burns may make determinations regarding all aspects of the Securities held in your Account(s), and take all appropriate actions, if any, in its sole discretion, including, but not limited to, the processing of class action claims on your behalf and voting or refraining from voting on matters requiring a security holder vote with respect to corporate actions on Securities held in your Account(s). For the purposes of this Section, ‘Corporate Actions’ include,

but are not limited to, corporate reorganizations, normal course issuer bids, proxy solicitation, takeover bids, and bond restructuring.

## 4. Investor Profile

You have completed, executed, and delivered the Client Account Application to BMO Nesbitt Burns, which outlines your investment objectives, investment knowledge, risk profile, time horizon and target asset allocation, current financial situation, and personal circumstances (the “Investor Profile”). Based on information that you have provided, an Investment Policy Statement has been prepared and is provided to you. You hereby represent and warrant that the information, instructions and consents contained in the IPS are true, complete and accurate.

BMO Nesbitt Burns is entitled to rely on this information and you are responsible for advising BMO Nesbitt Burns promptly, in writing, of any changes in your circumstances or of any restrictions regarding trading in Securities for the Account(s), or of any other matter which would affect BMO Nesbitt Burns’ management of the Account(s) or the information set out in the IPS. You hereby acknowledge that the IPS and this Agreement will govern the conduct of the parties hereto related to the Quadrant Program.

## 5. Due Diligence

In carrying out BMO Nesbitt Burns’ responsibilities under this Agreement, we will exercise the diligence, competence and skill as would be expected of a reasonably prudent person under similar circumstances and in similar market conditions. You acknowledge, however, that neither BMO Nesbitt Burns nor any of its officers, directors, employees or agents shall have any liability to you for errors or omissions that occur in the course of, arise from, or are related to Transactions by BMO Nesbitt Burns for the Account(s), unless such errors or omissions are caused by, or attributable to, the willful misconduct, negligence or the failure by BMO Nesbitt Burns to comply with its responsibilities under this Agreement. BMO Nesbitt Burns shall not be liable in any circumstances for any indirect, consequential, special or punitive damages.

You acknowledge that the performance of your Account(s) and any return on your investments is not guaranteed by us. You understand that losses may occur in your Account(s) and acknowledge that you are financially capable of bearing these losses. You also understand that past performance of any particular managed strategy is not an indication of how your Account(s) will perform now or in the future.

## 6. Calculation of Fees

BMO Nesbitt Burns will charge you management fees (the “Fees”) as set out in the Investment Policy Statement which are payable in respect of a Billing Year, calculated as a percentage of the Aggregate Market Value (defined below) of the Eligible Assets in a standalone Account, or in the combined Accounts of a Billing Group. Clients in a Billing Group may, however, agree with BMO Nesbitt Burns to be charged customized fees that vary from those set out in the IPS Fee Schedule.

Fees on Eligible Assets shall be calculated and payable as follows:

- a. If the monthly billing option is selected, that portion of the Fees payable in respect of the applicable month is payable in arrears on the last Business Day of a calendar month based upon the Aggregate Market Value of the Eligible Assets in the Standalone Account or Billing Group.

The “Aggregate Market Value” means the sum of the Market Values of the Eligible Assets in an Account calculated by adding the Market Value of each Eligible Asset in each Account on the Valuation Date (or the date on which the Account is closed, the “Termination Date”), determined in Canadian or US dollars as applicable.

In the event that the Account(s) is opened or closed during a calendar month, the Fees payable will be prorated based on the number of days remaining or elapsed in such calendar month.

- b. If the quarterly billing option is selected, that portion of the Fees payable in respect of the applicable quarter is payable in arrears on the last Business Day of a calendar quarter based upon the average of the Aggregate Market Value of the Eligible Assets in the Billing Group or Standalone Account in the previous calendar quarter.

In the event that the Account(s) is opened or closed during a calendar quarter, the Fees payable will be prorated based on the number of days remaining or elapsed in such calendar quarter.

- c. The market value of any security or other asset held in the Account(s) on a Valuation Date or Termination Date (“Market Value”) will be:
- with respect to a Security or other asset for which there is a published market, an amount equal to the closing price of such security on that date, or if there is no closing price, the closing bid price. Where there is more than one published market for such Security or other asset, the value will be determined by reference to the closing price, or if there is no closing price, the closing bid price of such security on the principal market on which it is traded, as determined by BMO Nesbitt Burns.
  - with respect to a Security or other asset for which there is not a published market and any other Security or asset held in the Account(s), other than a security of the type referred to in item (i) above, the Security or other asset will be valued in a manner determined by BMO Nesbitt Burns, in its sole discretion, acting in good faith, to reflect the fair market value thereof.
- The Market Value calculated for the purpose of the Fees as indicated in i. and ii. above is determined by the BMO Nesbitt Burns book of record which may not always match the Account statement market values due to different calculation systems.
- d. You hereby acknowledge and agree that BMO Nesbitt Burns may increase the Fees in the Fee Schedule from time to time upon sixty (60) days’ prior written notice to you.
- e. You hereby authorize BMO Nesbitt Burns to sell or dispose of, in its discretion, sufficient Securities in the Account(s) to pay any outstanding amounts which may be owing by you to BMO Nesbitt Burns, in connection with the services provided under this Agreement and to deduct any and all of the Fee amounts when due from the Account(s).

## 7. Additional Charges and Payments

In addition to the Fees, you are obligated to pay all applicable taxes, fees or other charges levied by any applicable intermediary, third party, government, regulatory authority or agency in connection with the operation of the Account(s), including, without limitation, goods and services taxes and fees levied by market intermediaries or securities regulatory authorities in the applicable province or territory. You acknowledge that the Fees relate only to the operation of the Account(s) and are not inclusive of any other fees that may be payable by you to BMO Nesbitt Burns or its affiliates in connection with other accounts, agreements, Transactions or otherwise. For greater certainty, should you elect to close the Account(s), and thereafter liquidate assets, the liquidating trades will be subject to commission charges as per regular commission policy guidelines.

You further acknowledge and agree that BMO Nesbitt Burns may, from time to time, be paid fees by third parties for certain corporate actions, for actions taken by BMO Nesbitt Burns on your behalf, such as voting the Client’s shares (“Corporate Action Fees”). Any Corporate Action Fees received by BMO Nesbitt Burns shall be retained by BMO Nesbitt Burns. At your request, BMO Nesbitt Burns shall disclose the details of any Corporate Action Fees paid to BMO Nesbitt Burns. For the purposes of this Section, ‘Corporate Actions’ include, but are not limited to, corporate reorganizations, normal course issuer bids, proxy solicitation, takeover bids, and bond restructuring.

## 8. Currency Conversion

Conversion of any funds to another currency, when necessary, shall take place on the Transaction date using the rate employed by BMO Nesbitt Burns on such Transaction date, unless otherwise agreed to. BMO Nesbitt Burns (or parties related to us) may charge and collect Advisory Fees, including revenue on the conversion of currency as set out in the BMO Nesbitt Burns Client Account Agreements and Disclosures document.

## 9. Program Minimum

You acknowledge and agree that the minimum aggregate value of the assets in the Account shall not be less than the Program Minimum (the “Minimum Amount”) assigned to each respective portfolio. You acknowledge and agree that BMO Nesbitt Burns shall have the right to terminate the Agreement pursuant to the Amendment and Termination term herein, should the value of the Eligible Assets in the Account fall below such Minimum Amount.

## 10. Investment Parameters

- f. In order for BMO Nesbitt Burns to be able to invest in a Security or derivative of a Security of an issuer that is related or connected to BMO Nesbitt Burns, or new or secondary offerings underwritten by BMO Nesbitt Burns, we require your consent to such purchases. You hereby authorize BMO Nesbitt Burns to exercise its discretion to purchase or sell securities of any issuers related and/or connected to, or underwritten by, BMO Nesbitt Burns for the Account(s). Please note, BMO Nesbitt Burns currently does not permit new issue and secondary offerings that pay a commission to be acquired within the Account(s).

- g. BMO Nesbitt Burns shall not knowingly allow the Account to invest in a Security, or derivative of a Security, of an issuer that is related or connected to a Responsible Person or to BMO Nesbitt Burns, without your written consent and unless such office or directorship is disclosed to you.

BMO Nesbitt Burns, its affiliates, partners, directors, officers, employees or associates, of any of them, will be deemed not to have breached the forgoing if a Transaction or activity is conducted in compliance with any securities legislation or rule, policy, directive or order of any securities commission, which specifically applies to the Transaction or activity.

### **11. Tax Harvesting**

You acknowledge that you have the right to request, on an annual basis, for BMO Nesbitt Burns to realize losses in your Account (often referred to as “tax loss harvesting”). You also authorize BMO Nesbitt Burns to invest in ETFs at its discretion, with the proceeds of the sales. You understand that BMO Nesbitt Burns is not obligated to purchase ETFs and may choose to invest in alternate securities or leave the proceeds in cash.

By choosing to authorize tax loss harvesting, you recognize BMO Nesbitt Burns will be constrained from repurchasing the securities sold for at least 30 calendar days after settlement due to superficial loss rules; that these transactions may alter your investment portfolio and its performance results; that BMO Nesbitt Burns is not responsible for the adjusted performance during the tax loss period; and that, if utilized, ETFs have additional management expense ratios that are in excess of program fees and that you accept these additional charges for the time the ETFs are held.

You also understand that you have the ability at any point in time to request that BMO Nesbitt Burns realize capital gains or losses in the Account.

### **12. Fair Allocation of Investment Opportunities**

The Quadrant Program is not included in BMO Nesbitt Burns’ fair allocation policy for its managed accounts. As SEI Investments’ mutual funds within the Account(s) are only priced at the end of each business day, the Quadrant Program cannot pool orders on behalf of an Account with orders placed on behalf of BMO Nesbitt Burns’ other managed account programs. Equitable allocation of investment opportunities to BMO Nesbitt Burns’ other managed accounts programs is otherwise achieved by BMO Nesbitt Burns in accordance with the following policy:

- a. BMO Nesbitt Burns will allocate the Securities purchased or sold, as the case may be, on a pro rata basis, based on the order size.
- b. When orders for more than one account are entered as a combined order, and Transactions are executed at varying prices, BMO Nesbitt Burns will endeavour to treat all clients on a basis that is fair and reasonable in the context of the nature of the particular Transaction and the Transaction costs. This may include calculating a weighted average execution price to be attributed to all accounts having orders included in the combined order.

### **13. Documentation**

You agree to promptly provide to BMO Nesbitt Burns any and all documentation we may reasonably request in connection with the Account(s).

### **14. Certificates**

BMO Nesbitt Burns may hold all certificates and other evidence of investments made on your behalf at the offices of BMO Nesbitt Burns or any acceptable depository.

### **15. Trade Confirmations**

In connection with any purchase or sale of Securities or Derivatives for the Account(s), you agree that BMO Nesbitt Burns will suppress the trade confirmations unless directed otherwise by you, in writing.

### **16. Reinvestment**

Income and proceeds from the disposition of Securities or Derivatives in the Account are held in the Account as cash until reinvested as appropriate.

### **17. Acting as Principal or Agent**

You hereby acknowledge and agree that BMO Nesbitt Burns, or any company affiliated with BMO Nesbitt Burns, may act as principal or agent for others in the purchase or sale in securities for the Account.

### **18. Capacity**

The Client, if a corporation, represents that it has the capacity to enter into this Agreement and to effect the transactions contemplated herein and that the execution and delivery of this Agreement have been duly authorized by all necessary corporate action on the part of the Client. The Client, if a partnership, trust or another form of organization, represents that it has the capacity to enter into this Agreement and to effect the transactions contemplated herein and that the execution and delivery of this Agreement have been duly authorized by all necessary action on the part of the Client. The Client, if an individual, represents that he or she has reached the age of majority and has the capacity to enter into this Agreement and perform his or her obligations hereunder.

### **19. Account Agreements**

In the event of any conflict or inconsistency among the Account Agreement(s), notwithstanding any statement to the contrary in such other Account Agreement(s), to the extent necessary, the terms and provisions of this Agreement shall supersede the terms and provisions of such other Account Agreement(s) (including, for certainty, but not limited to, the BMO Nesbitt Burns Investment Account Agreement), whether or not referred to therein. Subject to the foregoing, the provisions of this Agreement shall in no way limit or restrict any other right which BMO Nesbitt Burns may have under any other Account Agreements with you.

If any Applicable Rules and Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of this Agreement is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or conditions will be

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deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules and Regulations. Any term or condition of this Agreement which, notwithstanding any such variation, is invalid shall not invalidate the remaining terms.

You agree to do all acts and things and execute all documents as are necessary or desirable to give effect to the provisions of the Account Agreements, including, without limitation, to give effect to all Transactions in Securities executed by BMO Nesbitt Burns for the Account(s) pursuant to this Agreement and to permit BMO Nesbitt Burns and the Bank to debit the Account(s) as provided for in the Account Agreements.

## **20. Amendment and Termination**

We may amend this Agreement at any time upon written notice to you. Such amendment will take effect at the time stipulated in the notice of such amendment.

You may terminate this Agreement by notice in writing, effective on receipt by BMO Nesbitt Burns except with respect to Transactions entered into prior to the receipt. If you also instruct us to liquidate all Securities in your Account(s) or to transfer out in-cash, we will place sell orders on a best efforts basis for execution at market. We may terminate this Agreement by notice in writing to you pursuant to the Notices to Client section below. Such termination will be effective no earlier than thirty (30) days from the date of delivery or deemed receipt of such notice.

## **21. Entire Agreement**

The Account Agreements and all schedules and attachments constitute the entire agreement between the parties with respect to the subject matter contained in this Agreement.

## **22. Death or Incapacity of Client**

This Agreement will continue and pass on to the benefit of, and be binding upon, the parties and their respective heirs, executors, administrators, liquidators, legal or personal representatives, successors and permitted assigns, as the case may be. This Agreement will continue in full force and effect notwithstanding your death or incapacity, in which case the Account will continue to be administered in accordance with your Investor Profile set out in the Client Account Application and any limitations and restrictions as set out in the Investment Policy Statement in effect as of the date of your death or incapacity, and elsewhere until such time as BMO Nesbitt Burns receives instructions from, or this Agreement is terminated by, your authorized estate representative or legal representative.

BMO Nesbitt Burns has the right to refuse to act upon any instructions of your authorized estate representative or legal representative without evidence satisfactory to BMO Nesbitt Burns regarding your death or incapacity or their authority to act.

## **23. Notices to Client**

Any notice or communication to you may be given by prepaid mail, facsimile or e-mail if provided, to any address of record of you with BMO Nesbitt Burns, or may be delivered personally (including by

commercial courier) to any such address of record, and shall be deemed to have been received, if mailed, on the second business day after mailing or, if sent by facsimile or e-mail, on the day sent, or if delivered, when delivered. Nothing in this Section shall be interpreted as requiring BMO Nesbitt Burns to give any notice to you which is not otherwise required to be given.

## **24. No Assignment**

You may not assign this Agreement without the prior express written approval of BMO Nesbitt Burns.

BMO Nesbitt Burns may assign this Agreement and its respective rights and obligations to any affiliate, upon notice to you and to any regulatory authority having jurisdiction with respect to such assignment.

## **25. Governing Law**

The Account Agreements shall be governed by and construed and enforced in accordance with the laws of the jurisdiction in Canada where the BMO Nesbitt Burns office that services the Account is located and the federal laws of Canada applicable therein.

## **26. Acknowledgement**

You hereby acknowledge that you have read and understood the AA&D including this Agreement, and the Investment Policy Statement, and confirm receipt of a copy.

## **27. Class Action Claims**

We will, in our sole discretion, determine what role we will take in any legal proceedings affecting any securities held in your Account. BMO Nesbitt Burns has engaged Broadridge Investor Communication Solutions, Inc. ("**Broadridge**") to file claims on your behalf in certain securities class action lawsuits and disgorgements ordered by Canadian or U.S. regulators identified by Broadridge ("**Class Action Service**"). It is intended that the Class Action Service will commence in January 2022. You will be automatically enrolled in this Class Action Service once it commences or the date on which you opened your Account, whichever is later. Broadridge's fee for this service is a contingency fee of 10% of any of the class action recoveries you receive through the Class Action Service, which fee will be deducted from any recoveries that are credited to your Account. We will not charge you our own fee, and do not receive any direct fee from Broadridge, with respect to the Class Action Service with Broadridge. If you wish for your Account(s) to be removed from the Class Action Service, please speak with your Investment Advisor.

Prior to the commencement of the Class Action Service, and for any eligible class actions not part of the Class Action Service, or in the event that BMO Nesbitt Burns's engagement with Broadridge is terminated, we may, in our sole discretion process class action claims on your behalf or may enlist another company or firm to exercise such discretion (a "**Third Party**"). The actions in the Class Action Service shall be limited to "opt-out" cases and eligibility to participate in the class is based solely on sales and purchases of securities in your Account. Under the Class Action Service, claims will only be filed once a court or administrative order has been issued that sets forth a claim filing deadline. An "opt-out" case means all eligible security



holders are automatically considered to be part of the class and if an individual does not wish to be part of the class action lawsuit, they must actively opt-out of the class. The Class Action Service will only cover those securities that were purchased while you were a client of BMO Nesbitt Burns. It will not include securities that you purchased other than through BMO Nesbitt Burns. For the avoidance of doubt, the Class Action Service does not include any lawsuit which requires prospective class members to provide additional evidence of eligibility other than purchases and sales of the applicable security, including but not limited to evidence of actual or individual reliance on allegedly fraudulent or misleading statements. The Class Action Service shall not include consumer class action settlements or bankruptcies and, generally, class actions that do not involve publicly traded securities or "opt-in" cases, being those cases where a person must provide express consent ("opt-in") to be part of the class.

With "opt-out" class actions, all class members are bound by the outcome of the class action unless a member actively opt-outs. This means that class members who do not opt-out may not bring individual cases. Therefore, for all claims filed on your behalf, either pursuant to the Class Action Service or by BMO Nesbitt Burns or a Third Party, you acknowledge and agree that you will be bound by, and subject to, the terms of all forms and releases that may be entered into for settlements in which a claim is filed on your behalf, and may not bring your own individual case. You will not be notified of each action in which you are enrolled under the Class Action Service; if at any time you wish to know your participation in, or status of, any actions, please speak with your Investment Advisor.

The receipt of any settlement amounts may subject you to tax on such amounts, including in foreign jurisdictions. There may be tax implications to receiving settlement proceeds. You are responsible for any tax liabilities (including any tax filing obligations) associated with participation in the Class Action Service. You may not receive a tax receipt in connection with settlement proceeds that are deposited into one of your registered plans (registered savings plans, retirement income funds and/or tax-free savings accounts). If you require tax advice, please contact your personal tax advisor. For avoidance of doubt, you acknowledge that BMO Nesbitt Burns cannot and shall not provide legal, tax or other professional advice to you or any other party in respect to any class action. You shall seek and obtain your own legal, accounting and other professional advice as you shall see fit, independent of BMO Nesbitt Burns.

In connection with any claims processing, claims administrators require BMO Nesbitt Burns (or Broadridge or a Third Party) to provide all necessary information in its possession regarding class actions. This information will include your name, address, securities holding, trade information and, in certain cases, social insurance number. As part of the Class Action Service, Broadridge has agreed to maintain your personal information in a confidential manner and not use the information other than for the purpose of processing claims.

Notwithstanding the above, neither we nor Broadridge, nor any Third Party, will process any class action or disgorgement claims on your behalf or take any action whatsoever with respect to class actions or disgorgements if your Account is closed. Accordingly, you have an obligation to keep track of class actions and disgorgements in the event that your Account is closed. If a claim was processed prior to your Account being closed, and the settlement funds received after the Account is closed, a cheque will be mailed to your last known address provided to BMO Nesbitt Burns.

BMO Nesbitt Burns may terminate its engagement with Broadridge in its sole discretion; if so, terminated BMO Nesbitt Burns will retain the right, in its sole discretion, to determine what role it will take in any legal proceedings affecting any securities held in your Account. It is not our current practice to take the role of lead plaintiff on class actions, but we may in our sole discretion decide to do so in the future.

For any class action claim that we handle outside of the Class Action Service, we may charge you a reasonable fee for the filing of each class action claim, which, if applicable, will be charged quarterly. We may choose not to file a class action claim on your behalf, including in instances where we believe that the proceeds of settlement of a class action claim may not cover the filing fee.

## **28. Extraordinary Events**

You agree that BMO Nesbitt Burns shall not be liable for any losses in your Account(s), however caused, whether directly or indirectly, by events beyond the control of BMO Nesbitt Burns and its agents and employees, including by government restrictions, exchange or market rulings, the suspension of trading, wars, strikes, disease or natural disasters which may delay or halt processing of Transactions, the transfer of Securities, Derivatives or funds to a third party or otherwise affect the operation of your Account.

## **29. Language**

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

## **30. Account Approval**

You hereby acknowledge that this Agreement will not become effective until it has been approved by a Branch Supervisor or other signing officer of BMO Nesbitt Burns, as designated from time to time.



## Meridian Program® Account Agreement

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The BMO Nesbitt Burns Meridian Program (“Meridian Program”) is a comprehensive service that offers all the benefits of a relationship with a professional Investment Advisor and a full range of Wealth Advisory Services.

The services offered through the Meridian Program are available for an asset-based fee (pursuant to the conditions set out in the attached Meridian Program Account Agreement).

The Meridian Program is suitable for investors interested primarily in a fee-based approach to investment management and wealth advisory services. The Meridian Program is not intended for day trading or other excessive trading activity, including active options trading or trading in mutual funds based on market timing.

The Meridian Program Account Agreement (the “Agreement”) outlines the terms and conditions of the Meridian Program, which in addition to the terms and conditions that generally apply to your Account, is made between you and BMO Nesbitt Burns, and not between you and any of BMO Nesbitt Burns’ registered representatives. Please review the Meridian Program Account Agreement thoroughly prior to enrolling in the Meridian Program.

### Part one

#### General Terms, Conditions and Definitions applicable to the Meridian Program.

##### Definitions

For the purposes of the Meridian Program Account Agreement (as defined herein), the following words and phrases have the meanings set out below:

“**Account(s)**” means at least one of the Client’s investment portfolios in the Meridian Program as identified in the Meridian Program Account Application;

“**Agreement**” means this Meridian Program Account Agreement;

“**Advisory Fees**” are fees, spreads, and expenses that may be charged by BMO Nesbitt Burns;

“**Aggregate Market Value**” means the sum of the Market Values of the Eligible Assets in an Account calculated by adding the Market Values of long positions in each Asset Class offset by the Market Values of any short positions in the equity and fixed income Asset Classes (the net Market Value derived for each Asset Class cannot equal less than zero) in the Account on the Valuation Date (or Termination Date).

“**Applicable Rules and Regulations**” means the constitutions, by-laws, rules, rulings, regulations, customs and usages of the exchanges or markets and their clearing houses on which any Transactions are undertaken and all laws, regulations and orders of any applicable governmental or regulatory authorities or self-regulatory organizations with jurisdiction over BMO Nesbitt Burns;

“**Asset Class**” means equities, fixed income, mutual funds or cash;

“**Billing Group**” means the Lead Account and those Linkable Accounts participating with the Lead Account on a combined basis which are listed in the Meridian Program Account Application ;

“**Billing Year**” means the twelvemonth period commencing on the date the Account is enrolled in the Meridian Program and each succeeding twelvemonth period thereafter;

“**BMO Nesbitt Burns**” means BMO Nesbitt Burns Inc., an indirect wholly-owned subsidiary of Bank of Montreal;

“**BMO Nesbitt Burns Client Account Agreements and Disclosures**” (“**AA&D**”) means the booklet containing Relationship Disclosure and Client Account Agreements as applicable to your Account(s) with us;

“**Business Day**” means any day upon which the Toronto Stock Exchange is open for business;

“**Client**” means, in respect of a Lead Account, the holder (or co-holder if applicable) who has signed the Meridian Program Account Application in the capacity of a holder of a Lead Account. In respect of a Linkable Account; “Client” means a holder (or co-holder if applicable) of a Linkable Account who has signed the Meridian Program Account Application in such capacity;

“**Derivatives**” means options;

“**Eligible Assets**” means Securities, whether held as long or short positions and fixed income instruments, Derivatives, alternative assets, trust units as well as cash. Any assets that pay a trailing commission to BMO Nesbitt Burns are not considered Eligible Assets, including but not limited to: exchange traded funds (ETFs), closed-end funds, mutual funds, principal protected notes, principal at risk notes, and high interest savings accounts;

“**Fees**” means the asset-based fees, calculated as a percentage of the Aggregate Market Value of the Eligible Assets in the applicable Account, payable in respect of a Billing Year;

**"Fee Schedule"** means the list of asset-based percentage Fees that BMO Nesbitt Burns will charge your Account(s) for the Billing Year, in consideration of the Wealth Advisory Services received, as described within Part Two of the Meridian Program Account Agreement;

**"Instruments"** means bills of exchange, promissory notes, cheques, orders for payment of money, securities, coupons or notes;

**"Lead Account"** refers to the primary Account of the Lead Client, or the Lead Account in a group of Linkable Accounts. The Lead Account may be a Standalone Account or an Account whereby Linkable Accounts are combined to form a Billing Group in the manner described in the Fee Schedule;

**"Lead Client"** means the holder of a Lead Account who has signed the Account Application in the capacity of a holder of a Lead Account;

**"Linkable Account"** means an account established with BMO Nesbitt Burns, other than the Lead Account, that BMO Nesbitt Burns deems, in its sole discretion, to be acceptable for the purposes of linking to the Lead Account provided, in each case, that any holder of such account has executed the Meridian Program Account Agreements;

**"Meridian Program Account Agreements"** means this Agreement, the Meridian Program Account Application, and AA&D;

**"Meridian Program Account Application"** means the BMO Nesbitt Burns Meridian Program Account Application which includes your Applicant Information, Fee Schedule, and your signature;

**"Permitted Transfer"** has the meaning ascribed to it in Part 1, Section 5 of the General Terms, Conditions and Definitions herein;

**"Securities"** includes, without limitation, shares, mutual funds, guaranteed investment certificates, bonds, debentures, notes, warrants, rights, cash equivalents (including treasury bills, commercial paper, marketable securities, money market funds, and high interest savings accounts), exchange traded funds (ETFs), closed end funds, principal protected notes and principal at risk notes;

**"Standalone Account"** means an Account established by the Lead Client which is not combined with any Linkable Accounts for the purposes of the Fee Schedule;

**"Termination Date"** means the date on which an Account is terminated in accordance with Part One, Section 16 of the General Terms, Conditions and Definitions herein;

**"Trade"** means a Transaction involving Securities;

**"Trade Request"** means any request for a Transaction that BMO Nesbitt Burns undertakes for or on behalf of the Account; and

**"Transaction"** means a purchase of, or sale or exercise of, or otherwise dealing in Securities or Derivatives whether or not on margin;

**"Valuation Date"** means, in the event that the monthly billing option is selected, the last Business Day in the applicable month, or, in the event that the quarterly billing option is selected, the last Business Day of each of the months in the applicable quarter.

**"Wealth Advisory Services"** means the wealth advisory services described in the Meridian Program Account Agreements.

## 2. Client Account Agreement

The Client acknowledges that having received, reviewed, executed and delivered the Meridian Program Account Application to BMO Nesbitt Burns.

## 3. Operation of Account

The Client agrees that the determination as to whether any Trade Request is acceptable is in BMO Nesbitt Burns' sole discretion. Trade Requests will not be processed unless the Client's Account is in good order, the Client has sufficient funds or available credit to complete the Transaction contemplated by the Trade Request, and BMO Nesbitt Burns determines in its sole discretion that a Trade Request is acceptable, including based on whether it falls within the Client's Investor Profile (namely the Client's investment objectives, time horizon, risk profile, and target asset allocation, current financial situation and personal circumstances), and whether to execute the Trade Request. Without limiting the generality of the foregoing, BMO Nesbitt Burns will not permit activities in the Account which it determines, in its discretion, to be in furtherance of a day trading strategy or other forms of extreme trading strategies such as excessive options trading, or trading in mutual funds based on market timing.

In certain circumstances, BMO Nesbitt Burns may request additional confirmation of a Trade Request before execution of the Trade Request. The Client agrees to provide to BMO Nesbitt Burns a current telephone number at which the Client may be reached to discuss any Trade Request. This telephone number shall be kept up to date with BMO Nesbitt Burns. The Client may telephone his or her BMO Nesbitt Burns Investment Advisor at any time to determine the status of prior Trade Requests.

The Client may request a subsequent change to a previous Trade Request, by contacting the Client's BMO Nesbitt Burns Investment Advisor, only if BMO Nesbitt Burns has first confirmed with the Client, that the original Trade Request has not yet been executed. BMO Nesbitt Burns agrees to act with respect to such subsequent change requests only on a best -efforts basis.

BMO Nesbitt Burns is not liable for any losses the Client may suffer as result of any action we take or do not take because of erroneous Trade Request instructions the Client provides to BMO Nesbitt Burns or if we do not receive the Client's Trade Request instructions.

## 4. Account Fees and Charges

The Client shall pay Fees to BMO Nesbitt Burns in respect of the Account as set out in the Fee Schedule described in Part Two of the Meridian Program Account Agreement. In addition to the Fees, the Client shall pay all amounts owing, including interest, to BMO Nesbitt Burns with respect to the Account, including without limitation, account administration charges, transaction charges, service charges, safekeeping fees, registration charges and any taxes payable by the Client arising in connection with assets held or Transactions in the Account. For greater certainty, should you elect to close the Account and thereafter liquidate assets, the liquidating trades will be subject to commission charges as per regular commission policy guidelines. The Client shall also pay to BMO Nesbitt Burns all legal fees and disbursements incurred by BMO Nesbitt Burns with respect to the

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exercise by BMO Nesbitt Burns of any right or remedy under the Meridian Program Account Agreement and Meridian Program Account Application.

## **5. Non-Transferability of Eligible Assets**

Eligible Assets (other than cash and cash equivalents) may not be transferred from an Account to another account at BMO Nesbitt Burns unless the other account is a fee-based account or where BMO Nesbitt Burns consents to the transfer (each such transfer referred to as a "Permitted Transfer").

In the event the Client wishes to effect a transfer which is not a Permitted Transfer, the Client will be required to pay a fee equal to the amount of the BMO Nesbitt Burns' full standard brokerage, and other transaction-related charges that would have been charged if the Client were to sell or redeem the Eligible Assets and purchase Eligible Assets of the same or a similar type outside of the Account.

## **6. Governing Law**

The Meridian Program Account Agreements are governed by, construed and enforced in accordance with the laws of the jurisdiction in Canada where the BMO Nesbitt Burns office that services the Account which forms part of the Lead Account is located and the federal laws of Canada applicable therein.

## **7. First Use**

The first use of the Account, in the case of a Lead Account, shall be deemed to occur at the time at which the Account is opened. The first use of a Linkable Account shall be deemed to occur when it is combined with a Lead Account to form a Billing Group.

## **8. Currency Conversion**

When necessary, currency conversion shall take place on the Trade date using the rate employed by BMO Nesbitt Burns on such Trade date, unless otherwise agreed to.

BMO Nesbitt Burns (or parties related to us) will charge and collect Advisory Fees, including revenue on the conversion of currency as set out in the BMO Nesbitt Burns Client Account Agreements and Disclosures document as amended from time to time.

## **9. Successors and Assigns**

The Meridian Program Account Agreements shall be binding upon, where applicable, the heirs, administrators, executors, liquidators, receivers, successors and assigns of the Client, and each of them if more than one. The Client may not assign the Meridian Program Account Agreement without the prior express written approval of BMO Nesbitt Burns.

BMO Nesbitt Burns may assign the Meridian Program Account Agreement and its respective rights and obligations to any affiliate upon notice to the Client and to any regulatory authority having jurisdiction with respect to such assignment.

## **10. Severability and Enforceability**

If any provision or condition of the Meridian Program Account Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall apply only to such provision or condition. The

validity of the remainder of the Meridian Program Account Agreement shall not be affected and the Meridian Program Account Agreement shall be carried out as if such invalid or unenforceable provision was not contained therein.

## **11. Use of Headings**

The headings used in the Meridian Program Account Agreement are for convenience of reference only and shall not in any way affect their interpretation unless the context otherwise requires. Words in the singular include the plural and vice versa and words in one gender include all genders.

## **12. Notices to Client**

Any notice or communication to the Client may be given by prepaid mail, e-mail, telegraph, facsimile transmission or telex to any address of record of the Client with BMO Nesbitt Burns, or may be delivered personally (including by commercial courier) to any such address of record, and shall be deemed to have been received, if mailed, on the third business day after mailing or, if sent by e-mail, telegraph, facsimile transmission, or telex, on the day sent, or if delivered, when delivered. If there is more than one Client, notice may be given to any one or more of them and any notice so given shall bind all of the Clients. Nothing in this Section shall be interpreted as requiring BMO Nesbitt Burns to give any notice to the Client which is not otherwise required to be given.

## **13. Capacity**

The Client, if an individual, represents that he or she has reached the age of majority and has the capacity to enter into the Meridian Program Account Agreement and to perform his or her obligations under the Meridian Program Account Agreement. The Client, if a corporation, represents that it has the power and capacity to enter into the Meridian Program Account Agreement and to effect the Transactions contemplated herein and that the execution and delivery of the Meridian Program Account Agreement have been duly authorized by all necessary corporate action on the part of the Client. The Client, if a partnership, trust or other form of organization, represents that it has the power and capacity to enter into the Meridian Program Account Agreement and to effect the Transactions contemplated herein and that the execution and delivery of the Meridian Program Account Agreement has been duly authorized by all necessary action on the part of the Client.

## **14. Meridian Program Account Agreements**

In the event of any conflict or inconsistency among the Meridian Program Account Agreements, to the extent necessary, the terms and provisions of the Meridian Program Account Agreement shall supersede the terms and provisions of the other agreement(s), whether or not referred to therein. Subject to the foregoing, the provisions of the Meridian Program Account Agreements shall in no way limit or restrict any other right which BMO Nesbitt Burns may have under any other agreement or agreements with the Client. Except as otherwise provided in the Meridian Program Account Agreements, none of the terms and conditions of the Meridian Program Account Agreements may be waived or changed without agreement in writing signed by the Client and BMO Nesbitt Burns. If any Applicable Rules and

Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of the Meridian Program Account Agreements is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or conditions will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules and Regulations. Any term or condition of the Meridian Program Account Agreements which, notwithstanding any such variation, is invalid shall not invalidate the remaining terms.

## 15. Further Assurances

The Client shall do all acts and things and shall execute all documents or instruments as are necessary or desirable to give effect to the provisions of the Meridian Program Account Agreements, including, without limitation, to give effect to all Transactions in Securities for the Account and to permit BMO Nesbitt Burns to debit the Account as provided for in the Meridian Program Account Agreements.

## 16. Amendment and Termination

No provision of the Meridian Program Account Agreements can be amended or waived except in writing by an officer of BMO Nesbitt Burns. BMO Nesbitt Burns may amend the terms of the Meridian Program Account Agreements upon written notice to the Client which notice may be sent electronically. Any amendment will take effect at the time stipulated in the notice of such amendment.

BMO Nesbitt Burns may terminate the Meridian Program Account Agreement, at any time in its sole discretion with or without notice to the Client and such termination is effective immediately. In any such event, the Meridian Program Account Agreement shall terminate provided that the rights and obligations of each party thereto accrued as at the time of termination shall continue in full force and effect. Without limiting the generality of the foregoing, BMO Nesbitt Burns may terminate the Account if BMO Nesbitt Burns determines in its discretion, that: (i) the number of Transactions in the Account in any given period is excessive or if the Client engages in day trading or other forms of extreme trading activity, including excessive options trading or trading in mutual funds based on market timing; or (ii) the value of the assets contained in the Lead Account or the sum of all Linked Accounts falls below the minimum value required.

The Client may also terminate the Meridian Program Account Agreement by providing written notice to BMO Nesbitt Burns effective on receipt by BMO Nesbitt Burns except with respect to Transactions entered into prior to the receipt. If you also instruct us to liquidate all Securities in your Account or to transfer out in-cash, we will place sell orders on a best-efforts basis for execution at market.

## 17. Due Diligence

In carrying out BMO Nesbitt Burns' responsibilities under this Agreement, we will exercise the diligence, competence and skill as would be expected of a reasonably prudent person under similar circumstances and in similar market conditions. You acknowledge, however, that neither BMO Nesbitt Burns nor its officers, directors, employees or agents shall have any liability to you for errors or omissions that occur in the course of, arise from, or are related to

Transactions by BMO Nesbitt Burns for the Account(s), unless such errors or omissions are caused by, or attributable to, the willful misconduct, negligence or the failure by BMO Nesbitt Burns to comply with its responsibilities under this Agreement. BMO Nesbitt Burns shall not be liable in any circumstances for any indirect, consequential, special or punitive damages.

You acknowledge that the performance of your Account(s) and any return on your investments is not guaranteed by us. You understand that losses may occur in your Account(s) and acknowledge that you are financially capable of bearing these losses.

## 18. Death or Incapacity of Client

This Meridian Program Account Agreement will continue in full force and effect in the event of the Client's death or incapacity, in which case the Account will continue to be administered in accordance with your Investor Profile as set out in the Meridian Program Account Application until such time as BMO Nesbitt Burns receives instructions from, or this Meridian Program Account Agreement is terminated by, your authorized estate representative or legal representative.

BMO Nesbitt Burns has the right to refuse to act upon any instructions of your authorized estate representative or legal representative without evidence satisfactory to BMO Nesbitt Burns regarding your death or incapacity or their authority to act.

## 19. Extraordinary Events

You agree that BMO Nesbitt Burns shall not be liable for any losses in the Client's Account, however caused, whether directly or indirectly, by events beyond the control of BMO Nesbitt Burns and its agents and employees, including by government restrictions, exchange or market rulings, the suspension of trading, wars, strikes, disease or natural disasters which may delay or halt processing of Transactions, the transfer of Securities, Derivatives or funds to a third party or otherwise affect the operation of the Client's Account.

## 20. Language

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

## Part Two

### BMO Nesbitt Burns Fee Schedule

The Wealth Advisory Services which the Client is entitled to receive through the Account in connection with the Meridian Program, are those described in the Meridian Program Account Agreements.

## 1. General

In consideration for the Wealth Advisory Services provided under the Meridian Program, the Client will be charged the Fees, either monthly or quarterly, depending on the election made by the Client in the Meridian Program Account Application.

The Client hereby acknowledges and agrees that BMO Nesbitt Burns may increase the Fees in this Fee Schedule from time to time upon sixty (60) days' prior written notice to the Client.

## 2. Participation on a Combined Basis

For the purposes of calculating the Fees payable in respect of any Billing Year, the assets in the Lead Account may be linked with those in any Linkable Account listed in the Meridian Program Account Application.

## 3. Calculation of Fees

Fees are charged to a Standalone Account, or the Billing Group, as applicable, on the Valuation Date (or Termination Date). The Fees to be charged to the Client are set out in the Meridian Program Account Application.

If the monthly billing option is selected, the Fees payable in respect of the applicable month is payable in arrears on the last Business Day of each such month based upon the Aggregate Market Value of the Eligible Assets in the Billing Group or Standalone Account on the Valuation Date.

If the quarterly billing option is selected, the Fees payable in respect of the applicable calendar quarter is payable in arrears on the last Business Day of each of quarter (March, June, September and December) based upon the average of the Aggregate Market Value of the Eligible Assets in the Billing Group or Standalone Account on each Valuation Date in the previous calendar quarter.

If a Standalone Account or Billing Group is opened other than at the beginning of the month (where the monthly billing option is selected) or the calendar quarter (where the quarterly billing option is selected), on the first occasion on which Fees are payable, such Fees will be pro-rated to reflect the number of days during the month or quarter during which there were Eligible Assets in the Standalone Account or Billing Group.

If the Termination Date for a Billing Group, any Account(s) which form part of the Billing Group or a Standalone Account occurs prior to the last day of a calendar month or quarter, the Fees will be pro-rated to reflect the number of days during the calendar month or quarter during which there were Eligible Assets in the Standalone Account, Account(s) which were part of the Billing Group or the Billing Group calculated as of the close of business on the Termination Date.

BMO Nesbitt Burns will be entitled to withdraw any Fees, first from any free credit balance in the appropriate Account, next from the liquidation or withdrawal (which the Client hereby authorizes) by BMO Nesbitt Burns of the shares of any money market funds or balances in any money market deposit account in the Account, if applicable, and finally, from the liquidation (which the Client hereby authorizes) of the securities account(s) (whether or not subject to the Meridian Program Account Agreement) that are held by the Client with BMO Nesbitt Burns.

## 4. Minimum Fees (not applicable to Meridian Program No Minimum Fee Application)

The Standalone Account or Billing Group is subject to a minimum fee each calendar month or quarter, as applicable ("Minimum Fee"). The Minimum Fee is determined by pro-rating an annual charge of \$2,250, plus applicable taxes, by the number of days during the calendar month or quarter, as applicable.

## 5. Asset Valuation

For the purpose of the Fee calculation, the market value of any Security or other asset held in an Account on a Valuation Date or Termination Date ("Market Value") will be:

- i. with respect to a Security or other asset for which there is a published market, an amount equal to the closing price of such security or other asset on that date, or if there is no closing price, the closing bid price. Where there is more than one published market for such security, the value will be determined by reference to the closing price, or if there is no closing price, the closing bid price of such security on the principal market on which it is traded, as determined by BMO Nesbitt Burns.
- ii. with respect to a Security or other asset for which there is not a published market and any other Security or asset held in the Account(s), other than a Security or other asset of the type referred to in item (i) above, the Security will be valued in a manner determined by BMO Nesbitt Burns, in its sole discretion, acting in good faith, to reflect the fair market value thereof.
- iii. the Market Value calculated for the purpose of the Fees as indicated in a. and ii. above may not match the Account statement market value calculated using a different system.



# Part One: BMO Nesbitt Burns™ Preferred Account Agreement

## (For Individual and Joint Accounts)

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### **Part A – Terms And Conditions Applicable Primarily to the Securities Account**

#### **1. Client Account Agreement**

The Client acknowledges that it has received, reviewed, executed and delivered to BMO Nesbitt Burns, the BMO Nesbitt Burns Client Account Agreement.

### **Part B – Definitions, Security And Remedies**

#### **2. Definitions**

For the purposes of this Agreement the following terms shall have the meanings set out below:

- a. “Applicable Rules and Regulations” means the constitutions, by-laws, rules, rulings, regulations, customs and usages of the exchanges or markets and their clearing houses on which any Transactions are undertaken and all laws, regulations and orders of any applicable governmental or regulatory authorities;
- b. “Indebtedness to the Bank” at any time means the amount of any indebtedness of the Client to the Bank in connection with the Bank Account or otherwise at that time;
- c. “Obligations to BMO Nesbitt Burns” means all present and future, direct and indirect indebtedness, liability and obligations of the Client to BMO Nesbitt Burns for any reason whatsoever, including without limitation: any amount which BMO Nesbitt Burns in its absolute discretion may pay to a third party on behalf of the Client to settle a purchase of Securities by the Client; all commissions, transaction charges, fees and other charges and taxes payable by the Client hereunder; and any other obligations of the Client to BMO Nesbitt Burns in connection with the Account or otherwise; and
- d. “Prime Rate” means (i) in respect of obligations of the Client to either BMO Nesbitt Burns or the Bank which are denominated in Canadian dollars, the reference rates of interest per annum established by the Bank from time to time for Canadian dollar loans to borrowers and designated as its Prime Rate for such loans, and (ii) in respect of obligations of the Client to either BMO Nesbitt Burns or the Bank which are denominated in US dollars, the reference rates of interest per annum established by the Bank from time to time for US dollar loans to borrowers and designated as its Prime Rate for such loans.

#### **3. Interest**

The Client shall pay interest on any Obligations to BMO Nesbitt Burns and any indebtedness to the Bank. Such interest shall be calculated on the average outstanding monthly amount of such obligations and shall be compounded monthly. The interest rate applicable to such obligations shall be the annual interest rate designated from time to

time by BMO Nesbitt Burns to its branches to be charged on debit balances in accounts with BMO Nesbitt Burns. The Client waives the right to receive prior notice of all changes in such annual rates.

#### **4. Grant of Security Interest to BMO Nesbitt Burns**

- a. For the purposes of this Agreement, the term “Collateral” shall mean:
  - i. any Securities in which the Client has an interest which either come into the possession of BMO Nesbitt Burns or its agents or which BMO Nesbitt Burns is shown on the records of any clearing or similar agency as being the owner of or having an interest in, whether before or after the date hereof and whether in the Securities Account or not;
  - ii. any dividends, interest, and capital distributions on or in respect of the Securities described in item (i) above and any proceeds derived directly or indirectly from any sale or other disposition of or dealing with such Securities, including any payment representing indemnity or compensation for loss of or damage to such Securities and including proceeds of proceeds; and
  - iii. any cash, including any free credit balances, which may now or hereafter be in any of the Client’s accounts with BMO Nesbitt Burns, whether held in the Securities Account or in any other account in which the Client has an interest.
- b. The Client acknowledges and agrees that BMO Nesbitt Burns has a general stockbroker’s lien on the Collateral as continuing security for the payment of any Obligations to BMO Nesbitt Burns, whether or not any amount owing relates to the Collateral and the Client hereby grants to BMO Nesbitt Burns such a lien in respect of the Collateral and consents to BMO Nesbitt Burns claiming such a lien. The Client acknowledges that, in the common law provinces and territories of Canada, such lien is a lien given by a rule of law and is not subject to the terms of any provincial or territorial personal property security statutes except as specifically provided by such statutes. To the extent, but only to the extent necessary to create, maintain and enforce such general stockbroker’s lien and not so as to derogate from such stockbroker’s lien, the Client pledges the Collateral to BMO Nesbitt Burns as security for the Obligations to BMO Nesbitt Burns.
- c. For the Province of Quebec only, the Client hereby hypothecates and pledges the Collateral to BMO Nesbitt Burns for the amount of One Hundred Million Dollars, with interest from the date hereof at the Prime Rate plus 1% per annum. BMO Nesbitt Burns may sell or take the Collateral in payment without giving prior notice or observing any time limits prescribed in respect of such taking in payment or such sales in the Civil Code of Quebec. The said stated amount of the hypothec and pledge and said rate of interest is inserted to comply with requirements of the Civil Code of Quebec and represents the maximum amount for which the Collateral

is hypothecated and pledged. It does not represent the amount of the indebtedness and liabilities of the Client secured by the hypothec and pledge from time to time.

The foregoing is in addition to and shall not operate as a novation with respect to any other security or charge held by BMO Nesbitt Burns and/or the Bank with respect to such Collateral.

## 5. Use of Collateral

So long as any Obligations to BMO Nesbitt Burns exist, the Client authorizes BMO Nesbitt Burns, without notice, to use at any time and from time to time the Collateral in the conduct of BMO Nesbitt Burns business, including the right to: (i) combine any of the Collateral with the property of BMO Nesbitt Burns or other clients or both; (ii) pledge to the Bank or any other third party, any of the Collateral as security for BMO Nesbitt Burns own indebtedness; (iii) loan any of the Collateral to BMO Nesbitt Burns for its own purposes; or (iv) use any of the Collateral for making delivery against a sale, whether a short sale or otherwise and whether such sale is for the Securities Account, any other account of the Client with BMO Nesbitt Burns or for the account of any other client of BMO Nesbitt Burns.

## 6. Event of Default

- a. Each of the following events or circumstances shall constitute an event of default (an "Event of Default") under this Agreement:
  - i. if the Client fails to pay to BMO Nesbitt Burns any Obligations to BMO Nesbitt Burns when due;
  - ii. if BMO Nesbitt Burns at any time deems the security for any Obligations to BMO Nesbitt Burns to be insufficient for its protection;
  - iii. if on or before any settlement date, the Client fails to provide to BMO Nesbitt Burns any required Securities or certificates in an acceptable delivery form;
  - iv. if the Client fails to comply with any other requirement in favour of BMO Nesbitt Burns or the Bank contained in this Agreement or in any other agreement between the Client and BMO Nesbitt Burns (including its subsidiaries and affiliates) or the Client and the Bank; or
  - v. if the Client dies, becomes bankrupt or insolvent or if any of the Collateral becomes subject to execution, attachment or other process.
- b. If an Event of Default occurs, then, in addition to any other right or remedy to which BMO Nesbitt Burns is entitled, BMO Nesbitt Burns may at any time and from time to time without notice or demand to the Client:
  - i. apply any monies held to the credit of the Client in the Bank Account, any monies forming part of the Collateral or any monies held to the credit of the Client in the Securities Account or in any other account of the Client with BMO Nesbitt Burns (including its subsidiaries and affiliates) or any account with BMO Nesbitt Burns (including its subsidiaries and affiliates) in which the Client may have an interest, to eliminate or reduce any Obligations to BMO Nesbitt Burns;

- ii. sell, contract to sell, or otherwise dispose of or deal with any or all of the Collateral held by BMO Nesbitt Burns for the Client in any account and apply the net proceeds there from to eliminate or reduce any Obligations to BMO Nesbitt Burns;
  - iii. exercise any rights in addition to the foregoing which exist as incidents to the general stockbroker's lien;
  - iv. purchase or borrow any Securities necessary to cover short sales or any other sales made on the Client's behalf in respect of which delivery of certificates in an acceptable delivery form has not been made;
  - v. cancel any outstanding orders; and/or
  - vi. close the Account.
- c. Any sales or purchases of all or any part of the Collateral by BMO Nesbitt Burns upon the occurrence of an Event of Default may be made in any manner whatsoever, including, with respect to any Securities which form part of the Collateral, through the facilities of any stock exchange where any such Security is listed, in any over-the-counter market, by public auction, by tender or by private agreement, and at such time or times and on such terms and conditions and in such manner as BMO Nesbitt Burns in its sole discretion deems advisable.
  - d. If demand is made or notice is given to the Client by BMO Nesbitt Burns, it shall not constitute a waiver of any of BMO Nesbitt Burns' rights to act hereunder without demand or notice.
  - e. Any and all expenses (including any legal fees and disbursements on a solicitor and own client scale) of necessity or reasonably incurred by BMO Nesbitt Burns in connection with exercising any right pursuant to this Section 6 shall form part of the Obligations to BMO Nesbitt Burns.
  - f. The Client shall remain liable to BMO Nesbitt Burns for any Obligations to BMO Nesbitt Burns which remain outstanding following the exercise by BMO Nesbitt Burns of any or all of the foregoing rights.
  - g. The Client acknowledges that the rights which BMO Nesbitt Burns is entitled to exercise pursuant to this Agreement are reasonable and necessary for its protection having regard to the nature of securities markets, including, in particular, their volatility. The Client expressly and irrevocably waives every formality, including without limitation, any demands and notices prescribed by law in connection with any such sale or disposition to the extent they may be waived under applicable law.

## 7. Application of Proceeds and Payments

Any proceeds realized by BMO Nesbitt Burns pursuant to the exercise of any remedy set forth in Section 6 and any repayments or reimbursements to BMO Nesbitt Burns on account of any Obligations to BMO Nesbitt Burns shall be applied as follows:

- a. firstly, against any other Obligations to BMO Nesbitt Burns; and
- b. secondly, to the Client unless otherwise required by applicable law.

The Client shall remain liable for, and shall forthwith pay, without duplication, the balance of any Obligations to BMO Nesbitt Burns and the balance of any Indebtedness to the Bank, which remain outstanding after the application of such proceeds, together with interest thereon.

## 8. Alternative Course of Action

Whenever this Agreement entitles BMO Nesbitt Burns to undertake alternative courses of action, BMO Nesbitt Burns shall be entitled to choose any, none or all of such alternative courses of action in its sole and unfettered discretion. All of the rights and remedies of BMO Nesbitt Burns described in this Agreement are cumulative, may be exercised separately, successively, concurrently or in combination and shall be in addition to and not in substitution for any other rights or remedies which BMO Nesbitt Burns has pursuant to any other agreement or at law, by statute or in equity, provided that BMO Nesbitt Burns shall not be bound to exercise any of such rights or remedies. BMO Nesbitt Burns shall not be required to exercise any right prior to exercising any other right. The failure to exercise any or all of such rights or the granting of any indulgence shall not in any way limit, restrict, or prevent BMO Nesbitt Burns from exercising such rights at any subsequent time and shall not limit, reduce or discharge any Obligations to BMO Nesbitt Burns or any part thereof.

## 9. Transfers to Other Accounts

BMO Nesbitt Burns may at any time and from time to time apply any of the Collateral, any monies referenced at paragraph 6(b)(i), any Securities in the Bank Account or any proceeds from the sale or other disposition of any such Collateral or Securities, to pay or cover, or as security for, any Obligations to BMO Nesbitt Burns or any obligations of the Client in respect of any other account with BMO Nesbitt Burns (including its affiliates and subsidiaries) howsoever and whenever incurred, whether such account is for only one Client, a joint account or is an account guaranteed by the Client.

## Part C – Terms And Conditions Applicable Primarily to the Bank Account

### 10. General Terms

- a. The Bank Account shall be governed by this Agreement including the general conditions of operation set forth in Section 11.
- b. If your account is used for business purposes, we reserve the right to charge you business banking service charges and/or close the account.
- c. You agree to notify the Bank in writing of any unauthorized or forged instruments immediately upon becoming aware of them.
- d. You will supply further information as we may require from time to time to keep your personal information current.
- e. We may close your account if required by law or if at any time you commit fraud, violate the terms of any applicable agreements, use the account for any improper or unlawful purposes, or operate the account in any unsatisfactory manner.
- f. The Bank may debit the Bank Account with amounts credited to the Bank Account for which the Bank is not otherwise reimbursed.
- g. The Bank may debit the Bank Account with all amounts collectible by the Bank as taxes on the supply of its products and services.
- h. The Bank may credit the Bank Account with any direct credit and shall not be responsible for (i) the kind or amount of such credit, (ii) any delay in or failure to make such credit or (iii) the delivery (timely or otherwise) of any notice of change of a direct deposit instruction to any payer under the same.

- i. The Client acknowledges and agrees that the conditions of operation of the Bank Account as set forth in Section 11 may be amended by the Bank from time to time without notice to the Client and the Client agrees to be bound by such changes.

### 11. Conditions of Operation

The operation of the Bank Account shall be subject to the following terms and conditions:

- a. Interest on any credit balances in the Bank Account will be paid by the Bank at such rates and upon such terms as the Bank may from time to time establish. The rates and terms are available at all BMO Nesbitt Burns and Bank branches.
- b. The Bank may request seven days notice of any withdrawal.
- c. The Client may use the Bank Account for investment purposes only and shall not use the Bank Account for any business operating transactions or any other purpose. It is understood that the Bank may, but shall not be under any obligation to, monitor the Client's compliance with this provision.
- d. The Client waives in favour of the Bank presentment, notice of dishonour and protest of all bills of exchange, promissory notes, cheques, orders for payment of money, securities, coupons or notes (all or any of which are hereinafter collectively or separately referred to as "Instruments" or an "Instrument" as the case may be) drawn, made, accepted or endorsed by the Client and now or hereafter delivered to the Bank at any of its branches or agencies for any purpose. The Client shall remain liable to the Bank as if presentment, notice of dishonour and protest had been duly made or given, provided that the Bank may note or protest any Instrument because of any endorsement other than that of the Client or for any other reason if the Bank, in its discretion, considers it in the best interest of the Client or the Bank. The Bank will not, in any circumstances, be responsible or liable for failure or omission to note or protest any Instrument.
- e. The Bank may use the services of any bank or agent as it may deem advisable in connection with any banking business of the Client. Such bank is deemed to be the agent of the Client, and the Bank will not, in any circumstances, be responsible or liable to the Client by reason of any act or omission of such bank or agent, however caused, in the performance of such service or by reason of the loss, theft, destruction or delayed delivery of any Instrument while in transit to or from, or in the possession of such bank or agent.
- f. The Bank is authorized to charge the Bank Account of the Client with the following:
  - i. the amount of any Instrument payable by the Client at any branch or agency of the Bank;
  - ii. the amount of any Instrument cashed or negotiated by the Bank for the Client or credited to the Bank Account for which payment is not received by the Bank and with the amount of any other indebtedness or liability of the Client to the Bank and with any expenses incurred by the Bank in connection with paying a dishonoured or unpaid Instrument. Notwithstanding such charging, all rights and remedies of the Bank against the parties are preserved. No charging of unpaid Instruments shall be deemed to be payment of such Instruments;

- iii. the amount of any Instrument received by the Bank for the Bank Account of the Client by way of deposit, discount, collection or otherwise if it is lost or stolen or otherwise disappears from any cause whatsoever other than negligence on the part of the Bank; and
  - iv. all amounts collectible by the Bank as taxes on the supply, sale or other provision of its products or services.
- g. A statement of the account will be rendered periodically together with vouchers where applicable for amounts charged to the Bank Account. The Client will advise the Bank promptly if such statement has not been received within ten days of the date upon which it is normally received.
- h. Upon receipt of the aforesaid statement of account, the Client will check the debit and credit entries, and notify the Bank in writing of any errors, irregularities or omissions. This notice will be provided to the Bank within 15 days of the mailing of the statement to the Client or if not mailed, within 15 days of the delivery of the statement to the Client or access to the statement being made available to the Client. At the expiration of the 15 day period (except as to any alleged errors, irregularities or omissions outlined in the said notice) it shall be deemed to be conclusively settled between the Bank and the Client that:
- i. all transactions described in the statement are properly reflected (subject to the right of the Bank either during or after the 15 day period to charge back items for which payment has not been received);
  - ii. the statement and the balance shown thereon are correct; and
  - iii. the Client is not entitled to be credited with any sum not credited in the statement.

In addition, it shall be conclusively settled as between the Bank and the Client that the Bank is not liable for any loss or claim arising from the breach by the Client or any third party of any fiduciary duty or trust in respect of the sums or dealings noted in the said statements.

- i. The Client agrees to maintain procedures and controls to detect and prevent thefts of Instruments or losses due to fraud or forgery involving Instruments. The Client further agrees that BMO Nesbitt Burns and the Bank shall have no responsibility or liability whatsoever for any loss due to a forged or unauthorized signature unless: (i) the forged or unauthorized signature was made by a person who was at no time the Client's agent or employee; (ii) the loss was unavoidable despite the Client having taken all feasible steps to prevent loss arising from forgery or unauthorized signatures; (iii) the loss was unavoidable despite the Client having in place the procedures and controls to supervise and monitor the agents and employees of the Client; and (iv) the loss was caused solely by the negligence or wilful misconduct of the Bank or BMO Nesbitt Burns as the case may be. The Client will diligently supervise and monitor the conduct and work of any agent or employee having any role in the preparation of the Client's Instruments and in the Client's bank statement reconciliation or other banking functions.

- j. If there should be insufficient funds in the Bank Account to pay an Instrument or to pay any charges which the Bank is authorized to charge under the above terms and conditions, then the expression "Bank Account" shall mean any other account which the Client may have at any branch or agency of the Bank and the Bank is authorized to charge such account with the amount of such Instrument or charges.

## **12. Debits to Bank Account**

BMO Nesbitt Burns may, in its sole discretion, instruct the Bank at any time and from time to time, to debit the Bank Account and to reimburse BMO Nesbitt Burns for any amounts owed by the Client to BMO Nesbitt Burns from time to time, including, without limitation, or payments made by BMO Nesbitt Burns on behalf of, the Client, all commissions and transaction charges, and for all fees and charges referred to in Section 14. The amount of such debit shall forthwith be transferred by the Bank to BMO Nesbitt Burns and shall be used by BMO Nesbitt Burns to reimburse itself. The Client hereby agrees to and authorizes any debits and transfers made by BMO Nesbitt Burns and/or the Bank pursuant to this Agreement including any debits and transfers undertaken pursuant to this Section 12 or pursuant to Section 9, and irrevocably appoints BMO Nesbitt Burns as the attorney of the Client to take all such action and to execute all such documents as may be necessary or advisable to effect any such debits and transfers.

## **Part D – General**

### **13. Joint Account**

- a. If more than one person executes the Customer Application, then each of the Bank Account and the Securities Account shall be a joint account and shall be subject to the terms of this Section 13. In such event, each Client jointly and severally agrees with the Bank and BMO Nesbitt Burns and with each other that all monies and Securities from time to time deposited to the Bank Account or the Securities Account, interest accruing thereon and dividends and other distributions made in respect thereof, may, subject to the terms of this Agreement, be withdrawn by any Client or the Client's attorney or agent, and each Client hereby irrevocably authorizes the Bank or BMO Nesbitt Burns, as the case may be, to accept from time to time as a sufficient acquittance for any amounts, Securities or other property withdrawn from the Bank Account or the Securities Account, any receipt, cheque or other Instrument signed by any one or more of the Clients, or the attorney or agent of such Client or Clients, without any further signature or consent of any other Client. BMO Nesbitt Burns and the Bank may act upon any instructions or actions of the Clients acting individually or collectively, without instituting any further investigations into the propriety of such instructions or actions or the authority of the Client or Clients to give such instructions or to take such actions. Any Client acting alone shall have full power and authority to consent to amendments to, or to modify or waive any of the terms or provisions of, this Agreement relating to the Account.



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- b. Each Client shall have full power and authority, acting individually or collectively, without notice to any other Client, as if such Client were the only person interested in the Account, to operate the Securities Account and the Bank Account on behalf of the other Clients, including the authorization and execution of Transactions for the Securities in the Securities Account.
  - c. The Bank is hereby authorized to credit the Bank Account with (i) all monies paid to the Bank at the branch of account or at any other branch of the Bank, for the credit of any one or more of the Clients and (ii) the proceeds of any orders or promises for the payment of money, of bonds, debentures, coupons, or other Securities, signed by or drawn by or payable to or the property of, or received by the Bank at the branch of account or at any other branch of the Bank for the credit of any one or more of the Clients and to endorse any of such Instruments on behalf of any one or more of the Clients and the Bank is relieved from all liability for so doing.
  - d. Each Client shall be jointly and severally liable to BMO Nesbitt Burns with respect to all Obligations to BMO Nesbitt Burns of the Client and shall be jointly and severally liable to the Bank in respect of all Indebtedness to the Bank.
  - e. The death of one or more of the Clients shall in no way affect the right of the survivors, or any one of them, to withdraw all monies, Securities or other property deposited in the Bank Account or the Securities Account. (The provisions set forth at this item (e) are not applicable to Accounts governed by the laws of the Province of Quebec).
  - f. If any term or provision of this Section 13 is inconsistent with or in conflict with the terms or provisions of any other agreement between the Clients and BMO Nesbitt Burns, including any Joint Account Agreement, the provisions of this Section 13 shall supersede such other terms and provisions except that this Section 13 shall in no way limit or restrict any other rights which BMO Nesbitt Burns may have under any other agreement or agreements with any of the Clients.
  - g. In the Province of Quebec, references to "jointly and severally" shall mean "solidarily".

#### **14. Fees and Charges**

The Client shall pay all amounts owing, including interest, to BMO Nesbitt Burns or the Bank with respect to the Account, including without limitation, account administration charges, transaction charges, service charges, safekeeping fees, registration charges and legal fees and disbursements with respect to the exercise by BMO Nesbitt Burns or the Bank of any right or remedy hereunder, and any taxes payable by the Client arising in connection with any of the foregoing. The Bank or BMO Nesbitt Burns may debit the Bank Account with any such amounts owing in accordance with Section 12 hereof. We may charge you for and debit your account for any costs we incur in order to comply with any request issued under a statutory or court authority for information or documents respecting your account.

#### **15. Account Statements**

Subject to subsection 11(h), every confirmation, statement or other communication sent by BMO Nesbitt Burns or the Bank to the Client shall be deemed to have been acknowledged as correct, approved

and consented to by the Client unless BMO Nesbitt Burns and the Bank shall have received written notice to the contrary within fifteen days after it is sent to the Client.

#### **16. Exchange of Personal Information**

The Client acknowledges and agrees that by signing this Agreement, the Client has received notice in writing that the Bank and BMO Nesbitt Burns may obtain, provide, or exchange personal or credit information about the Client with each other, as BMO Nesbitt Burns or the Bank may, from time to time, require including, without limitation, information obtained from (i) any credit reporting agency, personal information agent (in Quebec) and any other credit grantor or (ii) from any employer of the Client or any other person, in order to process any request of the Client for financial products and services and to provide any services which the Client so requests.

#### **17. Notices to Client**

Any notice or communication to the Client may be given by prepaid mail, telegraph, facsimile transmission or telex to any address of record of the Client with BMO Nesbitt Burns or the Bank, or may be delivered personally to any such address of record, and shall be deemed to have been received, if mailed, on the third business day after mailing or, if sent by telegraph, facsimile transmission, or telex, on the day sent, or if delivered, when delivered. If there is more than one Client, notice may be given to any one or more of them and any notice so given shall bind all of the Clients. Nothing in this Section 17 shall be interpreted as requiring BMO Nesbitt Burns or the Bank to give any notice to the Client which is not otherwise required to be given.

#### **18. Capacity (Quebec only)**

The Client, if a married woman, represents that she is not a "married woman not separate as to property" under the laws of the Province of Quebec (if she is, her husband must also sign this Agreement).

#### **19. Interpretation**

The headings used in this Agreement are for convenience of reference only and shall not in any way affect its interpretation. Unless the context otherwise requires, in this Agreement words in the singular include the plural and vice-versa and words in one gender include all genders. The interpretation of Part A, Part B or Part D of this Agreement shall not be affected by any term or provision of Part C of this Agreement which permits the Bank to make amendments to the conditions of operation of the Bank Account.

#### **20. Other Agreements**

This Agreement shall be construed in conjunction with any other agreements which may exist between BMO Nesbitt Burns and/or the Bank and the Client in connection with the Securities Account, including without limitation, the BMO Nesbitt Burns Client Account Agreement, provided that in the event of any conflict or inconsistency between this Agreement and any such other agreement, to the extent necessary, the terms and provisions of this Agreement shall supersede the terms and provisions of such other agreement, whether or not referred to herein. Subject to the foregoing, the provisions of this Agreement shall in no way limit or restrict any other rights which BMO Nesbitt Burns or the Bank may have under any other agreement or agreements with



the Client. Except as otherwise provided herein, none of the terms and conditions of this Agreement may be waived or changed without agreement in writing signed by the Client, BMO Nesbitt Burns and the Bank. If any Applicable Rules and Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of this Agreement is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or condition will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules and Regulations. Any term or condition of this Agreement which notwithstanding any such variation is invalid shall not invalidate the remaining terms.

## 21. Further Assurances

The Client shall do all acts or things and shall execute and deliver all documents or instruments as are necessary or desirable to give effect to the provisions of this Agreement, including, without limitation, to give effect to all Transactions for the Securities Account executed by BMO Nesbitt Burns pursuant to this Agreement and to permit BMO Nesbitt Burns to debit the Bank Account as provided in this Agreement.

## 22. Severability

In the event any term or provision of this Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

## 23. Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding upon BMO Nesbitt Burns, the Client and the Bank, and their respective heirs, executors, liquidators, Receivers, administrators, legal personal representatives, successors and permitted assigns, as the case may be. This Agreement and the rights and obligations of the Client hereunder are not assignable by the Client but may be assigned by BMO Nesbitt Burns or the Bank to any affiliate of either of them upon prior notice to the Client and to any regulatory authority having jurisdiction with respect to such assignment.

## 24. Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the jurisdiction in which the BMO Nesbitt Burns branch is located where the Securities Account is maintained.

## 25. Termination

Either of the Bank or BMO Nesbitt Burns may terminate this Agreement at any time with or without notice to the Client and the Client may terminate this Agreement at any time by written notice to BMO Nesbitt Burns and the Bank. In such event, this Agreement shall terminate provided that the rights and obligations of each party hereto accrued as at the time of termination shall continue in full force and effect.

## 26. BMO Nesbitt Burns

If the Securities Account is maintained at an office of BMO Nesbitt Burns located in the Province of Quebec, the BMO Nesbitt Burns party to this Agreement shall be BMO Nesbitt Burns Ltée. In all other cases, the BMO Nesbitt Burns party to this Agreement shall be BMO Nesbitt Burns Inc.

## 27. Death of Client

On the death of the Client, subject to the provisions of Part B and the provisions of Section 19 hereof, the Bank and BMO Nesbitt Burns will remit or transfer any Securities or monies in the Securities Account and any monies in the Bank Account to the deceased's legal representative, upon production of the appropriate legal documentation.

## 28. Language

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

BMO Private Wealth is the brand name for a business group consisting of Bank of Montreal and certain of its affiliates, including BMO Nesbitt Burns Inc., in providing wealth management products and services. "BMO(M-bar roundel symbol)" and "Instabank" are registered trademarks of Bank of Montreal, used under licence. ® Bank of Montreal is a licensed user of the MasterCard trademark owned by MasterCard International Inc., and the Interac trademark owned by Interac Inc. and Cirrus trademark owned by the Cirrus System Inc. ® Bank of Montreal is a licensed user of the Maestro trademark owned by Maestro International Incorporated. "Nesbitt Burns" is a registered trademark of BMO Nesbitt Burns Inc., used under licence. ™/® Trademarks/registered trademarks of Bank of Montreal, used under licence. Net equity in the securities and cash in BMO Nesbitt Burns investment account are protected by the Canadian Investor Protection Fund within specified limits and that information about the limits and nature of coverage will be made available to me/us on request. Deposits in Canadian dollar and U.S. dollar in the BMO Bank of Montreal bank account are insured under the Canada Deposit Insurance Corporation Act. Brochures describing the types and limits of coverage are available at your request. BMO Nesbitt Burns Inc. is a wholly owned subsidiary of Bank of Montreal.

BMO Nesbitt Burns Inc. is a Member – Canadian Investor Protection Fund. Member of the Canadian Investment Regulatory Organization.

## Part Two: BMO Nesbitt Burns™ Preferred Account Agreement (For Non-Individuals)

### Part A – Terms And Conditions Applicable Primarily to the Securities Account

#### 1. Client Account Agreement

The Client acknowledges that it has received, reviewed, executed and delivered to BMO Nesbitt Burns, the BMO Nesbitt Burns' Client Account Agreement.

### Part B – Definitions, Security And Remedies

#### 2. Definitions

For the purposes of this Agreement the following terms shall have the meanings set out below:

- a. "Applicable Rules and Regulations" means the constitutions, by-laws, rules, rulings, regulations, customs and usages of the exchanges or markets and their clearing houses on which any Securities Transactions are undertaken and all laws, regulations and orders of any applicable governmental or regulatory authorities;
- b. "Bank Loan" at any time means the amount of any indebtedness of the Client to the Bank under the Line of Credit at that time, including accrued and unpaid interest thereon and any indebtedness incurred in excess of the Credit Limit at that time;
- c. "Bill Issuer" means those entities or individuals whose bills the Client indicates it would like to pay through the bill payment feature of any of the Services that the Bank has registered to be an entity or individual which participates in the bill payment service;
- d. "Bill Issuer Account Information" means the information for each Bill Issuer to whom the Client wishes to make an electronic payment through the Bank's systems including, without limitation, the Bill Issuer's name and the billing account number;
- e. "Bill Payment Account" means any Account (s) linked to the Card authorized to make bill payments (i) at any branch, by way of a customer service representative; (ii) through Telephone Banking, Online Banking; OR (iii) by way of a Terminal;
- f. "BMO Nesbitt Burns' Bank Loan Liability" has the meaning set out in Section 3 of this Part B;
- g. "BMO Nesbitt Burns' Bank Loan Payment" means any payment by BMO Nesbitt Burns to the Bank in respect of the BMO Nesbitt Burns' Bank Loan Liability;
- h. "Credit Limit" has the meaning set out in Section 15 of Part C;
- i. "Indebtedness to the Bank" at any time means the amount of the Bank Loan at that time and the amount of any other indebtedness of the Client to the Bank in connection with the Bank Account or otherwise at that time;
- j. "Indebtedness to BMO Nesbitt Burns" has the meaning set out in Section 3 of this Part B;

- k. "Instrument" means any bill of exchange, promissory note, draft, payment instruction, banker's acceptance, order for payment of money (including any wire transfer or electronic payment or transfer), security, coupon, note, clearing item or other item, whether a negotiable or non-negotiable instrument, or contract for letter of credit or foreign exchange;
- l. "Obligations to BMO Nesbitt Burns" means all present and future, direct and indirect indebtedness, liability and obligations of the Client to BMO Nesbitt Burns for any reason whatsoever, including without limitation: the Indebtedness to BMO Nesbitt Burns; any amount which BMO Nesbitt Burns in its absolute discretion may pay to a third party on behalf of the Client to settle a purchase of Securities by the Client; all commissions, transaction charges, fees and other charges and taxes payable by the Client hereunder; and any other obligations of the Client to BMO Nesbitt Burns in connection with the Account or otherwise;
- m. "Prime Rate" means (i) in respect of obligations of the Client to either BMO Nesbitt Burns or the Bank which are denominated in Canadian dollars, the reference rates of interest per annum established by the Bank from time to time for Canadian dollar loans to borrowers and designated as its Prime Rate for such loans, and (ii) in respect of obligations of the Client to either BMO Nesbitt Burns or the Bank which are denominated in US dollars, the reference rates of interest per annum established by the Bank from time to time for US dollar loans to borrowers and designated as its Prime Rate for such loans;
- n. "Transaction" means any debit or credit to the Account, including but not limited to any deposit to, or withdrawal, transfer or any other form (including tax payment/remittance) from the Account and any other transaction permitted by the Bank with the Account. Transactions also include applications for investments or credit through the Bank, loan advances, loan repayments, order for travellers cheques, money orders, drafts, foreign currency, large currency denominations, wire transfers and such other information, transactions or service that the Bank may make available. Transactions also include any other instruction in respect of the Account.

#### 3. BMO Nesbitt Burns' Bank Loan Liability; Indebtedness to BMO Nesbitt Burns

- a. The Client acknowledges that the Line of Credit which may be granted by the Bank to the Client will be granted only on the condition that BMO Nesbitt Burns will be liable to the Bank for payment of the Bank Loan. Accordingly, BMO Nesbitt Burns, at the request of the Client, hereby agrees that it will be liable to the Bank for payment of the Bank Loan and all accrued and unpaid interest thereon and that such indebtedness is due and owing by

BMO Nesbitt Burns to the Bank at all times (such liability of BMO Nesbitt Burns to the Bank is herein called the "BMO Nesbitt Burns' Bank Loan Liability").

- b. BMO Nesbitt Burns may make payments to the Bank on account of the BMO Nesbitt Burns' Bank Loan Liability at any time without the consent of or notice to the Client.
- c. The Client acknowledges and agrees that it is liable to and indebted to BMO Nesbitt Burns for the amount of the BMO Nesbitt Burns' Bank Loan Liability whether or not payments have been made in respect thereof by BMO Nesbitt Burns to the Bank (such liability and indebtedness of the Client to BMO Nesbitt Burns is herein called the "Indebtedness to BMO Nesbitt Burns").
- d. The Client acknowledges and agrees that the Indebtedness to BMO Nesbitt Burns is due and owing by the Client to BMO Nesbitt Burns on demand.
- e. BMO Nesbitt Burns, the Bank and the Client acknowledge that the respective liabilities of BMO Nesbitt Burns and the Client to the Bank in respect of the Bank Loan are several and not joint.

#### 4. Payment of Indebtedness

- a. The Client will promptly pay, when due, any Indebtedness to BMO Nesbitt Burns and any Indebtedness to the Bank together, in each case, with applicable interest. Without limiting the generality of the foregoing, the Client shall repay forthwith to BMO Nesbitt Burns the amount of any BMO Nesbitt Burns' Bank Loan Payments. The Client acknowledges that any Indebtedness to BMO Nesbitt Burns and any Indebtedness to the Bank is payable on demand.
- b. For greater certainty:
  - i. Any repayment or reimbursement to the Bank of any Indebtedness to the Bank (other than a repayment or reimbursement by or on behalf of BMO Nesbitt Burns) shall concurrently reduce the Indebtedness to BMO Nesbitt Burns by the amount of such repayment or reimbursement; and
  - ii. Any repayment or reimbursement to BMO Nesbitt Burns of any Indebtedness to BMO Nesbitt Burns (other than a repayment or reimbursement by or on behalf of the Bank) including any monies or net proceeds applied to eliminate or reduce such indebtedness pursuant to Section 8, shall concurrently reduce the Indebtedness to the Bank by the amount of such repayment or reimbursement.

The purpose of this Subsection 4(b) is to ensure that the Client does not have to pay twice what in substance is the same indebtedness.

- c. If (i) BMO Nesbitt Burns makes a general assignment for the benefit of its creditors or becomes bankrupt under the Bankruptcy and Insolvency Act (Canada); (ii) a receiver, interim receiver, receiver and manager or any other officer with similar powers is appointed for BMO Nesbitt Burns (collectively, a "Receiver"), or (iii) any proceedings respecting BMO Nesbitt Burns are commenced under the Companies' Creditors Arrangements Act (Canada) or under the Winding-Up and Restructuring Act (Canada), then and thereafter, the Bank shall not be entitled to seek repayment of the Bank Loan and any interest thereon from the Client. This restriction shall in no way restrict or limit the rights and remedies

of BMO Nesbitt Burns, or any duly appointed Receiver, against the Client in respect of any Indebtedness to BMO Nesbitt Burns.

#### 5. Interest

The Client shall pay interest on any Obligations to BMO Nesbitt Burns except that no interest shall be charged on any BMO Nesbitt Burns' Bank Loan Liability. Such interest shall be calculated on the average outstanding monthly amount of such obligation and shall be compounded monthly. The interest rate applicable to such obligations shall be the annual interest rate designated from time to time by BMO Nesbitt Burns to its branches to be charged on debit balances in accounts with BMO Nesbitt Burns. The Client waives the right to receive prior notice of all changes in such annual rates.

#### 6. Grant of Security Interest to BMO Nesbitt Burns

- a. For the purposes of this Agreement, the term "Collateral" shall mean:
  - i. any Securities in which the Client has an interest which either come into the possession of BMO Nesbitt Burns or its agents or which BMO Nesbitt Burns is shown on the records of any clearing or similar agency as being the owner of or having an interest in, whether before or after the date hereof and whether in the Securities Account or not;
  - ii. any dividends, interest, and capital distributions on or in respect of the Securities described in item (i) above and any proceeds derived directly or indirectly from any sale or other disposition of or dealing with such Securities, including any payment representing indemnity or compensation for loss of or damage to such Securities and including proceeds of proceeds; and
  - iii. any cash, including any free credit balances, which may now or hereafter be in any of the Client's accounts with BMO Nesbitt Burns whether held in the Securities Account or in any other account in which the Client has an interest.
- b. The Client acknowledges and agrees that BMO Nesbitt Burns has a general stockbroker's lien on the Collateral as continuing security for the payment of any Obligations to BMO Nesbitt Burns, whether or not any amount owing relates to the Collateral and the Client hereby grants to BMO Nesbitt Burns such a lien in respect of the Collateral and consents to BMO Nesbitt Burns claiming such a lien. The Client acknowledges that, in the common law provinces and territories of Canada, such lien is a lien given by a rule of law and is not subject to the terms of any provincial or territorial personal property security statutes except as specifically provided by such statutes. To the extent, but only to the extent necessary to create, maintain and enforce such general stockbroker's lien and not so as to derogate from such stockbroker's lien, the Client pledges the Collateral to BMO Nesbitt Burns as security for the Obligations to BMO Nesbitt Burns.
- c. For the Province of Quebec only, the Client hereby hypothecates and pledges the Collateral to BMO Nesbitt Burns for the amount of One Hundred Million Dollars, with interest from the date hereof at the Prime Rate plus 1% per annum. BMO Nesbitt Burns may sell or take the Collateral in payment without giving prior notice or observing any time limits prescribed in respect of such taking in payment or such sales in the Civil Code of Quebec. The said stated

amount of the hypothec and pledge and said rate of interest is inserted to comply with requirements of the Civil Code of Quebec and represents the maximum amount for which the Collateral is hypothecated and pledged. It does not represent the amount of the indebtedness and liabilities of the Client secured by the hypothec and pledge from time to time nor the amount of any credit available to the Client by the Bank or by BMO Nesbitt Burns.

The foregoing is in addition to and shall not operate as a novation with respect to any other security or charge held by BMO Nesbitt Burns and/or the Bank with respect to such Collateral.

## 7. Event of Default

- a. Each of the following events or circumstances shall constitute an event of default (an "Event of Default") under this Agreement;
  - i. if the Client fails to pay the Bank Loan when due;
  - ii. if the Client fails to pay to BMO Nesbitt Burns any Obligations to BMO Nesbitt Burns when due;
  - iii. if BMO Nesbitt Burns at any time deems the security for any Obligations to BMO Nesbitt Burns to be insufficient for its protection;
  - iv. if on or before any settlement date, the Client fails to provide to BMO Nesbitt Burns any required Securities or certificates in an acceptable delivery form;
  - v. if the Client fails to comply with any other requirement in favour of BMO Nesbitt Burns or the Bank contained in this Agreement or in any other agreement between the Client and BMO Nesbitt Burns (including its subsidiaries and affiliates) or the Client and the Bank; or
  - vi. if the Client dies, becomes bankrupt insolvent; or if
  - vii. any of the Collateral becomes subject to execution, attachment or other process.
- b. If an Event of Default occurs, then, in addition to any other right or remedy to which BMO Nesbitt Burns is entitled, BMO Nesbitt Burns may at any time and from time to time without notice or demand to the Client:
  - i. apply any monies held to the credit of the Client in the Bank Account, any monies forming part of the Collateral or any monies held to the credit of the Client in the Securities Account or in any other account of the Client with BMO Nesbitt Burns or any account with BMO Nesbitt Burns in which the Client may have an interest, to eliminate or reduce any Obligations to BMO Nesbitt Burns;
  - ii. sell, contract to sell, or otherwise dispose of or deal with any or all of the Collateral held by BMO Nesbitt Burns for the Client in any account and apply the net proceeds there from to eliminate or reduce any Obligations to BMO Nesbitt Burns;
  - iii. exercise any rights in addition to the foregoing which exist as incidents to the general stockbroker's lien;
  - iv. purchase or borrow any Securities necessary to cover short sales or any other sales made on the Client's behalf in respect of which delivery of certificates in an acceptable delivery form has not been made;
  - v. cancel any outstanding orders; and/or
  - vi. close the Account.
- c. Any sales or purchases of all or any part of the Collateral by BMO Nesbitt Burns upon the occurrence of an Event of Default may be made in any manner whatsoever, including, with respect to any Securities which form part of the Collateral, through the facilities of any stock exchange where any such Security is listed, in any over-the-counter market, by public auction, by tender or by private agreement, and at such time or times and on such terms and conditions and in such manner as BMO Nesbitt Burns in its sole discretion deems advisable.
- d. If demand is made or notice given to the Client by BMO Nesbitt Burns, it shall not constitute a waiver of any of BMO Nesbitt Burns' rights to act hereunder without demand or notice.
- e. Any and all expenses (including any legal fees and disbursements on a solicitor and his own client scale) of necessity or reasonably incurred by BMO Nesbitt Burns in connection with exercising any right pursuant to this Section 7 shall form part of the Obligations to BMO Nesbitt Burns.
- f. The Client shall remain liable to BMO Nesbitt Burns for any Obligations to BMO Nesbitt Burns which remain outstanding following the exercise by BMO Nesbitt Burns of any or all of the foregoing rights.
- g. The Client acknowledges that the rights which BMO Nesbitt Burns is entitled to exercise pursuant to this Agreement are reasonable and necessary for its protection having regard to the nature of securities markets, including, in particular, their volatility. The Client expressly and irrevocably waives every formality, including without limitation, any demands and notices, prescribed by law in connection with any such sale or disposition to the extent they may be waived under applicable law. The fact that BMO Nesbitt Burns is liable to the Bank in respect of the BMO Nesbitt Burns' Bank Loan Liability shall not affect its rights as a creditor of the Client.

## 8. Application of Proceeds and Payments

Any proceeds realized by BMO Nesbitt Burns pursuant to the exercise of any remedy set forth in Section 7 or otherwise and any repayments or reimbursements to BMO Nesbitt Burns on account of any Obligations to BMO Nesbitt Burns shall be applied as follows:

- a. firstly, to reduce the Indebtedness to BMO Nesbitt Burns and, any interest thereon, and any repayment or reimbursement so applied, other than a repayment or reimbursement by or on behalf of the Bank, shall reduce the Indebtedness to the Bank by the same amount;
- b. secondly, against any other Obligations to BMO Nesbitt Burns; and
- c. thirdly, to the Client unless otherwise required by applicable law.

The Client shall remain liable for, and shall forthwith pay, without duplication, and subject always to Section 4, the balance of any Obligations to BMO Nesbitt Burns and the balance of any Indebtedness to the Bank, which remain outstanding after the application of such proceeds, together with interest thereon.

## 9. Alternative Course of Action

Whenever this Agreement entitles BMO Nesbitt Burns to undertake alternative courses of action, BMO Nesbitt Burns shall be entitled to choose any, none or all of such alternative courses of action in its sole discretion. All of the rights and remedies of BMO Nesbitt Burns described in this Agreement are cumulative, may be exercised separately, successively, concurrently or in combination and shall be in addition to and not in substitution for any other rights or remedies which BMO Nesbitt Burns has pursuant to any other agreement or at law, by statute or in equity, provided that BMO Nesbitt Burns shall not be bound to exercise any of such rights or remedies. BMO Nesbitt Burns shall not be required to exercise any right prior to exercising any other right. The failure to exercise any or all of such rights or the granting of any indulgence shall not in any way limit, restrict, or prevent BMO Nesbitt Burns from exercising such rights at any subsequent time and shall not limit, reduce or discharge any Obligations to BMO Nesbitt Burns or any part thereof.

## 10. Transfers to Other Accounts

BMO Nesbitt Burns may at any time and from time to time apply any of the Collateral, any monies referenced at Paragraph 7(b)(i) of this Agreement, any Securities in the Account or any proceeds from the sale or other disposition of any such Collateral or Securities, to pay or cover, or as security for, any Obligations to BMO Nesbitt Burns or any obligations of the Client in respect of any other account with BMO Nesbitt Burns howsoever and whenever incurred, whether such account is for only one Client, a joint account or is an account guaranteed by the Client.

## Part C – Terms And Conditions Applicable Primarily to the Bank Account and Line Of Credit

### 11. General Terms

- a. The Bank Account shall be governed by this Agreement including the general conditions of operation set forth in Section 12 of this Agreement.
- b. The Bank may debit the Bank Account with amounts credited to the Bank Account under the Line of Credit for which the Bank is not otherwise reimbursed.
- c. The Bank may credit the Bank Account with any direct credit and shall not be responsible for (i) the kind or amount of such credit (ii) any delay in or failure to make such credit or (iii) the delivery (timely or otherwise) of any notice of change of a direct deposit instruction to any payer under the same.
- d. The Client acknowledges and agrees that the conditions of operation of the Bank Account as set forth in Section 12 of this Agreement may be amended by the Bank from time to time and the Client agrees to be bound by such changes.

### 12. Conditions of Operation

The operation of the Bank Account shall be subject to the following terms and conditions:

- a. Withdrawals may be made by the Client at any branch of the Bank by a request in writing accompanied by appropriate documentation. The Bank reserves the right to refuse any withdrawal request when not accompanied by appropriate documentation.

- b. Interest on any credit balances in the Bank Account will be paid by the Bank at such rates and upon such terms as the Bank may from time to time establish. The rates and terms are available at all BMO Nesbitt Burns and Bank branches.
- c. The Bank may request seven days notice of any withdrawal.
- d. The Client may use the Bank Account for investment purposes only and shall not use the Bank Account for any business operating transactions or any other purpose. It is understood that the Bank may, but shall not be under any obligation to, monitor the Client's compliance with this provision.
- e. The Client waives in favour of the Bank presentment, notice of dishonour and protest of all bills of exchange, promissory notes, orders for payment of money, securities, coupons or notes (all or any of which are hereinafter collectively or separately referred to as "Instruments" or an "Instrument" as the case may be) drawn, made, initiated, accepted or endorsed by the Client and now or hereafter delivered to the Bank at any of its branches or agencies for any purpose. The Client shall remain liable to the Bank as if presentment, notice of dishonour and protest had been duly made or given, provided that the Bank may note or protest any Instrument because of any endorsement other than that of the Client or for any other reason if the Bank, in its discretion, considers it in the best interest of the Client or the Bank. The Bank will not, in any circumstances, be responsible or liable for failure or omission to note or protest any Instrument.
- f. The Bank may use the services of any bank or agent as it may deem advisable in connection with any banking business of the Client. Such bank or agent is deemed to be the agent of the Client, and the Bank will not, in any circumstances, be responsible or liable to the Client by reason of any act or omission of such bank or agent, however caused, in the performance of such service or by reason of the loss, theft, destruction or delayed delivery of any Instrument while in transit to or from, or in the possession of such bank or agent.
- g. The Bank is authorized to charge the Bank Account of the Client with the following:
  - i. the amount of any Instrument payable by the Client at any branch or agency of the Bank;
  - ii. the amount of any Instrument cashed or negotiated by the Bank for the Client or credited to the Bank Account (whether by means of deposits made by the Client or by payments received for the Client through electronic or other means) for which payment is not received by the Bank for any reason (whether or not such Instruments were drawn on other accounts with the Bank) and with the amount of any other indebtedness or liability of the Client to the Bank and with any expenses incurred by the Bank in connection with paying a dishonoured or unpaid Instrument. The Client is liable to the Bank for the amount charged and will pay on demand any overdraft, together with interest thereon at the interest rate charged by the Bank from time to time for overdraft. Notwithstanding such charging, all rights and remedies of the Bank against all parties are preserved. No charging of unpaid Instruments shall be deemed to be payment of such Instruments;



- iii. the amount of any Instrument received by the Bank for the Bank Account of the Client by way of deposit, discount, collection or otherwise if it is lost or stolen or otherwise disappears by any cause whatsoever other than negligence on the part of the Bank;
  - iv. any reasonable service charge for operation of the Bank Account; and
  - v. all amounts collectible by the Bank as taxes on the supply, sale or other provision of its products or services.
- h. The Client agrees to indemnify and save harmless the Bank from all costs, expenses, damages, claims and actions directly or indirectly incurred or suffered by the Bank including the claims of any third party or other Bank customers, for non-payment of any Instrument in accordance with instructions provided by the Client, including, without limitation, legal costs and expenses incurred by the Bank through its refusal to pay such Instruments. The Bank is not responsible for confirming the accuracy of any information provided by the Client, and is not responsible for any discrepancies between cheque numbers, serial numbers, amounts, payee names and other information provided. The Bank is not able to stop payment on any Instrument which has already been presented for payment to the Bank or which has been certified by the Bank and the Bank is not able to reverse any previously-requested stop payment if the Instrument has already been dishonoured. The records of the Bank respecting the time of presentment, payment or dishonour shall be conclusive evidence of same in the absence of evidence to the contrary.
- i. Cost of Compliance – Any cost the Bank incurs in order to comply with any request or order issued under a statutory or court authority for information, documents or action to be taken by the bank respecting the Client's Account(s).
- j. A statement of the account will be rendered periodically where applicable for amounts charged to the Bank Account. The Client will advise the Bank promptly if such statement has not been received within ten days of the date upon which it is normally received.
- k. Upon receipt of the aforesaid statement of account referenced in paragraph (j) of this Section 12, the Client will check the debit and credit entries and notify the Bank in writing of any errors, irregularities or omissions. This notice will be provided to the Bank within 30 days of the mailing of the statement to the Client or if not mailed, within 30 days of the delivery of the statement to the Client or access to the statement being made available to the Client. At the expiration of the 30 day period (except as to any alleged errors, irregularities or omissions outlined in the said notice) it shall be deemed to be conclusively settled between the Bank and the Client that (subject to the right of the Bank either during or after the 30 day period to charge back items for which payment has not been received):
- i. all transactions described in the statement are properly reflected;
  - ii. the statement and the balance shown thereon are correct;
  - iii. all debits and credits are properly charged to the Client's account; and
  - iv. the Client is not entitled to be credited with any sum not credited in the statement.
- In addition, it shall be conclusively settled as between the Bank and the Client that the Bank is not liable for any loss or claim arising from the breach by the Client or any third party of any fiduciary duty or trust in respect of the sums or dealings noted in the said statements. The Client agrees to notify the Bank in writing of any unauthorized or forged endorsement on any Instrument immediately upon becoming aware of same.
- l. The Client agrees to maintain procedures and controls to detect and prevent thefts of Instruments or losses due to fraud or forgery involving Instruments. The Client further agrees that BMO Nesbitt Burns and the Bank shall have no responsibility or liability whatsoever for any loss due to a forged or unauthorized signature unless: (i) the forged or unauthorized signature was made by a person who was at no time the Client's agent or employee; (ii) the loss was unavoidable despite the Client having taken all feasible steps to prevent loss arising from forgery or unauthorized signatures; (iii) the loss was unavoidable despite the Client having in place the procedures and controls to supervise and monitor the agents and employees of the Client; and (iv) the loss was caused solely by the negligence or wilful misconduct of the Bank or BMO Nesbitt Burns as the case may be. The Client will diligently supervise and monitor the conduct and work of any agent or employee having any role in the preparation of the Client's Instruments and in the Client's bank statement reconciliation or other banking functions.
- m. If there should be insufficient funds in the Bank Account to pay an Instrument or to pay any charges which the Bank is authorized to charge under the above terms and conditions, then the expression "Bank Account" shall mean any other account which the Client may have at any branch or agency of the Bank and the Bank is authorized to charge such account with the amount of such Instrument or charges.
- n. The Bank may at any time, without notice to you, close any Account, or freeze or hold the funds in any Account, at their sole discretion, including, without limitation, for reasons of actual or suspected fraud, illegality, inaction on the Account or breach by the Client's obligations under any agreement between the Bank and the Client.

### 13. Line of Credit

The Bank may, in its sole discretion, grant the Line of Credit to the Client. The Line of Credit is an overdraft facility linked to the Bank Account and is accessed by overdrawing the Bank Account. The credit limit (the "Credit Limit") under the Line of Credit will be initially established by, and may thereafter be amended, by BMO Nesbitt Burns as agent on behalf of the Bank. The Line of Credit will be administered by BMO Nesbitt Burns, as agent on behalf of the Bank, as if it were a margin facility granted by BMO Nesbitt Burns subject to the Applicable Rules and Regulations. The Client may access the Line of Credit up to the Credit Limit at the time access is sought to be effected. In addition, any debit made by BMO Nesbitt Burns or the Bank to the Bank Account pursuant to this Agreement may access the Line of Credit. The Bank will charge and the Client shall pay interest on

any Indebtedness to the Bank at such annual rate or rates and upon such terms as the Bank may from time to time establish. The Client acknowledges receipt of the annual rate or rates of interest applicable at the time of the execution of this Agreement. The rates and terms in effect at any given time are available at all branches of the Bank.

#### **14. Debits to Bank Account**

BMO Nesbitt Burns may, in its sole discretion, instruct the Bank at any time and from time to time to debit the Bank Account to reimburse BMO Nesbitt Burns for any amounts owed by the Client to BMO Nesbitt Burns from time to time, including, without limitation, advances made by BMO Nesbitt Burns to, or payments made by BMO Nesbitt Burns on behalf of, the Client, all commissions and transaction charges, and for all fees and charges referred to in Section 16. The amount of such debit shall forthwith be transferred by the Bank to BMO Nesbitt Burns and shall be used by BMO Nesbitt Burns to reimburse itself. The Client hereby agrees to and authorizes any debits and transfers made by BMO Nesbitt Burns and/or the Bank pursuant to this Agreement including any debits and transfers undertaken pursuant to Section 13, pursuant to this Section 14 or pursuant to Section 10, and irrevocably appoints BMO Nesbitt Burns as the attorney of the Client to take all such action and to execute all such documents as may be necessary or advisable to effect any such debits and transfers.

#### **15. Administration of Line of Credit**

Either the Bank or BMO Nesbitt Burns, as agent on behalf of the Bank, may without notice to the Client, at any time and from time to time:

- a. demand payment of the Bank Loan;
- b. reduce or cancel any Line of Credit made available to the Client or terminate the provision of any additional advances by the Bank to the Client under the Line of Credit; or
- c. require the Client to provide further security for the Obligations to BMO Nesbitt Burns in addition to what is required by the Applicable Rules and Regulations.

The Client will provide BMO Nesbitt Burns with any security which is requested by BMO Nesbitt Burns from time to time in respect of any Obligation to BMO Nesbitt Burns and, subject to Section 4, will forthwith pay any Indebtedness to BMO Nesbitt Burns and Indebtedness to the Bank, which becomes due as a result of any reduction or cancellation of the Line of Credit or otherwise.

### **Part D – General**

#### **16. Fees and Charges**

The Client shall pay all amounts owing, including interest, to BMO Nesbitt Burns or the Bank with respect to the Account, including without limitation, account administration charges, transaction charges, service charges, safekeeping fees, registration charges and legal fees and disbursements with respect to the exercise by BMO Nesbitt Burns or the Bank of any right or remedy hereunder, and any taxes payable by the Client arising in connection with any of the foregoing. The Bank or BMO Nesbitt Burns may debit the Bank Account with any such amounts owing in accordance with Section 16

hereof (including through accessing the Line of Credit in accordance with Section 14 hereof).

#### **17. Account Statements**

Subject to Subsection 12(j) and 12(k) every confirmation, statement or other communication sent by BMO Nesbitt Burns or the Bank to the Client shall be deemed to have been acknowledged as correct, approved and consented to by the Client unless BMO Nesbitt Burns and the Bank shall have received written notice to the contrary within fifteen days after it is sent to the Client.

#### **18. Exchange of Personal Information**

The Client acknowledges and agrees that by signing this Agreement, the Client has received notice in writing that the Bank and BMO Nesbitt Burns may obtain, provide, or exchange personal or credit information about the Client with each other, their subsidiaries and affiliates and as BMO Nesbitt Burns or the Bank may, from time to time, require including, without limitation, information obtained from (i) any credit reporting agency, personal information agent (in Quebec) and any other credit grantor or (ii) from any employer of the Client or any other person, in order to process any request of the Client for financial products and services and to provide any services which the Client so requests, and in furtherance of any other relationship which the Client may pursue with the Bank or BMO Nesbitt Burns or any of their subsidiaries or affiliates from time to time.

The Client hereby consents to the disclosure at any time of any information about the Client to other financial institutions with whom the Client proposes to have financial dealings.

#### **19. Notices to Client**

Any notice or communication to the Client may be given by prepaid mail, telegraph, facsimile transmission or telex to any address of record of the Client with BMO Nesbitt Burns or the Bank or may be delivered personally (including commercial courier) to any such address of record, and shall be deemed to have been received, if mailed, on the third business day after mailing or, if sent by telegraph, facsimile transmission, or telex, on the day sent, or if delivered, when delivered. If there is more than one Client, notice may be given to any one or more of them and any notice so given shall bind all of the Clients. Nothing in this Section 19 shall be interpreted as requiring BMO Nesbitt Burns or the Bank to give any notice to the Client which is not otherwise required to be given.

#### **20. Interpretation**

The headings used in this Agreement are for convenience of reference only and shall not in any way affect its interpretation. Unless the context otherwise requires, in this Agreement words in the singular include the plural and vice-versa and words in one gender include all genders. The interpretation of Part A, Part B or Part D of this Agreement shall not be affected by any term or provision of Part C of this Agreement which permits the Bank to make amendments to the conditions of operation of the Bank Account.

## 21. Other Agreements

This Agreement shall be construed in conjunction with any other agreements which may exist between BMO Nesbitt Burns and/or the Bank and the Client in connection with the Securities Account, including without limitation, the BMO Nesbitt Burns Client Account Agreement, provided that in the event of any conflict or inconsistency between this Agreement and any such other agreement, to the extent necessary, the terms and provisions of this Agreement shall supersede the terms and provisions of such other agreement, whether or not referred to herein. Subject to the foregoing, the provisions of this Agreement shall in no way limit or restrict any other rights which BMO Nesbitt Burns or the Bank may have under any other agreement or agreements with the Client. Except as otherwise provided herein, none of the terms and conditions of this Agreement may be waived or changed without agreement in writing signed by the Client, BMO Nesbitt Burns and the Bank. If any Applicable Rules and Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of this Agreement is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or condition will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules and Regulations. Any term or condition of this Agreement which notwithstanding any such variation is invalid shall not invalidate the remaining terms.

## 22. Further Assurances

The Client shall do all acts or things and shall execute and deliver all documents or instruments as are necessary or desirable to give effect to the provisions of this Agreement, including, without limitation, to give effect to all Transactions for the Securities Account executed by BMO Nesbitt Burns pursuant to this Agreement and to permit BMO Nesbitt Burns to debit the Bank Account as provided in this Agreement.

## 23. Severability

In the event any term or provision of this Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

## 24. Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding upon BMO Nesbitt Burns, the Client and the Bank, and their respective liquidators, receivers, administrators, successors and permitted assigns, as the case may be. This Agreement and the rights and obligations of the Client hereunder are not assignable by the Client but may be assigned by BMO Nesbitt Burns or the Bank to any

affiliate of either of them upon prior notice to the Client and to any regulatory authority having jurisdiction with respect to such assignment. If the Client is a partnership, this agreement shall remain in full force and effect (a) notwithstanding the admission of any additional partners to the partnership and notwithstanding any other change in the partnership and (b) after the death of any or all of the partners, until terminated by written notice signed by one or more of the partners and filed with the Bank and with BMO Nesbitt Burns at the branch where the Account is maintained.

## 25. Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the jurisdiction in which the BMO Nesbitt Burns branch is located where the Securities Account is maintained.

## 26. Termination

Either of the Bank or BMO Nesbitt Burns may terminate this Agreement or terminate any service provided under this Agreement at any time with or without notice to the Client. The Client may terminate this Agreement at any time by written notice to BMO Nesbitt Burns and the Bank upon thirty (30) days written notice to the Bank and BMO Nesbitt Burns in the prescribed form. In the event of termination of this Agreement, this Agreement shall terminate provided that the rights and obligations of each party hereto accrued as at the time of termination shall continue in full force and effect.

## 27. BMO Nesbitt Burns

If the Securities Account is maintained at an office of BMO Nesbitt Burns located in the Province of Quebec, the BMO Nesbitt Burns party to this Agreement shall be BMO Nesbitt Burns Ltée./Ltd. In all other cases, the BMO Nesbitt Burns party to this Agreement shall be BMO Nesbitt Burns Inc.

## 28. Language

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

BMO Wealth Management is the brand name for a business group consisting of Bank of Montreal and certain of its affiliates, including BMO Nesbitt Burns Inc., in providing wealth management products and services. ® BMO(M-bar roundel symbol) and "Instabank" are registered trademarks of Bank of Montreal, used under licence. ® Bank of Montreal is a licensed user of the MasterCard trademark owned by MasterCard International Inc., and the Interac trademark owned by Interac Inc. and Cirrus trademark owned by the Cirrus System Inc. ® Bank of Montreal is a licensed user of the Maestro trademark owned by Maestro International Incorporated. "Nesbitt Burns" is a registered trademark of BMO Nesbitt Burns Inc., used under licence. ™/® Trademarks/registered trademarks of Bank of Montreal, used under licence. Net equity in the securities and cash in BMO Nesbitt Burns investment account are protected by the Canadian Investor Protection Fund within specified limits and that information about the limits and nature of coverage will be made available to me/us on request. Deposits in Canadian dollar and U.S. dollar in the BMO Bank of Montreal bank account are insured under the Canada Deposit Insurance Corporation Act. Brochures describing the types and limits of coverage are available at your request. BMO Nesbitt Burns Inc. is a wholly owned subsidiary of Bank of Montreal.

BMO Nesbitt Burns Inc. is a Member – Canadian Investor Protection Fund. Member of the Canadian Investment Regulatory Organization.

## Part Three: BMO Nesbitt Burns™ Preferred Plus Account Agreement (For Individual and Joint Accounts)

### Part A – Terms And Conditions Applicable Primarily to the Account

#### 1. Client Account Agreement

The Client acknowledges that it has received, reviewed, executed and delivered to BMO Nesbitt Burns, the BMO Nesbitt Burns Client Account Agreement.

The margin account is subject to the terms of the BMO Nesbitt Burns Client Account agreement and this BMO Nesbitt Burns Preferred Plus Account Agreement (the “Agreement”).

#### 2. Margin

BMO Nesbitt Burns determines at any given time and in its absolute discretion in accordance with its customary practices how much money the Client may borrow to buy securities (the “available margin”) and how much cash and other marginable securities the Client must keep in the margin account to keep it in good standing.

### Part B – Terms And Conditions Applicable Primarily to the Bank Account

#### 3. General Terms

- a. The Bank Account shall be governed by this Agreement including the general conditions of operation set forth in Section 4.
- b. If your account is used for business purposes, we reserve the right to charge you business banking service charges and/or close your account.
- c. You agree to notify the Bank in writing of any unauthorized or forged instruments immediately upon becoming aware of them.
- d. You will supply further information as we may require from time to time to keep your personal information current.
- e. We may close your account if required by law or if at any time you commit fraud, violate the terms of any applicable agreements, use the account for any improper or unlawful purposes, or operate the account in any unsatisfactory manner.
- f. The Bank may debit the Bank Account with amounts credited to the Bank Account for which the Bank is not otherwise reimbursed.
- g. The Bank may debit the Bank Account with all amounts collectible by the Bank as taxes on the supply of its products and services.
- h. The Bank may credit the Bank Account with any direct credit and shall not be responsible for: (i) the kind or amount of such credit; (ii) any delay in or failure to make such credit; or (iii) the delivery (timely or otherwise) of any notice of change of a direct deposit instruction to any payer under the same.
- i. When cheques are deposited, sufficient time must be allowed for the Bank to ensure that they are cleared before the amounts are withdrawn.

- j. The Client acknowledges and agrees that the conditions of operation of the Bank Account as set forth in Section 4 may be amended by the Bank from time to time and the Client agrees to be bound by such changes.

#### 4. Conditions of Operation

The operation of the Bank Account shall be subject to the following terms and conditions:

- a. The Client authorizes and directs the Bank to transfer any credit balance in the Bank Account to the margin account at the end of each business day.
- b. No interest will be paid on any credit balance in the Bank Account
- c. Cheques may be issued on the Bank Account. Any requests by or on behalf of the Client to certify such cheques may not be accepted by the Bank but the Bank will offer an alternative remittance instrument (such as a draft) in such cases.
- d. Withdrawals may be made by the Client at any branch of the Bank by a request in writing accompanied by the Client’s Debit Card. The Bank reserves the right to refuse any withdrawal request when not accompanied by the Client’s Debit Card.
- e. With the Client Debit Card, withdrawals may also be made at any any ATM in Canada with the Interac® symbol and throughout the world at any ATMs with the Maestro®, Cirrus® or Mastercard® symbols. Extra fees will probably apply.
- f. In Canada, you can use your Debit Card to pay for purchases at any retailer displaying the “Interac Debit” payment symbol and, throughout the world, at merchants who accept MasterCard® cards.
- g. Each cheque issued on, and each withdrawal or purchase from, the Bank Account will create a debit balance in that account. Each day, the maximum debit balance the Bank will permit is the total of:
  - the free cash balance in the margin account (as BMO Nesbitt Burns determines), and
  - the available margin in the margin account (as BMO Nesbitt Burns determines).

If there isn’t enough cash or available margin in the margin account to cover the cheque, withdrawal or purchase, the Bank may not honour one or more of the Client’s cheques, withdrawals or purchases.

You authorize BMO Nesbitt Burns to transfer money from the margin account at the end of each business day to cover the debit balance in the Bank Account so that the Bank Account balance is \$0.

BMO Nesbitt Burns will do this in the following order:

- first, from the free cash balance in the margin account,
- next, from the available margin in the margin account.



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Any amount BMO Nesbitt Burns draws from the available margin in the margin account will be treated as a loan from BMO Nesbitt Burns to the Client.

- h. The Bank may request seven days notice of any withdrawal.
  - i. The Client may use the Bank Account for investment purposes only and shall not use the Bank Account for any business operating transactions or any other purpose. It is understood that the Bank may, but shall not be under any obligation to, monitor the Client's compliance with this provision.
  - j. The Client waives in favour of the Bank, presentment, notice of dishonour and protest of all bills of exchange, promissory notes, cheques, orders for payment of money, securities, coupons or notes (all or any of which are hereinafter collectively or separately referred to as "Instruments" or an "Instrument" as the case may be) drawn, made, accepted or endorsed by the Client and now or hereafter delivered to the Bank at any of its branches or agencies for any purpose. The Client shall remain liable to the Bank as if presentment, notice of dishonour and protest had been duly made or given, provided that the Bank may note or protest any Instrument because of any endorsement other than that of the Client or for any other reason if the Bank, in its discretion, considers it in the best interest of the Client or the Bank. The Bank will not, in any circumstances, be responsible or liable for failure or omission to note or protest any Instrument.
  - k. The Bank may use the services of any bank or agent as it may deem advisable in connection with any banking business of the Client. Such bank is deemed to be the agent of the Client, and the Bank will not, in any circumstances, be responsible or liable to the Client by reason of any act or omission of such bank or agent, however caused, in the performance of such service or by reason of the loss, theft, destruction or delayed delivery of any Instrument while in transit to or from, or in the possession of such bank or agent.
  - l. The Bank is authorized to charge the Bank Account of the Client with the following:
    - i. the amount of any Instrument payable by the Client at any branch or agency of the Bank;
    - ii. the amount of any Instrument cashed or negotiated by the Bank for the Client or credited to the Bank Account for which payment is not received by the Bank and with the amount of any other indebtedness or liability of the Client to the Bank and with any expenses incurred by the Bank in connection with paying a dishonoured or unpaid Instrument. Notwithstanding such charging, all rights and remedies of the Bank against the parties are preserved. No charging of unpaid Instruments shall be deemed to be payment of such Instruments;
    - iii. the amount of any Instrument received by the Bank for the Bank Account of the Client by way of deposit, discount, collection or otherwise if it is lost or stolen or otherwise disappears from any cause whatsoever other than negligence on the part of the Bank; and
    - iv. all amounts collectible by the Bank as taxes on the supply, sale or other provision of its products or services.
  - m. The Client will draw encoded cheques only on the account for which the cheques are encoded. The Bank will not be liable in any circumstances for any loss or damage arising from the wrongful acceptance of a cheque, or wrongful refusal by the Bank to honour a cheque, drawn by the Client on an account other than the account for which the cheque is encoded.
  - n. The Client will not receive a statement of account for the Bank Account from the Bank. All Bank Account activity will appear on the statement of the margin account.
  - o. Upon receipt of the aforesaid statement of account, the Client will check the debit and credit entries, examine the cheques and vouchers and notify the Bank in writing of any errors, irregularities or omissions. This notice will be provided to the Bank within 15 days of the mailing of the statement to the Client or if not mailed, within 15 days of the delivery of the statement to the Client or access to the statement being made available to the Client. At the expiration of the 15 day period (except as to any alleged errors, irregularities or omissions outlined in the said notice) it shall be deemed to be conclusively settled between the Bank and the Client that:
    - a. all transactions described in the statement are properly reflected (subject to the right of the Bank either during or after the 15 day period to charge back items for which payment has not been received);
    - b. the statement and the balance shown thereon are correct;
    - c. the said vouchers are properly charged to the Client's account; and
    - d. the Client is not entitled to be credited with any sum not credited in the statement.
- In addition, it shall be conclusively settled as between the Bank and the Client that the Bank is not liable for any loss or claim arising from the breach by the Client or any third party of any fiduciary duty or trust in respect of the sums or dealings noted in the said statements.
- p. The Client agrees to maintain procedures and controls to detect and prevent thefts of Instruments or losses due to fraud or forgery involving Instruments. The Client further agrees that BMO Nesbitt Burns and the Bank shall have no responsibility or liability whatsoever for any loss due to a forged or unauthorized signature unless: (i) the forged or unauthorized signature was made by a person who was at no time the Client's agent or employee; (ii) the loss was unavoidable despite the Client having taken all feasible steps to prevent loss arising from forgery or unauthorized signatures; (iii) the loss was unavoidable despite the Client having in place the procedures and controls to supervise and monitor the agents and employees of the Client; and (iv) the loss was caused solely by the negligence or wilful misconduct of the Bank or BMO Nesbitt Burns as the case may be. The Client will diligently supervise and monitor the conduct and work of any agent or employee having any role in the preparation of the Client's Instruments and in the Client's bank statement reconciliation or other banking functions.
  - q. If there should be insufficient funds in the Bank Account to pay an Instrument or to pay any charges which the Bank is authorized to charge under the above terms and conditions, then the expression



“Bank Account” shall mean any other account which the Client may have at any branch or agency of the Bank and the Bank is authorized to charge such account with the amount of such Instrument or charges.

## 5. Stop Payment of Cheques

Should the Client be permitted to give a stop payment instruction otherwise than on the Bank’s usual form used for such purpose, with respect to any cheque issued on the Bank Account, the Client hereby agrees to hold the Bank and BMO Nesbitt Burns harmless for the amount of each such cheque, as well as for all expenses and costs incurred by the Bank and BMO Nesbitt Burns through refusal to pay the cheque. The Client also agrees that the Bank shall be under no obligation to inquire as to any discrepancy between particulars provided by the Client respecting the cheque and any particulars of any cheque presented for payment, and the Client hereby waives and holds the Bank and BMO Nesbitt Burns harmless from any claim relating to any such discrepancy. The Client hereby further waives and holds the Bank and BMO Nesbitt Burns harmless from any claim relating to payment of any cheque contrary to any such stop payment instruction, unless such payment is made by reason of wilful misconduct or gross negligence on the part of the Bank.

## 6. Debits to Bank Account by BMO Nesbitt Burns

BMO Nesbitt Burns may, in its sole discretion, instruct the Bank at any time and from time to time to debit the Bank Account to reimburse BMO Nesbitt Burns for any amounts owed by the Client to BMO Nesbitt Burns from time to time, including, without limitation, advances made by BMO Nesbitt Burns to, or payments made by BMO Nesbitt Burns on behalf of, the Client, all commissions and transaction charges, and for all fees and charges referred to in Section 9. The amount of such debit shall forthwith be transferred by the Bank to BMO Nesbitt Burns and shall be used by BMO Nesbitt Burns to reimburse itself. The Client hereby agrees to and authorizes any debits and transfers made by BMO Nesbitt Burns and/or the Bank pursuant to this Agreement including any debits and transfers undertaken pursuant to Section 4, pursuant to this Section 6, and irrevocably appoints BMO Nesbitt Burns as the attorney of the Client to take all such action and to execute all such documents as may be necessary or advisable to effect any such debits and transfers.

## 7. BMO® Debit Card (Debit Card)

By accepting one or more BMO® Debit Card(s) from the Bank, through use or retention, the Client agrees to assume responsibility for such Debit Card(s) in the manner set forth in the Electronic Banking Services Agreement and agrees to use its Debit Card(s) in accordance with the terms and conditions of the Electronic Banking Services Agreement, as amended or replaced from time to time.

## Part C – General

### 8. Joint Account

a. If more than one person acting in the capacity of Client executes the Client Application, then each of the Bank Account and the Securities Account shall be a joint account and shall be subject to the terms of this Section 8. In such event, each Client jointly and

severally agrees with the Bank and BMO Nesbitt Burns and with each other that all monies and Securities from time to time deposited to the Bank Account or the Securities Account, interest accruing thereon and dividends and other distributions made in respect thereof, may, subject to the terms of this Agreement, be withdrawn by any Client or the Client’s attorney or agent and each Client hereby irrevocably authorizes the Bank or BMO Nesbitt Burns, as the case may be, to accept from time to time as a sufficient acquittance for any amounts or Securities or other property withdrawn from the Bank Account or the Securities Account, any receipt, cheque or other Instrument signed by any one or more of the Clients, or the attorney or agent of such Client or Clients, without any further signature or consent of any other Client. BMO Nesbitt Burns and the Bank may act upon any instructions or actions of the Clients acting individually or collectively, without instituting any further investigations into the propriety of such instructions or actions or the authority of the Client or Clients to give such instructions or to take such actions. Any Client acting alone shall have full power and authority to consent to amendments to, or to modify or waive any of the terms or provisions of, this Agreement relating to the Account.

- b. Each Client shall have full power and authority, acting individually or collectively, without notice to any other Client, as if such Client were the only person interested in the Account, to operate the Securities Account and the Bank Account on behalf of the other Clients, including the authorization and execution of Transactions for the Securities in the Securities Account.
- c. The Bank is hereby authorized to credit the Bank Account with (i) all monies paid to the Bank at the branch of account or at any other branch of the Bank, for the credit of any one or more of the Clients and (ii) the proceeds of any orders or promises for the payment of money, of bonds, debentures, coupons, or other Securities, signed by or drawn by or payable to or the property of, or received by the Bank at the branch of account or at any other branch of the Bank for the credit of any one or more of the Clients and to endorse any of such Instruments on behalf of any one or more of the Clients and the Bank is relieved from all liability for so doing.
- d. Each Client shall be jointly and severally liable to BMO Nesbitt Burns with respect to all Obligations to BMO Nesbitt Burns of the Client and shall be jointly and severally liable to the Bank in respect of all Indebtedness to the Bank
- e. The death of one or more of the Clients shall in no way affect the right of the survivors, or any one of them, to withdraw all monies, Securities or other property deposited in the Bank Account or the Securities Account. (The provisions set forth at this item (e) are not applicable to Accounts governed by the laws of the Province of Quebec).
- f. If any term or provision of this Section 8 is inconsistent with or in conflict with the terms or provisions of any other agreement between the Clients and BMO Nesbitt Burns, including any Joint Account Agreement, the provisions of this Section 8 shall supersede such other terms and provisions except that this Section 8 shall in no way limit or restrict any other rights which BMO Nesbitt Burns may have under any other agreement or agreements with any of the Clients.

- g. In the Province of Quebec, references to “jointly and severally” shall mean “solidarily”.

## 9. Fees and Charges

The Client shall pay all amounts owing, including interest, to BMO Nesbitt Burns or the Bank with respect to the Account, including without limitation, account administration charges, transaction charges, service charges, safekeeping fees, registration charges and legal fees and disbursements with respect to the exercise by BMO Nesbitt Burns or the Bank of any right or remedy hereunder, and any taxes payable by the Client arising in connection with any of the foregoing. The Bank or BMO Nesbitt Burns may debit the Bank Account with any such amounts owing in accordance with Section 6 hereof (including through accessing the margin account in accordance with Section 4 hereof). We may charge you for and debit your account for any costs we incur in order to comply with any request issued under a statutory or court authority for information or documents respecting your account.

## 10. Account Statements

Subject to Subsection 4(n), every confirmation, statement or other communication sent by BMO Nesbitt Burns or the Bank to the Client shall be deemed to have been acknowledged as correct, approved and consented to by the Client unless BMO Nesbitt Burns and the Bank shall have received written notice to the contrary within fifteen days after it is sent to the Client.

## 11. Exchange of Personal Information

The Client acknowledges and agrees that by signing this Agreement, the Client has received notice in writing that the Bank and BMO Nesbitt Burns may obtain, provide, or exchange personal or credit information about the Client with each other, as BMO Nesbitt Burns or the Bank may, from time to time, require including, without limitation, information obtained from (i) any credit reporting agency, personal information agent (in Quebec) and any other credit grantor or (ii) from any employer of the Client or any other person, in order to process any request of the Client for financial products and services and to provide any services which the Client so requests.

## 12. Notices to Client

Any notice or communication to the Client may be given by prepaid mail, telegraph, facsimile transmission or telex to any address of record of the Client with BMO Nesbitt Burns or the Bank or may be delivered personally (including commercial courier) to any such address of record, and shall be deemed to have been received, if mailed, on the third business day after mailing or, if sent by telegraph, facsimile transmission, or telex, on the day sent, or if delivered, when delivered. If there is more than one Client, notice may be given to any one or more of them and any notice so given shall bind all of the Clients. Nothing in this Section 12 shall be interpreted as requiring BMO Nesbitt Burns or the Bank to give any notice to the Client which is not otherwise required to be given.

## 13. Capacity (Quebec only)

The Client, if a married woman, represents that she is not a “married woman not separate as to property” under the laws of the Province of Quebec (if she is, her husband must also sign this Agreement).

## 14. Interpretation

The headings used in this Agreement are for convenience of reference only and shall not in any way affect its interpretation. Unless the context otherwise requires, in this Agreement words in the singular include the plural and vice versa and words in one gender include all genders. The interpretation of Part A, or Part C of this Agreement shall not be affected by any term or provision of Part B of this Agreement which permits the Bank to make amendments to the conditions of operation of the Bank Account.

## 15. Other Agreements

This Agreement shall be construed in conjunction with any other agreements which may exist between BMO Nesbitt Burns and/or the Bank and the Client in connection with the Securities Account, including without limitation, the BMO Nesbitt Burns Client Account Agreement, provided that in the event of any conflict or inconsistency between this Agreement and any such other agreement, to the extent necessary, the terms and provisions of this Agreement shall supersede the terms and provisions of such other agreement, whether or not referred to herein. Subject to the foregoing, the provisions of this Agreement shall in no way limit or restrict any other rights which BMO Nesbitt Burns or the Bank may have under any other agreement or agreements with the Client. Except as otherwise provided herein, none of the terms and conditions of this Agreement may be waived or changed without agreement in writing signed by the Client, BMO Nesbitt Burns and the Bank. If any Applicable Rules and Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of this Agreement is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or condition will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules and Regulations. Any term or condition of this Agreement that, notwithstanding any such variation, is invalid shall not invalidate the remaining terms.

## 16. Further Assurances

The Client shall do all acts or things and shall execute and deliver all documents or instruments as are necessary or desirable to give effect to the provisions of this Agreement, including, without limitation, to give effect to all Transactions for the Securities Account executed by BMO Nesbitt Burns pursuant to this Agreement and to permit BMO Nesbitt Burns to debit the Bank Account as provided for in this Agreement.

## 17. Severability

In the event any term or provision of this Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

## 18. Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding upon BMO Nesbitt Burns, the Client and the Bank, and their respective heirs, executors, liquidators, receivers, administrators, legal personal representatives, successors and permitted assigns, as the case may be. This Agreement and the rights and obligations of the Client hereunder are not assignable by the Client but may be assigned by BMO Nesbitt Burns or the Bank to any affiliate of either of them upon prior notice to the Client and to any regulatory authority having jurisdiction with respect to such assignment.

## 19. Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the jurisdiction in which the BMO Nesbitt Burns branch is located where the Securities Account is maintained.

## 20. Termination

Either of the Bank or BMO Nesbitt Burns may terminate this Agreement at any time with or without notice to the Client and the Client may terminate this Agreement at any time by written notice to BMO Nesbitt Burns and the Bank. In such event this Agreement shall terminate provided that the rights and obligations of each party hereto accrued as at the time of termination shall continue in full force and effect.

## 21. BMO Nesbitt Burns

If the Securities Account is maintained at an office of BMO Nesbitt Burns located in the Province of Quebec, the BMO Nesbitt Burns party to this Agreement shall be BMO Nesbitt Burns Ltée/Ltd. In all other cases, the BMO Nesbitt Burns party to this Agreement shall be BMO Nesbitt Burns Inc.

## 22. Death of Client

On the death of the Client, subject to the provisions of Section 8 hereof, the Bank and BMO Nesbitt Burns will remit or transfer any Securities or monies in the Securities Account and any monies in the Bank Account to the deceased's legal representative, upon production of the appropriate legal documentation.

## 23. Language

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

BMO Private Wealth is the brand name for a business group consisting of Bank of Montreal and certain of its affiliates, including BMO Nesbitt Burns Inc., in providing wealth management products and services. "BMO(M-bar roundel symbol)" and "Instabank" are registered trademarks of Bank of Montreal, used under licence. ® Bank of Montreal is a licensed user of the MasterCard trademarks owned by MasterCard International Inc., and the Interac trademark owned by Interac Inc. and Cirrus trademark owned by the Cirrus System Inc. ® Bank of Montreal is a licensed user of the Maestro trademark owned by Maestro International Incorporated. "Nesbitt Burns" is a registered trademark of BMO Nesbitt Burns Inc., used under licence. ™/® Trademarks/registered trademarks of Bank of Montreal, used under licence. Net equity in the securities and cash in BMO Nesbitt Burns investment account are protected by the Canadian Investor Protection Fund within specified limits and that information about the limits and nature of coverage will be made available to me/us on request. Deposits in Canadian dollar and U.S. dollar in the BMO Bank of Montreal bank account are insured under the Canada Deposit Insurance Corporation Act. Brochures describing the types and limits of coverage are available at your request. BMO Nesbitt Burns Inc. is a wholly owned subsidiary of Bank of Montreal.

BMO Nesbitt Burns Inc. is a Member – Canadian Investor Protection Fund. Member of the Canadian Investment Regulatory Organization.

## Part Four: BMO Nesbitt Burns™ Preferred Plus Account Agreement (For Non-Individuals)

### Part A – Terms And Conditions Applicable Primarily to the Securities Account

#### 1. Client Account Agreement

The Client acknowledges that it has received, reviewed, executed and delivered to BMO Nesbitt Burns, the BMO Nesbitt Burns' Client Account Agreement.

The margin account is subject to the terms of the BMO Nesbitt Burns Client Account agreement and this BMO Nesbitt Burns Preferred Plus Account Agreement (the "Agreement").

#### 2. Margin

BMO Nesbitt Burns determines at any given time and in its absolute discretion in accordance with its customary practices how much money the Client may borrow to buy securities (the "available margin") and how much cash and other marginable securities the Client must keep in the margin account to keep it in good standing.

### Part B – Definitions, Security And Remedies

#### 3. Definitions

For the purposes of this Agreement the following terms shall have the meanings set out below:

- a. "Applicable Rules and Regulations" means the constitutions, by-laws, rules, rulings, regulations, customs and usages of the exchanges or markets and their clearing houses on which any Securities Transactions are undertaken and all laws, regulations and orders of any applicable governmental or regulatory authorities;
- b. "Bill Issuer" means those entities or individuals whose bills the Client indicates it would like to pay through the bill payment feature of any of the Services that the Bank has registered to be an entity or individual which participates in the bill payment service;
- c. "Bill Issuer Account Information" means the information for each Bill Issuer to whom the Client wishes to make an electronic payment through the Bank's systems including, without limitation, the Bill Issuer's name and the billing account number;
- d. "Bill Payment Account" means any Account (s) linked to the Card authorized to make bill payments (i) at any branch, by way of a customer service representative; (ii) through Telephone Banking, Online Banking; OR (iii) by way of a Terminal;
- e. "Card" means the BMO Debit Card for Business card (s) provided to the Client, if applicable, by us or any other card that we permit the Client to use;
- f. "Card Number" means the sixteen (16) digit number on the Card;
- g. "Card Service" means the banking services described in Section 18 of this Agreement and offered by the Bank to the Client, if applicable, as amended or replaced by the Bank from time to time,

except the Card Service does not include the Telephone Banking/Online Banking;

- h. "Cardholder" means any person authorized by the Client to use a Card and any other service, if applicable;
- i. "Reference Number" means the number that is provided by the Bank to the Cardholder at the time the Cardholder makes a bill payment by way of the Telephone Banking/Online Banking;
- j. "Instrument" means any bill of exchange, promissory note, cheque, draft, payment instruction, banker's acceptance, order for payment of money (including any wire transfer or electronic payment or transfer), security, coupon, note, clearing item or other item, whether a negotiable or non-negotiable instrument, or contract for letter of credit or foreign exchange;
- k. "Obligations to BMO Nesbitt Burns" means all present and future, direct and indirect indebtedness, liability and obligations of the Client to BMO Nesbitt Burns for any reason whatsoever, including without limitation: the Indebtedness to BMO Nesbitt Burns; any amount which BMO Nesbitt Burns in its absolute discretion may pay to a third party on behalf of the Client to settle a purchase of Securities by the Client; all commissions, transaction charges, fees and other charges and taxes payable by the Client hereunder; and any other obligations of the Client to BMO Nesbitt Burns in connection with the Account or otherwise;
- l. "Online Banking" means, if applicable, online and mobile banking services offered by the Bank and includes (i) instructions given through the use of a computer connected via private communications networks or public networks such as the Internet, or via wireless communications networks or similar networks or devices when available, and (ii) instructions given through the use of a mobile device;
- m. "Secret ID Code" means a personal identification number (PIN), password or other identification code (whether provided to the Client or Client's Cardholder by the Bank or selected by the Client or the Client's Cardholder), which is required to access Telephone Banking/Online Banking, the Card Service and certain other services as the Bank may determine and which may be used together with the Card (or other mutually agreed upon form of identification), as the context requires;
- n. "Prime Rate" means (i) in respect of obligations of the Client to either BMO Nesbitt Burns or the Bank which are denominated in Canadian dollars, the reference rates of interest per annum established by the Bank from time to time for Canadian dollar loans to borrowers and designated as its Prime Rate for such loans, and (ii) in respect of obligations of the Client to either BMO Nesbitt Burns or the Bank which are denominated in US dollars, the reference rates of interest per annum established by the Bank from time to time for US dollar loans to borrowers and designated as its Prime Rate for such loans;

- o. "Service" means the Card Service or the Telephone Banking/Online Banking, (as applicable) or any other access channel the Bank may make available, as the context requires, and Services refers to all of them;
  - p. "Telephone Banking" means the telephone banking service offered by the Bank as outlined in Section 7 of this Agreement, and includes instructions given verbally over the telephone or through the use of an interactive voice response system (such as pressing the number buttons on a touch tone phone); as it may be amended by the Bank from time to time;
  - q. "Terminal" means the Bank's ATM machines and other automated banking machines approved by the Bank which a Cardholder may use to access an Account by means of a Card, if applicable;
  - r. "Transaction" means any debit or credit to the Account, including but not limited to any deposit to, or withdrawal, transfer or payment by cheque or any other form (including tax payment/remittance) from the Account and any other transaction permitted by the Bank with the Account. Transactions also include applications for investments or credit through the Bank, loan advances, loan repayments, order for travellers cheques, money orders, drafts, foreign currency, large currency denominations, wire transfers and such other information, transactions or service that the Bank may make available. Transactions also include any other instruction in respect of the Account, including the entering into of agreements on the Client's behalf such as the Online & Mobile Banking Service for Business Agreement and the Tax Payment and Filing Agreement, conducted through the Card Service or Telephone Banking/Online Banking, as applicable.
- a. The Client authorizes and directs the Bank to transfer any credit balance in the Bank Account to the margin account at the end of each business day.
  - b. No interest will be paid on any credit balance in the Bank Account.
  - c. Cheques may be issued on the Bank Account. Any requests by or on behalf of the Client to certify such cheques may not be accepted by the Bank but the Bank will offer an alternative remittance instrument (such as a draft) in such cases.
  - d. Withdrawals may be made by the Client at any branch of the Bank by a request in writing accompanied by the Client's Card, if applicable. The Bank reserves the right to refuse any withdrawal request when not accompanied by the Client's Card, if applicable. In the event the Client does not have a Card, appropriate identification must accompany a request in writing in order to make a withdrawal pursuant to Section 3(d).
  - e. Each cheque issued on, and each withdrawal or purchase from, the Bank Account will create a debit balance in that account. Each day, the maximum debit balance the Bank will permit is the total of:
    - the free cash balance in the margin account (as BMO Nesbitt Burns determines), and
    - the available margin in the margin account (as BMO Nesbitt Burns determines).

If there isn't enough cash or available margin in the margin account to cover the cheque, withdrawal or purchase, the Bank may not honour one or more of the Client's cheques, withdrawals or purchases.

## **Part C – Terms And Conditions Applicable Primarily to the Bank Account**

### **4. General Terms**

- a. The Bank Account shall be governed by this Agreement including the general conditions of operation set forth in Section 3 of this Agreement.
  - b. The Bank may debit the Bank Account with amounts credited to the Bank Account for which the Bank is not otherwise reimbursed.
  - c. The Bank may credit the Bank Account with any direct credit and shall not be responsible for (i) the kind or amount of such credit (ii) any delay in or failure to make such credit or (iii) the delivery (timely or otherwise) of any notice of change of a direct deposit instruction to any payer under the same.
  - d. When cheques are deposited, sufficient time must be allowed for the Bank to ensure that they are cleared before the amounts are withdrawn.
  - e. The Client acknowledges and agrees that the conditions of operation of the Bank Account as set forth in Section 12 of this Agreement may be amended by the Bank from time to time and the Client agrees to be bound by such changes.
- f. You authorize BMO Nesbitt Burns to transfer money from the margin account at the end of each business day to cover the debit balance in the Bank Account so that the Bank Account balance is \$0. BMO Nesbitt Burns will do this in the following order:
    - first, from the free cash balance in the margin account,
    - next, from the available margin in the margin account

Any amount BMO Nesbitt Burns draws from the available margin in the margin account will be treated as a loan from BMO Nesbitt Burns to the Client.
  - g. The Bank may request seven days notice of any withdrawal.
  - h. The Client may use the Bank Account for investment purposes only and shall not use the Bank Account for any business operating transactions or any other purpose. It is understood that the Bank may, but shall not be under any obligation to, monitor the Client's compliance with this provision.
  - i. The Client waives in favour of the Bank presentment, notice of dishonour and protest of all bills of exchange, promissory notes, cheques, orders for payment of money, securities, coupons or notes (all or any of which are hereinafter collectively or separately referred to as "Instruments" or an "Instrument" as the case may be) drawn, made, initiated, accepted or endorsed by the Client and now or hereafter delivered to the Bank at any of its branches or agencies for any purpose. The Client shall remain liable to the Bank as if presentment, notice of dishonour and protest had been duly made or given, provided that the Bank may note or protest

### **5. Conditions of Operation**

The operation of the Bank Account shall be subject to the following terms and conditions:



- any Instrument because of any endorsement other than that of the Client or for any other reason if the Bank, in its discretion, considers it in the best interest of the Client or the Bank. The Bank will not, in any circumstances, be responsible or liable for failure or omission to note or protest any Instrument.
- j. The Bank may use the services of any bank or agent as it may deem advisable in connection with any banking business of the Client. Such bank or agent is deemed to be the agent of the Client, and the Bank will not, in any circumstances, be responsible or liable to the Client by reason of any act or omission of such bank or agent, however caused, in the performance of such service or by reason of the loss, theft, destruction or delayed delivery of any Instrument while in transit to or from, or in the possession of such bank or agent.
- k. The Bank is authorized to charge the Bank Account of the Client with the following:
- i. the amount of any Instrument payable by the Client at any branch or agency of the Bank;
  - ii. the amount of any Instrument cashed or negotiated by the Bank for the Client or credited to the Bank Account (whether by means of deposits made by the Client or by payments received for the Client through electronic or other means) for which payment is not received by the Bank for any reason (whether or not such Instruments were drawn on other accounts with the Bank) and with the amount of any other indebtedness or liability of the Client to the Bank and with any expenses incurred by the Bank in connection with paying a dishonoured or unpaid Instrument. Notwithstanding such charging, all rights and remedies of the Bank against all parties are preserved. No charging of unpaid Instruments shall be deemed to be payment of such Instruments;
  - iii. the amount of any Instrument received by the Bank for the Bank Account of the Client by way of deposit, discount, collection or otherwise if it is lost or stolen or otherwise disappears by any cause whatsoever other than negligence on the part of the Bank;
  - iv. any reasonable service charge for operation of the Bank Account; and
  - v. all amounts collectible by the Bank as taxes on the supply, sale or other provision of its products or services.
- l. The Client will draw encoded cheques only on the account for which the cheques are encoded. The Bank will not be liable in any circumstances for any loss or damage arising from the wrongful acceptance of a cheque, or wrongful refusal by the Bank to honour a cheque, drawn by the Client on an account other than the account for which the cheque is encoded.
- m. The Client agrees to indemnify and save harmless the Bank from all costs, expenses, damages, claims and actions directly or indirectly incurred or suffered by the Bank including the claims of any third party or other Bank customers, for non-payment of any Instrument in accordance with instructions provided by the Client, including, without limitation, legal costs and expenses incurred by the Bank through its refusal to pay such Instruments. The Bank is not responsible for confirming the accuracy of any information provided by the Client, and is not responsible for any discrepancies between cheque numbers, serial numbers, amounts, payee names and other information provided. The Bank is not able to stop payment on any Instrument which has already been presented for payment to the Bank or which has been certified by the Bank and the Bank is not able to reverse any previously-requested stop payment if the Instrument has already been dishonoured. The records of the Bank respecting the time of presentment, payment or dishonour shall be conclusive evidence of same in the absence of evidence to the contrary.
- n. The Client will not receive a statement of account for the Bank Account from the Bank. All Bank Account activity will appear on the statement of the margin account.
- o. Upon receipt of the aforesaid statement of account referenced in paragraph (l) of this Section 3, the Client will check the debit and credit entries and notify the Bank in writing of any errors, irregularities or omissions. This notice will be provided to the Bank within 30 days of the mailing of the statement to the Client or if not mailed, within 30 days of the delivery of the statement to the Client or access to the statement being made available to the Client. At the expiration of the 30 day period (except as to any alleged errors, irregularities or omissions outlined in the said notice) it shall be deemed to be conclusively settled between the Bank and the Client that (subject to the right of the Bank either during or after the 30 day period to charge back items for which payment has not been received):
- i. all transactions described in the statement are properly reflected;
  - ii. the statement and the balance shown thereon are correct;
  - iii. all debits and credits are properly charged to the Client's account; and
  - iv. the Client is not entitled to be credited with any sum not credited in the statement.
- In addition, it shall be conclusively settled as between the Bank and the Client that the Bank is not liable for any loss or claim arising from the breach by the Client or any third party of any fiduciary duty or trust in respect of the sums or dealings noted in the said statements. The Client agrees to notify the Bank in writing of any unauthorized or forged endorsement on any Instrument immediately upon becoming aware of same.
- p. The Client agrees to maintain procedures and controls to detect and prevent thefts of Instruments or losses due to fraud or forgery involving Instruments. The Client further agrees that BMO Nesbitt Burns and the Bank shall have no responsibility or liability whatsoever for any loss due to a forged or unauthorized signature unless: (i) the forged or unauthorized signature was made by a person who was at no time the Client's agent or employee; (ii) the loss was unavoidable despite the Client having taken all feasible steps to prevent loss arising from forgery or unauthorized signatures; (iii) the loss was unavoidable despite the Client having in place the procedures and controls to supervise and monitor the agents and employees of the Client; and (iv) the loss was caused solely by the negligence or wilful misconduct of the Bank or BMO Nesbitt Burns as the case may be. The Client will diligently

supervise and monitor the conduct and work of any agent or employee having any role in the preparation of the Client's Instruments and in the Client's bank statement reconciliation or other banking functions.

- q. If there should be insufficient funds in the Bank Account to pay an Instrument or to pay any charges which the Bank is authorized to charge under the above terms and conditions, then the expression "Bank Account" shall mean any other account which the Client may have at any branch or agency of the Bank and the Bank is authorized to charge such account with the amount of such Instrument or charges.
- r. The Bank may at any time, without notice to you, close any Account, or freeze or hold the funds in any Account, at their sole discretion, including, without limitation, for reasons of actual or suspected fraud, illegality, inaction on the Account or breach by the Client's obligations under any agreement between the Bank and the Client.

## 6. Stop Payment of Cheques

Should the Client be permitted to give a stop payment instruction otherwise than on the Bank's usual form used for such purpose, with respect to any cheque issued on the Bank Account, the Client hereby agrees to hold the Bank and BMO Nesbitt Burns harmless for the amount of each such cheque, as well as for all expenses, damages, claims and costs incurred by the Bank and BMO Nesbitt Burns, including claims of any third party or other Bank customers through refusal to pay the cheque. The Client also agrees that the Bank shall be under no obligation to inquire as to any discrepancy between particulars provided by the Client respecting the cheque and any particulars of any cheque presented for payment, and the Client hereby waives and holds the Bank and BMO Nesbitt Burns harmless from any claim relating to any such discrepancy. The Client hereby further waives and holds the Bank and BMO Nesbitt Burns harmless from any claim relating to payment of any cheque contrary to any such stop payment instruction, unless such payment is made by reason of wilful misconduct or gross negligence on the part of the Bank. The Bank shall not be responsible for confirming the accuracy of any information provided by the Client.

## 7. Debits to Bank Account by BMO Nesbitt Burns

BMO Nesbitt Burns may, in its sole discretion, instruct the Bank at any time and from time to time to debit the Bank Account to reimburse BMO Nesbitt Burns for any amounts owed by the Client to BMO Nesbitt Burns from time to time, including, without limitation, advances made by BMO Nesbitt Burns to, or payments made by BMO Nesbitt Burns on behalf of, the Client, all commissions and transaction charges, and for all fees and charges referred to in Section 8. The amount of such debit shall forthwith be transferred by the Bank to BMO Nesbitt Burns and shall be used by BMO Nesbitt Burns to reimburse itself. The Client hereby agrees to and authorizes any debits and transfers made by BMO Nesbitt Burns and/or the Bank pursuant to this Agreement including any debits and transfers undertaken pursuant to this Section 5 and irrevocably appoints BMO Nesbitt Burns as the attorney of the Client to take all such action and to execute all such documents as may be necessary or advisable to effect any such debits.

## 8. Debit Card

### a. Debit Card

If applicable, by accepting one or more Debit Cards (in this Section called the "Card(s)"), through use or retention, from the Bank, the Client agrees to assume responsibility in accordance with the terms and conditions contained in this Section. For the purposes of the Card and the Card Services, the term "BMO® Debit Card for Business and Telephone Banking/Online Banking Agreement" shall mean the collective provisions of this Section.

The Client authorizes its signing of officers, where the Client is a sole proprietorship, partnership or association, or its authorized signing of officers, where the Client is a corporation (each, a "Cardholder") to use the Card on its behalf. The Client agrees to accept responsibility for the accuracy and adequacy of all activity on the Service, including the designation of Accounts linked to the Card and the Services. The Client authorizes the Bank to accept and the Client agrees to be responsible for all instructions given by its Cardholders, and by its Representatives using the Telephone Banking/Online Banking with the Card Number and a Secret ID Code, as the case may be, or, if applicable, other forms of identification if the Client does not have a Card. The Client agrees that it shall be legally bound for all such Transactions and instructions as if such instructions has been given in writing.

### b. Agreement to Prevail

If applicable, this Agreement replaces any previous agreement between the Bank and the Client with respect to the use of the Card(s). The Client acknowledges receipt of the Card(s) and understands and agrees to the terms and conditions for the use of the Card(s) as set out herein. The Client and the Bank acknowledge that their relationships may also be governed by operation of account agreements and other agreements in force between the Client and the Bank, from time to time. Nothing in this Section shall be deemed to supersede, amend, repeal or otherwise modify any rights or obligations under any such agreements, except as specified herein. If there is a conflict between this Section and any other agreement in force between the Client and the Bank, the terms of this Section shall prevail. The Client will designate in writing to the Bank, the Cardholders. Any amendment to the designation of such authorized individuals shall be effective only upon receipt by the Bank of written notice from the Client. Although the Account will be linked to the Card(s), the Account is not eligible to be a plan account for any other composite banking service plan. Notwithstanding anything contained in any other agreement between the Client and the Bank, the Client agrees to be responsible for any breach of the provisions of this Section by the Client or by persons holding Card(s) and all damages arising there from, and the Client shall be liable and shall indemnify the Bank for any use, whether authorized or unauthorized, of any such Card(s).

### c. Telephone Banking/Online Banking

If applicable, the Client hereby requests the BMO Debit Card for Business and Telephone Banking/Online Banking known as the Telephone Banking/Online Banking (which service may be offered under other names from time to time). The Client agrees to the

terms and conditions contained in this Section with respect to Telephone Banking/Online Banking. Only a Representative, being those persons who have signed the Client application that is executed in connection with this Agreement on behalf of the Client, shall be authorized to access Telephone Banking/Online Banking on the Client's behalf. Each such Representative may access all services which the Bank may make available from time to time under Telephone Banking/ Online Banking. Notwithstanding anything contained in any other agreement between the Client and the Bank, the Client agrees to be responsible for any breach of the provisions of this Section by the Client or by persons designated by the Client as authorized individuals herein and all damages arising there from.

d. Customer Responsibility

Authorized Transactions

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

Unauthorized Transactions

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

The Client may be liable for all losses from unauthorized use of the Card if they:

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

In those cases, the Bank liability may exceed the Client's Account balance or any daily transaction limits.

In all instances the Client will not be liable for losses that occur after having notified the Bank:

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

The Client will cooperate and assist in any investigation that the Bank initiates into unauthorized use the Client reports as a precondition to being reimbursed for any losses. This cooperation may including a report with law enforcement authorities.

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

e. Confidentiality of Card Number and Secret ID Code

If applicable, the Client acknowledges that the Card Number and Secret ID Code are required to undertake all Transactions conducted at a Terminal, and the Card Number and Secret ID Code are required to access and utilize Telephone Banking/Online Banking. The Client agrees, and undertakes to cause each Cardholder and each Representative, as the case may be:

- i. to select Secret ID Codes which are not based on easily-discoverable numeric information about the Cardholder or representative, their family members or the Client's business;
- ii. in respect of a particular Card, to select a Secret ID Code for Telephone Banking/Online Banking that differs from the Secret ID Code used at Terminals and point-of-sale/debit card terminals;
- iii. to keep each Secret ID Code and Card Number confidential to the Cardholder and/or Representative, as applicable (except, in the case of the Card Number and Password, when required to identify the Client and the Representative to a Bank customer service representative);
- iv. not to keep any record of a Secret ID Code in close proximity to, or with, any Card;
- v. to change a Secret ID Code as soon as possible after learning or suspecting that its secrecy has been compromised in any way; and
- vi. to co-operate in a reasonable manner with the Bank in the event of any investigation into the possible misuse or unauthorized use of a Card.

f. Lost or Stolen Card

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

g. Deposits at the Terminals

If applicable, the Client shall not include and shall cause its Cardholders not to include any coinage in its deposit or to deposit any oversized packages. An oversized package is a deposit that exceeds 12.7mm or 1/2 inch in thickness or an envelope limitation of no more than 50 notes. The Client shall be liable for any damage or resulting loss caused by a deposit of coinage, or an oversized package or any other improper use of the Terminal. The Client agrees that the Bank shall not be responsible for the cash, cheques or other items enclosed in an envelope placed on behalf of the Client in a Terminal until such envelope has been opened by the Bank's authorized employees or agents and the contents verified

and deposited in the Client's Account. Any person(s) authorized by the Bank are authorized to open the envelopes placed on the Client's behalf in a Terminal and to deposit the cash, cheques and other items the Bank deems acceptable for deposit to the credit of the Client's Account.

h. Processing, Verification and Acceptance of Instructions

If applicable, the Bank may take up to five (5) days to verify any deposits made with a Card to the account, including any transfer between Account(s), before the client can withdraw the amount deposited, or process bill payments.

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

i. Limits or Amendments

If applicable, the Client agrees that the Bank may, from time to time, and without notice to the Client:

- i. establish or change dollar and/or other limits on the use of the Cards or the Services; or
- ii. change the terms and conditions of this section 7.

j. Bill Payment

If applicable, the Client will make bill payments only from your Bill Payment Account(s). Each time the Client makes a bill payment through Telephone Banking/Online Banking, they will receive a Reference Number from the Bank and the Client will retain the Reference Number in their records, as their confirmation that the Bank has received their payment instructions. Bill payments and transfers, including without limitation, tax payments/remittances and post-dated bill payments and transfers, may not be completed if there are insufficient funds in the Client's Account. Bill payments made through a Terminal or through Telephone Banking/Online Banking will be reflected on the relevant Bill Issuer's records as of the date of payment. Some Bill Issuers may take up to 2 business days to reflect the payment in their records. The Client agrees that, if they have a dispute with a Bill Issuer concerning its failure to give credit for a bill payment, or the imposition of any additional charges such as late payment fees or interest penalties, the Client will settle such dispute directly with the Bill Issuer. The Client is solely responsible for ensuring that the Bank has accurate and complete information for each Bill Issuer to whom the Client wishes to make an electronic payment through the Bank's systems including, without limitation, the Bill Issuer Account Information. Furthermore, the Client authorizes and consent to the Bank exchanging Bill Issuer Account Information with the Bill Issuer (including, without limitation, employees and agents of the Bill Issuer) for the purposes of updating the Client's Bill Issuer Account Information to ensure that information in the Bank's records concerning the Client's account with the Bill Issuer is accurate and up-to-date.

The Client agrees that:

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

k. Return of Card; Card Non-Transferable

If applicable, Cards are not transferable and remain the property of the Bank and, as such, may be cancelled and the privileges associated with them revoked by the Bank at any time without prior notice to the Client, Cardholder(s) or Representative(s). Cards shall be surrendered to the Bank upon demand.

l. Dispute Resolution

If applicable, the Client and Cardholder will not hold the Bank responsible for the quality of any goods or services obtained from a third-party through use of the Card Service or Telephone Banking/Online Banking. The Client will settle all such issues directly with the merchant involved.

m. Foreign Currency Transactions

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

n. Fees

If applicable, if the Client has applied and registered for Telephone Banking/Online Banking, the Client agrees to pay the applicable fee set out in the Better Banking Guide for Business, a copy of which guide is available to the Client at any Bank branch. The Client agrees to pay the Cirrus®\* Worldwide CashAssist Service®\* fee, and/or Maestro®# fee, as stated in the Better Banking Guide for Business. The Banks reserves the right to assess charges for additional or replacement Cards.

o. Client's Liability

If applicable, the Client agrees to be responsible for any breach of this Section by it and its Cardholders and/or Representatives, and for any damages arising from such breach(es). However, the Client's liability for any unauthorized use of the Card, including its use through Telephone Banking/Online Banking, will be limited to \$50 unless the Client or its Cardholder(s) or Representative(s) has breached the provisions of Section 17(e) or 17(f) , or both, in which case the Client's liability is unlimited.

p. Bank's Liability

If applicable, the Bank shall not be liable to the Client or any third party by reason of loss, liability or claim (other than any loss, liability or claim caused by the Bank's gross negligence or wilful misconduct) arising out of:



- i. any act or omission of any service organization or agent;
- ii. any system failure, malfunctioning, delay or failure to provide the Service(s); or
- iii. errors resulting from incomplete or incorrect data received by the Bank.

In no event shall the Bank be liable for direct or indirect, special or consequential damages, including but not limited to, loss of profit or other economic loss in connection with, or arising out of, the Bank providing the Services to the Client.

q. **Online Banking Service for Business Agreement**

If applicable, the Client confirms and acknowledges that in order to have access to online banking services in respect of the Account, the Client will have reviewed an online version of the agreement known as the "Online Banking Service for Business Agreement" and the Client shall have agreed to be bound by the terms and conditions of same.

r. **Limitation of Liability**

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

## **Part D – General**

### **9. Fees and Charges**

The Client shall pay all amounts owing, including interest, to BMO Nesbitt Burns or the Bank with respect to the Account, including without limitation, account administration charges, transaction charges, service charges, safekeeping fees, registration charges and legal fees and disbursements with respect to the exercise by BMO Nesbitt Burns or the Bank of any right or remedy hereunder, and any taxes payable by the Client arising in connection with any of the foregoing. The Bank or BMO Nesbitt Burns may debit the Bank Account with any such amounts owing in accordance with Section 16 hereof.

### **10. Account Statements**

Subject to Subsection 12(l) and 12(m) every confirmation, statement or other communication sent by BMO Nesbitt Burns or the Bank to the Client shall be deemed to have been acknowledged as correct, approved and consented to by the Client unless BMO Nesbitt Burns and the Bank shall have received written notice to the contrary within 45 days after it is sent to the Client.

### **11. Exchange of Personal Information**

The Client acknowledges and agrees that by signing this Agreement, the Client has received notice in writing that the Bank and BMO Nesbitt Burns may obtain, provide, or exchange personal or credit information about the Client with each other, their subsidiaries and affiliates and as BMO Nesbitt Burns or the Bank may, from time to time, require including, without limitation, information obtained from (i) any credit reporting agency, personal information agent (in

Quebec) and any other credit grantor or (ii) from any employer of the Client or any other person, in order to process any request of the Client for financial products and services and to provide any services which the Client so requests, and in furtherance of any other relationship which the Client may pursue with the Bank or BMO Nesbitt Burns or any of their subsidiaries or affiliates from time to time.

The Client hereby consents to the disclosure at any time of any information about the Client to other financial institutions with whom the Client proposes to have financial dealings.

### **12. Notices to Client**

Any notice or communication to the Client may be given by prepaid mail, telegraph, facsimile transmission or telex to any address of record of the Client with BMO Nesbitt Burns or the Bank or may be delivered personally (including commercial courier) to any such address of record, and shall be deemed to have been received, if mailed, on the third business day after mailing or, if sent by telegraph, facsimile transmission, or telex, on the day sent, or if delivered, when delivered. If there is more than one Client, notice may be given to any one or more of them and any notice so given shall bind all of the Clients. Nothing in this Section 21 shall be interpreted as requiring BMO Nesbitt Burns or the Bank to give any notice to the Client which is not otherwise required to be given.

### **13. Interpretation**

The headings used in this Agreement are for convenience of reference only and shall not in any way affect its interpretation. Unless the context otherwise requires, in this Agreement words in the singular include the plural and vice-versa and words in one gender include all genders. The interpretation of Part A, Part B or Part D of this Agreement shall not be affected by any term or provision of Part C of this Agreement which permits the Bank to make amendments to the conditions of operation of the Bank Account.

### **14. Other Agreements**

This Agreement shall be construed in conjunction with any other agreements which may exist between BMO Nesbitt Burns and/or the Bank and the Client in connection with the Securities Account, including without limitation, the BMO Nesbitt Burns Client Account Agreement, provided that in the event of any conflict or inconsistency between this Agreement and any such other agreement, to the extent necessary, the terms and provisions of this Agreement shall supersede the terms and provisions of such other agreement, whether or not referred to herein. Subject to the foregoing, the provisions of this Agreement shall in no way limit or restrict any other rights which BMO Nesbitt Burns or the Bank may have under any other agreement or agreements with the Client. Except as otherwise provided herein, none of the terms and conditions of this Agreement may be waived or changed without agreement in writing signed by the Client, BMO Nesbitt Burns and the Bank. If any Applicable Rules and Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of this Agreement is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or condition will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules



and Regulations. Any term or condition of this Agreement which notwithstanding any such variation is invalid shall not invalidate the remaining terms.

### 15. Further Assurances

The Client shall do all acts or things and shall execute and deliver all documents or instruments as are necessary or desirable to give effect to the provisions of this Agreement, including, without limitation, to give effect to all Transactions for the Securities Account executed by BMO Nesbitt Burns pursuant to this Agreement and to permit BMO Nesbitt Burns to debit the Bank Account as provided in this Agreement.

### 16. Severability

In the event any term or provision of this Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

### 17. Successors and Assigns

This Agreement shall ensure to the benefit of and shall be binding upon BMO Nesbitt Burns, the Client and the Bank, and their respective liquidators, receivers, administrators, successors and permitted assigns, as the case may be. This Agreement and the rights and obligations of the Client hereunder are not assignable by the Client but may be assigned by BMO Nesbitt Burns or the Bank to any affiliate of either of them upon prior notice to the Client and to any regulatory authority having jurisdiction with respect to such assignment. If the Client is a partnership, this agreement shall remain in full force and effect (a) notwithstanding the admission of any additional partners to the partnership and notwithstanding any other change in the partnership and (b) after the death of any or all of the partners, until terminated by written notice signed by one or more of the partners and led with the Bank and with BMO Nesbitt Burns at the branch where the Account is maintained.

### 18. Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the jurisdiction in which the BMO Nesbitt Burns branch is located where the Securities Account is maintained.

### 19. Termination

Either of the Bank or BMO Nesbitt Burns may terminate this Agreement or terminate any service provided under this Agreement at any time with or without notice to the Client. The Client may terminate this Agreement at any time by written notice to BMO Nesbitt Burns and the Bank and may terminate the Telephone Banking/Online Banking Service provided under this Agreement upon thirty (30) days written notice to the Bank and BMO Nesbitt Burns in the prescribed form. In the event of termination of this Agreement, this Agreement shall terminate provided that the rights and obligations of each party hereto accrued as at the time of termination shall continue in full force and effect.

### 20. BMO Nesbitt Burns

If the Securities Account is maintained at an office of BMO Nesbitt Burns located in the Province of Quebec, the BMO Nesbitt Burns party to this Agreement shall be BMO Nesbitt Burns Ltée./Ltd. In all other cases, the BMO Nesbitt Burns party to this Agreement shall be BMO Nesbitt Burns Inc.

### 21. Language

The Client acknowledges receipt of the French version ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)) of this Agreement. It is the express wish of the parties, who hereby accept, that this Agreement and all related documents, notices and other communications between the parties be in English. Le client reconnaît avoir reçu la présente convention en français ([bmo.com/nb/conditions-generales](http://bmo.com/nb/conditions-generales)). Les parties aux présentes ont expressément exigé et acceptent que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

BMO Private Wealth is the brand name for a business group consisting of Bank of Montreal and certain of its affiliates, including BMO Nesbitt Burns Inc., in providing wealth management products and services. "BMO(M-bar roundel symbol)" and "Instabank" are registered trademarks of Bank of Montreal, used under licence. <sup>®</sup> Bank of Montreal is a licensed user of the MasterCard trademarks owned by MasterCard International Inc., and the Interac trademark owned by Interac Inc. and Cirrus trademark owned by the Cirrus System Inc. <sup>®</sup> Bank of Montreal is a licensed user of the Maestro trademark owned by Maestro International Incorporated. "Nesbitt Burns" is a registered trademark of BMO Nesbitt Burns Inc., used under licence. <sup>TM/®</sup> Trademarks/registered trademarks of Bank of Montreal, used under licence. Net equity in the securities and cash in BMO Nesbitt Burns investment account are protected by the Canadian Investor Protection Fund within specified limits and that information about the limits and nature of coverage will be made available to me/us on request. Deposits in Canadian dollar and U.S. dollar in the BMO Bank of Montreal bank account are insured under the Canada Deposit Insurance Corporation Act. Brochures describing the types and limits of coverage are available at your request. BMO Nesbitt Burns Inc. is a wholly owned subsidiary of Bank of Montreal.

BMO Nesbitt Burns Inc. is a Member – Canadian Investor Protection Fund. Member of the Canadian Investment Regulatory Organization.

# Fees, Interest Rates & Foreign Currency Schedule

At BMO Nesbitt Burns Inc., our goal is to provide clients with full disclosure with respect to the fees they pay and the interest and foreign currency charges that may be applicable to their account(s). This schedule outlines the range of charges you may incur, depending on the types of accounts you hold and the transactions that occur within these accounts.

## Fees

Any fees charged to your account(s) will be detailed on your client statements, trade confirmations or communicated to you directly by your BMO Nesbitt Burns Investment Advisor. Your Investment Advisor is always available to answer any additional questions you may have regarding the fees charged to your account(s).

### In general

- Fees are charged on a per account basis unless otherwise stated;
- Fees are subject to change;
- You will receive 60-days notice for any new Fees that are specific to certain products may be in addition to other account fees applicable to your account; and
- If, in our sole discretion, we determine that the number of transactions in a given account is excessive, an additional fee may apply.

### Minimum annual household fee

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, management fees, and certain other applicable fees, the difference will be calculated over the 12-month period ending September 30, and charged the following month.

### Account fees

- Account Administration
  - Registered Retirement Savings Plan ("RRSP")/Registered Retirement Income Fund ("RRIF"): *\$125 per year*
  - Registered Education Savings Plan ("RESP")/Tax-Free Savings Account ("TFSA"): *\$50 per year*
  - Locked-In Retirement Plan (Locked-In RRSP, LIRA, LIF, LRIF): *\$62.50 per year*
- Transfer-Out of a Non-Registered or Registered Account
  - Full and partial: *\$135 per account*
- Lending Fees for Borrowing Securities to Cover Short Sales
  - Minimum 0.5% of the market value of the borrowed stock

- The lending fee is based on market availability; it may vary significantly and is subject to change on a daily basis without notice. BMO Nesbitt Burns or parties related to us may earn revenue from borrowing or lending securities to cover short positions

You will be charged for any sales, use, goods and services, harmonized sales, value added, and transaction taxes which are incurred by, or that may be charged to, either you, BMO Nesbitt Burns or both (whether jointly or severally) by any governmental authority in any jurisdiction as a result of your transaction. GST/PST/HST where applicable will be added to the previously noted fees. Certain fees may not count toward the minimum annual household fee.

## Interest Rates

Interest charges on credit balances and debit balances in your account are subject to change without notice, may vary according to size of the balances and may be subject to minimums, as described more fully in the Client Account Agreement. Interest is not paid or charged if the amount accrued is less than \$5.00 per month.

BMO Nesbitt Burns or BMO Bank of Montreal may earn revenue from the use of credit balances.

## Foreign Currency Conversion

When a transaction requires the conversion of currency, BMO Nesbitt Burns will convert the currency at rates established or determined by BMO Nesbitt Burns or parties related to us. BMO Nesbitt Burns will act as principal for foreign currency conversions unless otherwise disclosed. Exchange rates are subject to change without notice and may vary according to the market, type of currency in which the trade is transacted, and the value of the gross amount of the trade (in U.S. dollars). In addition to the commission or other fees applicable to the transaction, BMO Nesbitt Burns (or parties related to us) may charge and collect Advisory Fees, which include revenue on the conversion of foreign currency as set out in the table below.

## Currency Conversion

Transaction Size (USD)	Revenue (%) <sup>1</sup>	Revenue Earned (bps) <sup>2</sup>
Less than \$25,000	1.00	135
\$25,000 – \$74,999	0.75	101
\$75,000 – \$499,999	0.35	47
\$500,000 – \$1,999,999	0.15	20
\$2,000,000 and above	No more than 0.15	No more than 20

<sup>1</sup> 'Revenue (%)' means the percentage value of revenue earned by BMO Nesbitt Burns, or parties related to us, on currency conversions.

<sup>2</sup> Revenue Earned (bps) is calculated relative to the exchange rate applied to a specific currency conversion. The figures provided above are for illustrative purposes only and are benchmarked to the 2023 Bank of Canada annual average exchange rate of 1.3497, rounded to the nearest tenth.

As BMO Nesbitt Burns offers Canadian and U.S. currency denominated registered accounts, excluding Registered Education Savings Plans, any non-U.S. foreign currency deposited into a registered account, including dividends, interest and proceeds from the sale of foreign securities, will be converted into Canadian funds or U.S. funds depending on the currency of the account in which the deposit is made.

Your BMO Nesbitt Burns Investor Advisor can answer any questions you have on fees and charges applicable to your account(s).

# Conflicts of Interest Statement

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## 1. Introduction and Scope

This document describes BMO Nesbitt Burns Inc.'s (**we, us or our**) Conflicts of Interest as required by applicable securities laws.

## 2. Identifying and Addressing Conflicts of Interest

A conflict of interest may arise where (i) our interests, including those of our Investment Advisors, and your interests as our client (**you or your**) may be inconsistent or different, or (ii) you may perceive us to be influenced to put our interests ahead of yours, or (iii) monetary or non-monetary benefits available to us, or potential negative consequences for us, may affect the trust you have in us.

We and our Investment Advisors address existing or reasonably foreseeable material conflicts of interest with you in your best interest. If a conflict cannot be so addressed, it is avoided.

When addressing material conflicts of interest, our Investment Advisors' conduct and business activities are expected to follow our Code of Conduct (**Code**) and regulatory requirements as set out in applicable policies and procedures so that our relationship with you is managed fairly, honestly and in good faith.

**Existing or reasonably foreseeable material conflicts of interest are as follows:**

### 2.1 Membership in BMO Financial Group

We are a member of BMO Financial Group, a highly diversified financial services provider based in North America. We and our affiliated financial services firms are wholly-owned subsidiaries of our parent, Bank of Montreal. In the course of providing services to you, we may enter into transactions with, or accept services from, other members of BMO Financial Group. We are compensated by providing products and services to you for which you pay us. We may also earn revenue from other sources, including from our affiliates, which may be seen as involving a conflict of interest or potential conflict of interest. In these situations of conflicts involving BMO Financial Group, we may be perceived to be financially motivated to encourage you to enter into transactions with other members of BMO Financial Group, or to enter into more transactions with us to our benefit. We have adopted policies and procedures to identify and manage these conflicts. We will only enter into these transactions where they are permitted under applicable securities laws. We separate different business functions as required by regulations and have procedures in place to prevent or manage material non-public information held by one business from being disclosed to another.

### 2.2 Related and Connected Issuers; Principal Trading

We may act as your broker, advise you, or exercise discretion on

your behalf with respect to securities issued by a related or a connected party (as defined in the **Related and Connected Issuers Disclosure** on page 133). This includes where we act as principal, where the securities purchased for you may be securities owned by us or a connected or associated party.

We address these conflicts of interest in the following manner:

For fee based advisory accounts or managed accounts, our Investment Advisors are compensated by a fee charged as a percentage of the total value of the account, which does not incentivize them to invest you in securities owned by us or issued by a related party or a connected party over other securities.

Recommendations or investments made in securities issued by a related or a connected party are evaluated using the same process used to evaluate securities issued by a third party.

For advisory accounts, we ensure that the suitability of the securities held in your account is reviewed when we make a recommendation.

For managed accounts, our investment decisions will be guided by your personalized Investment Policy Statement (**IPS**). We ensure that the suitability of positions in your account is reviewed on an initial and ongoing basis, in accordance with your account agreement.

We disclose these conflicts so that you can independently assess if they are significant to you.

The trade confirmation for each transaction will indicate whether we acted as principal or agent and, in the case of fixed income securities transactions, a stated yield to maturity to allow you to assess the competitiveness of the pricing.

See also **Related and Connected Issuers Disclosure** on page 133 and also 2.4 *Proprietary Products* below.

### 2.3 Acting as Underwriter

For securities that we recommend or purchase on your behalf, we may have provided advice or acted as underwriter to the issuer and received fees and non-public material information from the issuer. The issuer will be seeking to obtain the highest price possible for the securities being issued, while you may wish to obtain securities at the lowest price possible. We may be perceived to be financially motivated to offer, buy or advise on securities for which we are receiving other fees from the issuer. To address this material conflict of interest, where we act as underwriter for an issuance of securities, the offering document will contain a description of the nature of our relationship with the issuer. In addition, we separate our institutional corporate finance business,

which provides services to the issuer, and our retail advisory businesses, which provides services to you, as required by regulations, and have procedures in place to prevent or manage material non-public information held by one business from being disclosed to another. See also *2.2 Related and Connected Issuers; Principal Trading* above.

## 2.4 Proprietary Products

We have managed accounts that invest only in BMO Financial Group products and services (**Proprietary Products**), such as BMO Mutual Funds and BMO Exchange Traded Funds (ETFs). We provide you with disclosure as to these Proprietary Products, and our relationship with their manager. For those managed accounts that invest only in Proprietary Products, the suitability determination conducted by us and our Investment Advisors will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse or equal in meeting your investment needs and objectives.

For all our other accounts, our Investment Advisors also may invest in, or recommend Proprietary Products. Proprietary Products and non-proprietary products are both subject to the same due diligence, selection and ongoing monitoring processes; we offer a selection of products and services that are suitable for our accounts; before we make a recommendation or trade on your behalf, and as otherwise required by law, we will determine that the action is suitable for you; and for managed accounts, our investment decisions will be guided by your IPS. In addition, for fee based advisory accounts or managed accounts, our Investment Advisors are compensated by a fee charged as a percentage of the total value of the account, which does not incentivize them to invest you in Proprietary Products over other securities.

In addition, we make available for investment only high interest rate savings accounts (HISAs) issued by members of BMO Financial Group and cashable guaranteed investment certificates (cashable GICs) issued by members of BMO Financial Group; in such situations, the suitability determination conducted by our Investment Advisors will not consider the larger market of HISAs and/or cashable GICs or whether those non-proprietary HISAs and/or cashable GICs would be better, worse or equal in meeting your investment needs and objectives. See also **Related and Connected Issuers Disclosure** on page 133 below.

## 2.5 Relationship with Other Issuers

BMO Financial Group may have a variety of relationships with unrelated issuers, such as a commercial lender or underwriter. We may be perceived to be financially motivated to offer, buy or recommend the securities of these issuers so that BMO Financial Group as a whole can benefit. To address this, we separate different business functions as required by regulations and have procedures in place to prevent or manage material non-public information held by one business from being disclosed to another. In addition, the issuer's offering documents would provide disclosure, as required by securities laws, of relationships BMO

Financial Group may have with the issuer. Our compensation arrangements are reasonably designed to not incentivize our Investment Advisors to offer, buy or recommend these securities over other securities. See *2.3 Acting as Underwriter* above.

## 2.6 Relationship with Ameriprise Financial, Inc.

In April 2021, Bank of Montreal entered into an agreement with Ameriprise Financial, Inc. (together with its affiliates, "Ameriprise") pursuant to which, provided closing conditions are met, Ameriprise will purchase and acquire Bank of Montreal affiliates comprising Bank of Montreal's Europe, Middle East, Africa and Asia asset management business, including BMO Asset Management Limited, BMO Global Asset Management (Asia) Limited, LGM International Limited and Pyrford International Limited (the "European Transaction"), as well as purchase and acquire certain sub-advisory mandates comprising Bank of Montreal's U.S. asset management business (together with the European Transaction, the "Transaction").

As part of the completion of the European Transaction, which is expected to close in the fourth quarter of calendar 2021, Bank of Montreal will enter into an agreement (the "Relationship Agreement") with Ameriprise. The Transaction and Relationship Agreement set forth a framework of mutual cooperation and give rise to conflicts of interest that relate to mandates within the Architect and Blueprint Programs for which Ameriprise acts as a sub-advisor.

Upon closing of the Transaction, Ameriprise may act as a sub-advisor for mandates within the Architect and Blueprint Programs that were formerly performed by Bank of Montreal affiliates in Europe, Asia and the U.S. Under the Relationship Agreement, we will agree to consider Ameriprise, and hire them, for certain new third party sub-advisory mandates where their offering is suitable for the mandate under consideration. In order to be hired as a sub-advisor, Ameriprise must meet competitive performance criteria and other conditions under the Relationship Agreement. Ameriprise currently includes Columbia Management Investment Advisers.

We will address these conflicts of interest in the following manner:

- There are the above-mentioned performance and other standards Ameriprise must achieve before we hire them under the Relationship Agreement.
- Ameriprise will be subject to our ongoing sub-advisory monitoring and oversight procedures.
- We are not obligated to hire or keep Ameriprise as a sub-advisor if the engagement does not satisfy, among other things, our policies and procedures or our fiduciary, regulatory, contractual and other legal obligations.
- You are not obligated to be invested in any mandate sub-advised by Ameriprise and alternative investment products are offered in each of the Architect and Blueprint Programs.



- We disclose this conflict so that you can independently assess if it is significant to you. Each time we engage a new Ameriprise entity to sub-advise on a mandate, we will disclose this by updating this Statement on our website at [https://www.bmo.com/assets/pdfs/nesbittburns/coistatement\\_en.pdf](https://www.bmo.com/assets/pdfs/nesbittburns/coistatement_en.pdf).

## 2.7 Referral Arrangements

We may enter into arrangements where we receive or pay a referral fee for referring you. As required by applicable securities laws, the terms of the referral arrangement will be set out in writing, you will be provided with disclosure of the arrangement, and, prior to the referral, we will satisfy ourselves that the other party has the appropriate qualifications to provide the specific services to you. We have policies and procedures that are reasonably designed to ensure fees received are appropriate and do not encourage undue incentives. We undertake periodic reviews of our referral arrangements. You do not pay any additional charges and fees in connection with such referrals and are not obligated to purchase any product or service in connection with a referral. See “Referral disclosure statement” within the Client Account Agreement available at [https://www.bmo.com/assets/pdfs/nesbittburns/Terms\\_En.pdf](https://www.bmo.com/assets/pdfs/nesbittburns/Terms_En.pdf) for further details of the referral arrangements among certain members of BMO Financial Group.

## 2.8 Sales Practices, Internal Compensation Arrangements and Incentive Practices

For fee based advisory accounts or managed accounts, our Investment Advisors are compensated by fees charged as a percentage of the total assets in your account, and can also be based on the type of investments held in the account and, in certain account types, the number of trades placed in the account. For a commission-based account, our Investment Advisors are compensated by a commission based on the value of the trade and the type of security being traded. In addition, our Investment Advisors receive compensation for sales, achievements and referrals.

We address the conflict of interest that our Investment Advisors may be perceived to be financially motivated to make recommendations that provide them with better compensation in a variety of ways. For fee based advisory accounts or managed accounts, our Investment Advisors are compensated by a fee charged as a percentage of the total value of the account, which does not incentivize them to invest you in particular securities. For advisory accounts, we ensure that the suitability of the securities or investment product held in your account is reviewed when we make a recommendation. We conduct an account appropriateness review of new accounts. The compensation of our compliance and supervisory staff is not tied to sales or revenue. We have daily trading reviews reasonably designed to detect, among other things, conflicts of interest between Investment Advisors and client trading activity and unsuitable trading. Our management fees, advisory fees and trading commissions are disclosed to you. See also 2.6 Referral Arrangements above.

## 2.9 Issuer Compensation

We may receive compensation from an issuer of a security or a manager of an investment fund. Such compensation may include fees paid directly or indirectly in connection with new issues of shares and/or other investment products such as investment funds, principal protected notes and other structured notes. We address this by having products and services evaluated through a “know-your-product” process that does not consider potential compensation. We also disclose to you all compensation, including through offering documents, as required by securities law. See also 2.3 Acting as an Underwriter and 2.7 Referral Arrangements above and 2.11 Fee-Based Accounts and Trailing Commissions below.

## 2.10 Fee-Based Accounts and Commission Based Accounts

Fee-based accounts generally charge a fixed fee as a percentage of the total assets in your account; while commission-based accounts generally charge fees on a transaction basis. The conflicts of interest inherent in offering these two types of accounts are addressed by having account types monitored for suitability as well as account appropriateness considering your investment needs and objectives.

## 2.11 Fee-Based Accounts and Trailing Commissions

Fee-based accounts may include securities that pay us a trailing commission. Ongoing trailing commissions may be paid to us by managers of investment funds for the services and advice we provide you. You are not directly charged the trailing commission. But this fee affects you because it reduces the amount of the fund’s return to you. We have addressed this conflict of interest by removing the value of the securities that pay trailing commissions from fee calculations for all fee-based and managed programs.

## 2.12 Personal Financial Dealings with Clients

A conflict of interest can arise where an Investment Advisor has personal financial dealings with you, including where they are appointed as a trustee or granted a power of attorney and have control or authority over your financial affairs or we acquire assets from you outside of our investing relationship. As these dealings could cause the Investment Advisor to put their interests ahead of yours in taking any investment action, we have policies and procedures in place which generally prohibit personal financial dealings with clients who are not family members.

## 2.13 Trade Execution

Our selection of a dealer, intermediary and/or a marketplace to execute a trade can create a potential or perceived conflict of interest because we may direct trades to a dealer, intermediary and/or a marketplace who provides us with benefits (including research reports or terminals with access to market information) or rebates. This conflict of interest is addressed through our compliance with applicable securities laws, including National Instrument 23-102 – *Use of Client Brokerage Commissions*. More information about our trade execution is contained in the BMO Nesbitt Burns Trade Execution Disclosure available at [https://www.bmo.com/pdf/nesbitt/BMONB\\_TradeExecutionDisclosure.pdf](https://www.bmo.com/pdf/nesbitt/BMONB_TradeExecutionDisclosure.pdf)

## 2.14 Fair Allocation

For an issuance of new securities, there may be a higher expression of interest from our clients than the amount of securities we were allocated for the offering. Trades can be effected at different prices which could be perceived to favour one client over another.

We allocate investment opportunities among our clients fairly, so as not to intentionally favour one client over another. For new issuances, we allocate with a view to the equitable allocation of such opportunities, generally through the use of a formula that determines allocation percentages to branches and Investment Advisors that express interest. Securities are available to clients based on certain conditions set by issuers, regulatory requirements and us. Not all securities are available to all clients. We execute trades in accordance with best execution requirements under applicable law. In addition, for managed accounts (other than new issuances): (i) we allocate securities purchased or sold, as the case may be, on a pro rata basis based on order size; and (ii) when orders are entered as a combined order, and transactions are executed at varying prices, we endeavour to treat all clients on a basis that is fair and reasonable in the context of the nature of the particular transaction and the transaction costs.

## 2.15 Outside Activities (OA)

Some of our Investment Advisors may participate in an OA including acting as a director, officer, shareholder, owner or partner of another entity, having a private investment in a company or participating in community events. The Investment Advisor's OA could cause the Investment Advisor to put such interests ahead of yours. To address this conflict of interest, we have policies and procedures to review any proposed OA to ensure that conflicts of interest do not exist, are not likely to exist in the future or can be mitigated in a manner that is consistent with the best interest of our client; otherwise the proposed OA must be avoided. Any OA by Investment Advisors must be pre-approved by us. If the OA presents a potential conflict with you, we will disclose it before recommending the security. Most OAs are required to be disclosed to our regulator and the regulator must be satisfied that it does not create a conflict of interest.

## 2.16 Personal Trading

Our employees, including Investment Advisors, could use non-public information about you, and the securities in your account, for their personal trading. Our Code and other policies are designed to ensure that our Investment Advisors act in accordance with applicable laws and that they do not engage in personal securities transactions that are prohibited, such as insider trading. This can include seeking approval from us prior to making trades in their personal securities accounts. Employees are prohibited from accessing non-public information of our clients for their direct or indirect personal benefit. We place shares on a "restricted list" to prevent trading when we have non-public information. We review on a regular basis securities transactions made in Investment Advisors' and certain other employees' personal securities accounts.

## 2.17 Borrowing to Invest

If a member of BMO Financial Group lends you money, or provides a margin loan to invest in securities, they may earn revenue from the investment and/or the lending activity itself. A margin loan is a loan that is secured against your account. To address this conflict of interest, we have policies and procedures to ensure a heightened level of due diligence is conducted when a "borrow to invest" strategy is recommended to you or your Investment Advisor becomes aware of such strategy. Any margin lending is reviewed, adjudicated and monitored independently from your Investment Advisor. We provide you with disclosure of the potential risks and costs associated with borrowing money to invest.

## 2.18 Gifts and Entertainment

We and our Investment Advisors may receive offers of gifts and/or entertainment from business partners. We could be perceived to be financially motivated to put our interests ahead of your interests because of the gifts and entertainment. To address this conflict of interest, employees are required to comply with our Code, which requires employees not to accept any gift or entertainment which is intended to improperly influence a business decision. As well, Investment Advisors are obligated by applicable regulations and policy and procedures to make only suitable investments and recommendations.

## 3. Review

We will notify you of any significant changes to this document by posting an updated version of this Conflicts of Interest Statement on our website at [https://www.bmo.com/assets/pdfs/nesbittburns/coistatement\\_en.pdf](https://www.bmo.com/assets/pdfs/nesbittburns/coistatement_en.pdf). We will also notify you by sending a notice explaining the updates via portal, email, or postal mail.

## Further Inquiries

If you have any questions about this Conflicts of Interest Statement, please contact your Investment Advisor.

## Related and Connected Issuers Disclosure

BMO Nesbitt Burns Inc. may deal with or for you in securities transactions where the issuer of the securities is related or connected to us. Securities laws require us to inform you of any related or connected issuers to us.

- An issuer is **related** to us if we are an influential securityholder of theirs, or they are an influential securityholder of ours, or if we have a common influential securityholder.
- An issuer is **connected** to us where a reasonable prospective purchaser of their securities might question the issuer's independence from us, a party related to us, one of our directors or officers or a director or officer of our related party.

## Bank of Montreal

We are a wholly-owned indirect subsidiary of **Bank of Montreal**, a reporting issuer with securities listed and trading on the Toronto Stock Exchange and the New York Stock Exchange. Because Bank of Montreal is an influential securityholder of ours it is considered to be a

related party, and where its securities are being distributed to the public it would be considered to be a connected party under Canadian securities laws.

### Issuers and Mutual Funds

The following are also considered to be issuers that are related and/or connected to us:

- the mutual funds in the **BMO Mutual Funds** group of funds which are managed by our affiliate BMO Investments Inc.;
- the mutual funds in the **BMO Private Portfolios** group of funds which are managed by our affiliate BMO Private Investment Counsel Inc.;
- the exchange traded funds in the **BMO ETFs** group of funds which are managed by our affiliate BMO Asset Management Inc.;
- the pooled funds in the **BMO AM Pooled Funds** group of funds which are managed by our affiliate BMO Asset Management Inc.; and
- such issuer corporations as may in certain circumstances be deemed to be connected issuers under applicable securities laws when BMO Nesbitt Burns or its affiliates are members of the underwriting group for a new issue of securities.

Additionally, we or one of our affiliates act as managers or sub-advisors to certain of these investment funds: BMO Asset Management Inc.; BMO Asset Management Corp.; BMO Asset Management Limited; BMO Private Investment Counsel Inc.; and Taplin, Canida & Habacht LLC.

### Where to Find Information

Where we act as underwriter for an issuance of securities of a related or connected issuer, the **prospectus** (or other document being used to qualify those securities) will contain a description of the nature of our relationship with the issuer.

Where we buy or sell securities of a related or connected issuer for your account, the **confirmation of the trade** and your **monthly statement** will indicate that the issuer is a related and/or connected party.

Where we advise you with respect to the purchase or sale of securities of a related and/or connected issuer we will **notify** you of our relationship with the issuer when giving you the advice.

Where we exercise discretion, under your authority, in the purchase or sale of securities for your account, we will obtain your **prior specific and informed written consent** before exercising that discretion for transactions involving related and connected issuers.

### Principal Trading

In certain instances where we act as your broker or exercise discretion on your behalf, securities purchased for you may be bought from us, a party associated with us or, in the course of distribution, a connected party. A party is **associated** with us if we beneficially own, directly or indirectly, securities carrying more than 10% of the voting rights of the party, or if the party is a trust, it is associated with us if we have a substantial beneficial interest or we, or another party in a close relationship to us such as one of our salespeople, directors or officers serve as trustee.

### Relationships with other Members of BMO Financial Group

#### Disclosure of Related Registrants

Bank of Montreal, either directly or indirectly through its subsidiaries, controls and certain of our officers and directors are also directors and officers of certain of the following Canadian registrants: BMO Asset Management Corp.; BMO Asset Management Inc.; BMO Private Investment Counsel Inc.; BMO Investments Inc.; and BMO InvestorLine Inc.

In connection with our ongoing business activities we may obtain or provide management, administrative, referral and/or other services from or to the following affiliates: Bank of Montreal; BMO Asset Management Inc.; and BMO Capital Market Corp.; BMO Capital Markets Limited; BMO Estate Insurance Advisory Services Inc.; BMO Harris Bank N.A.; BMO Investments Inc.; BMO InvestorLine Inc.; BMO Nesbitt Burns Securities Ltd.; BMO Private Investment Counsel Inc.; BMO Trust Company; and Clearpool Execution Services, LLC.

BMO Private Wealth is a brand name for a business group consisting of Bank of Montreal and certain of its affiliates in providing private wealth management products and services. Not all products and services are offered by all legal entities within BMO Private Wealth. Banking services are offered through Bank of Montreal. Investment management, wealth planning, tax planning, and philanthropy planning services are offered through BMO Nesbitt Burns Inc. and BMO Private Investment Counsel Inc. Estate, trust, and custodial services are offered through BMO Trust Company. Insurance services and products are offered through BMO Estate Insurance Advisory Services Inc., a wholly-owned subsidiary of BMO Nesbitt Burns Inc. BMO Private Wealth legal entities do not offer tax advice. If you are already a client of BMO Nesbitt Burns Inc., please contact your Investment Advisor for more information. BMO Nesbitt Burns Inc. is a Member - Canadian Investor Protection Fund and is a Member of Canadian Investment Regulatory Organization. BMO Trust Company and BMO Bank of Montreal are Members of CDIC.

"BMO (M-bar roundel symbol)" is a registered trademark of Bank of Montreal, used under licence.

# The Security of Your Assets

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BMO Nesbitt Burns is a member of the governing bodies of our industry and, as such, operates its business in strict adherence to the regulations, policies and bylaws dictated by these governing bodies.

These governing bodies include:

- Canadian Investment Regulatory Organization ("CIRO")
- Toronto Stock Exchange ("TSX")
- Bourse de Montréal /Montreal Exchange ("ME")
- TSX Venture Exchange ("TSXVE")

CIRO is responsible for both member regulation and market regulation, while the TSX, TSXVE and ME provide trading markets, clearing facilities, data products and other services.

Each investment dealer is, in turn, governed by the Provincial Securities Commissions or other securities regulatory authorities.

## Asset Segregation

Investment industry regulations require that all fully paid and excess margin securities and precious metals bullion held by BMO Nesbitt Burns on your behalf must be kept separate and easily identified from the total assets of the Firm.

In addition to our daily segregation monitoring and follow-up, we have detailed control and reporting procedures in place to ensure compliance with industry regulations and provincial securities laws, which govern the segregation of securities.

Compliance with these regulations and laws is mandatory; failure to comply could result in severe penalties to the Firm. Finally, reviews by internal auditors (including BMO Bank of Montreal's Audit Department), external auditors and CIRO are conducted periodically to verify compliance.

## Canada Deposit Insurance Corporation ("CDIC")

Your portfolio may include deposit products, such as Canadian dollar term deposits. The CDIC insures eligible deposits at CDIC member institutions in case of the failure of a member Firm, such as BMO. If a member institution should fail, CDIC will reimburse you for any insured deposits you have with the failed institution. Subject to coverage limits, eligible deposits held with CDIC member institutions are automatically insured. You do not need to apply for deposit insurance.

The maximum basic coverage that is available for all eligible deposits that are held in the name of a depositor at a single member institution is \$100,000 (principal and interest combined). CDIC provides separate coverage (up to a maximum of \$100,000, including principal and interest) for each of the following types of eligible deposits: those that are held jointly, in the name of two or more persons; those that are held in trust; those held in RRSPs; and those in RRIFs.

## Government-Backed Securities

You may also purchase fixed income products through BMO Nesbitt Burns that are issued or backed by the Government of Canada. Investments in this category include Government of Canada Bonds, Treasury Bills, NHA (National Home Association) Mortgage-Backed Securities, and government strip coupon bonds. In many instances, your principal and interest in these types of investments are backed by the Government of Canada.

# Leveraged Investing

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## What you need to know

Many investors borrow money to finance the purchase of securities. As this involves greater risk than using cash, it is important that clients have an understanding regarding leveraging. This would apply, for example, when borrowing through a line of credit or mortgage, and would also apply when the borrowing is against a Margin account with BMO Nesbitt Burns Inc.

## Asset Segregation

When borrowed funds are used for all or part of the purchase, the loss or gain to the investor can be magnified.

It is also important that clients contemplating a leveraged purchase of securities always consider the cost of borrowing. The obligation to pay interest and repay principal in full on a loan remains in place regardless of the value of the securities purchased. Clients who leverage their investments are advised to have adequate financial resources to make the required loan payments and to reduce or repay their loan balance without in any way relying solely on the value of the investments increasing or the investments providing cash flow for such purposes. Since clients still have to pay back the loan and make interest payments, clients could end up losing more money than their original investment.

Clients should fully understand all terms and conditions of their borrowing. Lenders will normally require collateral to be provided as security for the repayment of the funds borrowed. Collateral will include the purchased securities and may include other assets or securities. A failure to repay a line of credit or mortgage or to respond to a margin call may result in the lender taking steps to realize on any or all of the collateral provided. If the sale proceeds of the collateral are insufficient to repay the borrowed funds and interest in full, the client/borrower remains liable for the balance. Leveraged investments usually suit individuals who, for example:

- are able to invest funds for a long time;
- understand the terms and conditions of borrowing as well as the risks;

- have the ability to finance the costs of borrowing from their regular income without hardship;
- have the capability to withstand any losses as a result of declines in the value of securities being purchased; or
- have other assets or resources that could be used to repay the loan.

Clients contemplating a leveraged investing strategy should provide their Investment Advisor with complete financial information to determine whether leveraging is an appropriate strategy relative to their specific investment goals and their overall financial situation.

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by the terms of the loan remains the same even if the value of the securities purchased declines.



# Trade Execution Disclosure

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BMO Nesbitt Burns Inc. and BMO InvestorLine Inc. (together referred to as “BMO”), as CRO Dealer Members, are required to establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to achieve best execution when acting for a client. This Trade Execution Disclosure (“Disclosure”) is intended to provide a synopsis of the measures undertaken by BMO to achieve ‘best execution’ for client orders and transactions. This document applies to products traded by BMO entities, including institutional and retail clients of BMO Nesbitt Burns Inc., and order execution only (“OEO”) clients of BMO InvestorLine Inc.

This Disclosure is applicable to trades in listed equities, fixed income, preferred shares, futures and options, as well as securities traded over-the-counter (“OTC”) with standardized contract terms. This Disclosure is not applicable to OTC securities with non-standardized contract terms that are customized to the needs of a particular client and for which there is no established secondary market.

BMO diligently pursues the execution of each client order on the most advantageous execution terms reasonably available under the circumstances, considering prevailing market conditions, in accordance with our best execution obligation.<sup>2</sup>

The determination of whether best execution has been achieved is subject to reasonable efforts and should be interpreted in the context of several factors including:

- Price;
- Speed of execution;
- Certainty of execution;
- Quality of execution; and
- Overall cost of execution.

For trades in OTC securities, BMO conforms to the requirements identified in ‘Fair Dealing’ regulations and, as such, has policies and procedure to ensure that any trades in OTC securities are executed at prices that are fair and reasonable in relation to prevailing market conditions.

BMO may transact listed equity securities on all Canadian marketplaces. As these securities trade on one or more Exchanges or alternative trading system (“ATS”), BMO employs advanced smart order routing (“SOR”) technology to automate the decision-making process when routing orders. BMO monitors market conditions and evaluates order routing options that might achieve best execution for client orders. This may include considering foreign markets, including U.S. marketplaces, if appropriate. BMO reserves the rights to amend, cancel, or reject any order that is not in compliance with regulatory requirements and/or to maintain market integrity. In the event a marketplace is not available, BMO may move orders to another marketplace.

In executing clients’ orders, BMO may incur certain costs, or receive rebates or other payments, depending on the marketplace or intermediary, including a foreign intermediary, where orders are routed. BMO will consider cost of execution as one of the criteria in determining optimal routing of client orders and will consider marketplace fees and rebates in its SOR logic. Fees paid and/or rebates received are not passed on directly to clients.

In certain circumstances BMO may provide market data to clients as a service. BMO takes all reasonable measures to ensure that data provided is complete and accurate. However, clients should be aware that in certain circumstances, market data provided to clients may be on a delayed basis or may be incomplete because of factors beyond BMO’s controls. Clients should be aware that trades based on incomplete or delayed data may not be representative of the market as viewed by the client at the time of order entry.

BMO does not currently have an ownership interest in any equity marketplaces to which orders may be routed. BMO also currently does not have any arrangement with third party intermediaries regarding order routing or execution. In the event an order is routed to an intermediary, it will be subject to the order handling and routing practices of the intermediary. BMO would review the order handling and routing practices of the intermediary to ensure they are reasonably designed to achieve best execution.

The following provides important information regarding trade execution for listed equity securities for clients of BMO. Please read carefully and keep a copy for your records.

## Hours of Operation

Trading in listed equity securities will take place between the hours of 9:30 a.m. and 4:00 p.m. ET (“Regular Trading Session”), Monday through Friday, not including Canadian statutory holidays. Orders received outside of the Regular Trading Session will be handled as outlined below.

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## Default Marketplace

For all orders, BMO sets the Default Marketplace based on selected Best Execution Criteria. This may be an Exchange or an ATS, as selected by BMO, and may differ from the primary listing Exchange.

## Handling of Orders

Orders received for listed equity securities will be handled as follows:

### 1. Pre-Open

Orders received prior to the Regular Trading Session will be entered into the pre-open session of the Default Marketplace and will not be routed to an alternative marketplace unless otherwise requested by the client. Pre-open orders, if tradable, will receive the opening price of the Default Marketplace. Any unfilled portion of an order and passive limit orders<sup>3</sup> will remain on the Default Marketplace for the Regular Trading Session until the order is filled, changed, or cancelled. Requests to change or cancel orders between 9:25 a.m. and 9:30 a.m. ET will be handled on a best-efforts basis.

### 2. Regular Trading Session

Orders received during the Regular Trading Session will be routed to the marketplace with the best price as determined by our order routers at the time an order is sent to a marketplace for execution. Any unfilled portion of an order and passive limit orders will be booked to the Default Marketplace and will remain there until the order is filled, changed, or cancelled. Day orders may participate in the market-on-close ("MOC") or after-hours trading sessions subsequent to the Regular Trading Session if specific criteria are met, and not cancelled by the client. Unfilled day orders will expire at 5:00 p.m. ET on the day of entry.

### 3. Post-Close

Orders received after the Regular Trading Session will be entered into the pre-open of the Default Marketplace on the next business day unless otherwise requested by the client. Post-close the default marketplace is the primary listing market. Requests to route an order to a marketplace other than the Default Marketplace will be handled on a best-efforts basis and will expire at the close of trading of that marketplace on the day of entry.

## Order Types

Orders may be entered as market orders, limit orders, or on-stop orders. Clients are encouraged to use aggressively priced limit orders in place of market orders to reduce the risk of an order trading at an unexpected price. BMO will attempt to accommodate client instructions to the extent possible, taking into consideration regulatory requirements and operational considerations. BMO reserves the right to convert market orders to limit orders or to make other amendments as necessary to avoid creating undue short-term volatility in stock prices or to otherwise mitigate potential for adverse impact on markets in accordance with our gatekeeper obligations.

## Order Duration

Unless otherwise specified, all orders will be treated as day orders. Day orders will participate in the Regular Trading Session subsequent to the time of entry and will expire at 5:00 p.m. ET on the day of entry. Good-Till-Cancelled ("GTC") and Good-Till-Date ("GTD") are also available to clients; however, the duration of these orders cannot exceed one calendar year.

## Dark Marketplaces

Dark marketplaces differ from 'lit' or visible marketplaces in that they do not offer pre-trade transparency of orders. BMO may choose to access one or more dark marketplaces in an effort to achieve best execution for client orders.

<sup>2</sup> Best Execution is an obligation on Participants to diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under the circumstances. The four general factors considered for best execution include: i) price; ii) speed of execution; iii) certainty of execution; and vi) the overall cost of the transaction. Participants are also required to take into account prevailing market conditions considering such factors as: i) prices and volumes of the last sale and previous trades; ii) direction of the market for the Security or Derivative; iii) posted size on the bid and offer; iv) the size of the spread; and v) liquidity of the Security or Derivative. In addition, for client orders of listed derivatives, participants must consider whether the individual order is part of a multiple orders trading strategy and, if so, the board factors must be addressed as they relate to the execution of the overall strategy.

<sup>3</sup> Passive limit orders are orders that are not immediately executable.

# BMO Financial Group Complaint Resolution Process

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If you have a complaint, we encourage you to let us know and give us the opportunity to resolve the issue. We promise to address your complaint quickly, efficiently and professionally, because retaining your confidence is very important to us.

## Banking Complaints

### 1. Talk to Us

Talk to a representative at the branch or office where your complaint originated, or where you normally conduct your business. If your concerns are not resolved, please involve the manager or supervisor. Alternatively, contact:

#### **BMO Bank of Montreal Customer Contact Centre**

##### **Personal Banking<sup>4</sup>**

Call: 1-877-225-5266

##### **Business Banking Services<sup>4</sup>**

Call: 1-877-262-5907

Visit: [bmo.com](https://www.bmo.com) (and click on Contact Us)

##### **BMO Credit Cards<sup>4</sup>**

Call: 1-800-263-2263

Visit: [bmo.com/creditcards](https://www.bmo.com/creditcards)

<sup>4</sup>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).

##### **BMO Private Banking**

Contact your market manager.

Call: 1-800-844-6442

Visit: [bmoprivatebanking.com](https://www.bmoprivatebanking.com)

If you have a complaint about Travel or Creditor Insurance on your mortgage, line of credit or BMO Credit Card, please refer to the Insurance section.

### 2. Escalate to a Senior Officer

If your complaint has not been resolved to your satisfaction after following Step 1 referenced above, we encourage you to escalate your complaint by mail, telephone or fax to the appropriate business group listed below. Once we receive your complaint, one of our Senior Officer representatives will work to resolve your concerns as quickly as possible.

#### **BMO Bank of Montreal and BMO Credit Cards**

Senior Officer c/o Executive Resolution Office

P.O. Box 3400, RPO Streetsville

Mississauga, Ontario, L5M 0S9

Call: 1-800-372-5111

Fax: 1-855-743-6493

#### **BMO Private Banking**

Office of the Chief Compliance Officer

1 First Canadian Place, P.O. Box 150, Toronto, ON M5X 1A1

Email: [Complaints.BMOPB@bmo.com](mailto:Complaints.BMOPB@bmo.com)

### 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 conducts impartial reviews of unresolved complaints about products or services offered by BMO's Canadian operating groups. The process is based on fairness, integrity and respect, and is focused on complaints for individual and small business customers.

The BMO Ombudsman will review concerns to determine if they are within its mandate. The BMO Ombudsman does not investigate certain types of complaints including business or risk management decisions, and matters that are, or have been, before a court.

Although the BMO Ombudsman is employed by BMO Financial Group and not an independent dispute resolution service, the Office does not report directly to any business areas and is not involved in BMO's business operations.

At the conclusion of a review, the BMO Ombudsman may facilitate a resolution between the parties or make a recommendation to settle the complaint.

#### **BMO Office of the 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](mailto:bmo.ombudsman@bmo.com)

Visit: [our-impact.bmo.com/our-practices/business-conduct/office-of-the-ombudsman/](https://our-impact.bmo.com/our-practices/business-conduct/office-of-the-ombudsman/)

## Escalate to the BMO Privacy Office

If your complaint is about the privacy of your personal information and remains unresolved after following Steps 1 and 2, you may escalate to the BMO Privacy Office:

### BMO Office of the Chief Privacy Officer

1 First Canadian Place  
P.O. Box 150, Toronto, ON M5X 1H3  
Email: [privacy.matters@bmo.com](mailto:privacy.matters@bmo.com)  
Subject line: Attn: Chief Privacy Officer  
Visit: [bmo.com/privacy](https://bmo.com/privacy)

If you are still not satisfied after contacting BMO's Privacy Office, you may contact:

### The Office of the Privacy Commissioner of Canada

Call: 1-800-282-1376  
Visit: [priv.gc.ca](https://priv.gc.ca)

## 4. Contact the Ombudsman for Banking Services and Investments (OBSI)

OBSI is an independent and impartial dispute resolution service for consumers with a complaint they can't resolve with their banking services or investment firm.

The OBSI process is free of charge and confidential. You can send your complaint to OBSI if we haven't responded to your complaint within 90 days since you contacted Step 2, or within 180 days of receiving our final response.

### Ombudsman for Banking Services and Investments

20 Queen Street West, Suite 2400  
P.O. Box 8, Toronto, ON M5H 3R3  
Call: 1-888-451-4519 / 416-287-2877  
Fax: 1-888-422-2865  
Teletypewriter (TTY): 1-855-TTY-OBSI / 1-855-889-6274  
Email: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)  
Visit: [obsi.ca](https://obsi.ca)

### Voluntary Codes of Conduct and Public Commitments

The Canadian banking industry has developed several voluntary commitments and codes, designed to protect consumers and serve them better.

Copies or additional information about the voluntary commitments and codes are available on our website at [bmo.com/home/popups/global/codes-of-conduct](https://bmo.com/home/popups/global/codes-of-conduct).

### Alternative Options

#### Financial Consumer Agency of Canada (FCAC)

The FCAC supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws and voluntary codes of conduct and public commitments.

For example, financial institutions are required to provide consumers with information about complaint handling procedures, fees, interest rates and branch closures.

If you have a complaint concerning a consumer protection law or voluntary code of conduct or public commitment, you may contact the FCAC at:

#### Financial Consumer Agency of Canada

427 Laurier Avenue West, 6th Floor, Ottawa, ON K1R 1B9  
Call (English): 1-866-461-FCAC (3222)  
Call (French): 1-866-461-ACFC (2232)  
For calls from outside Canada: 613-960-4666  
Teletypewriter (TTY): 1-866-914-6097 / 613-947-7771  
Fax: 1-866-814-2224 / 613-941-1436  
Visit: [canada.ca/en/financial-consumer-agency.html](https://canada.ca/en/financial-consumer-agency.html)

Note: The FCAC does not provide redress or compensation, and will not get involved in individual disputes.

For a complete list of federal consumer-protection laws, voluntary codes of conduct and public commitments, visit: [canada.ca/en/financial-consumer-agency.html](https://canada.ca/en/financial-consumer-agency.html)

### Legal Assistance

You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action called limitation periods. A lawyer can advise you of your options. Once the applicable limitation period expires, you may lose rights to pursue some claims.

## Investment Complaints

### 1. Talk to Us

Talk to a representative at the branch or office where your complaint originated, or where you normally conduct your business. If your concerns are not resolved, please involve the manager or supervisor.

You can also refer to the complaint resolution process or terms and conditions documents given to you when you opened your account.

### Alternatively, contact:

#### BMO Nesbitt Burns Inc.

Contact your BMO Private Wealth Market Leader, as set out in your investment account statement.

#### BMO Investments Inc.

Contact the branch manager at the branch indicated on your account statement.

#### BMO InvestorLine Inc.

Call: 1-888-776-6886  
Email: [info@bmoinvestorline.com](mailto:info@bmoinvestorline.com)  
Visit: [bmo.com/self-directed](https://bmo.com/self-directed) or [bmo.com/advisedirect](https://bmo.com/advisedirect)

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### **BMO Private Banking**

Contact your BMO Private Wealth Market Leader, as set out in your investment account statement.

Visit: [bmo.com/privacy](https://bmo.com/privacy)

## **2. Escalate to a Senior Officer**

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

### **BMO Nesbitt Burns Inc.**

Designated Complaints Officer

BMO Nesbitt Burns, Retail Compliance

1 First Canadian Place, P.O. Box 150, Toronto, ON M5X 1A1

Call: 1-866-391-5897

Email: [BMONB.Complaints@bmonb.com](mailto:BMONB.Complaints@bmonb.com)

### **BMO Investments Inc.**

Office of the Chief Compliance Officer

1 First Canadian Place, P.O. Box 150, Toronto, ON M5X 1A1

Email: [BMOLcomplaints@bmo.com](mailto:BMOLcomplaints@bmo.com)

### **BMO InvestorLine Inc.**

Designated Complaints Officer

BMO InvestorLine, Compliance

1 First Canadian Place, P.O. Box 150, Toronto, ON M5X 1A1

Call: 1-888-776-6886

Email: [info@bmoinvestorline.com](mailto:info@bmoinvestorline.com)

### **BMO Private Banking**

Office of the Chief Compliance Officer

1 First Canadian Place, P.O. Box 150, Toronto, ON M5X 1A1

Email: [Complaints.BMOPB@bmo.com](mailto:Complaints.BMOPB@bmo.com)

### **Still not satisfied?**

If you are dissatisfied with our review, we will outline escalation options you may consider in our substantive response letter, including:

### **Ombudsman for Banking Services and Investments (OBSI)**

OBSI is an independent and impartial dispute resolution service for consumers with a complaint they can't resolve with their banking services or investment firm.

The OBSI process is free of charge and confidential. You can send your complaint to OBSI if we haven't responded to your complaint within 90 days since you escalated to us, or within 180 days of receiving our final response.

### **Ombudsman for Banking Services and Investments**

20 Queen Street West, Suite 2400

P.O. Box 8, Toronto, ON M5H 3R3

Call: 1-888-451-4519 / 416-287-2877

Fax: 1-888-422-2865

Teletypewriter (TTY): 1-855-TTY-OBSI / 1-855-889-6274

Email: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)

Visit: [obsi.ca](https://obsi.ca)

### **BMO Ombudsman**

The BMO Ombudsman conducts impartial reviews of unresolved complaints regarding products or services offered by BMO's Canadian operating groups. The process is voluntary and focused on complaints for individual and small- business customers.

The BMO Ombudsman will review concerns to determine if they are within its mandate. The BMO Ombudsman does not investigate certain types of complaints including business or risk management decisions, and matters that are, or have been, before a court.

Although the BMO Ombudsman is employed by BMO Financial Group and is not an independent dispute resolution service, the Office does not report directly to any business areas and is not involved in BMO's business operations.

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 estimated time the BMO Ombudsman takes to review and provide a response is approximately 45-55 days based on historical data. Please note that statutory limitation periods continue to run while the BMO Ombudsman reviews a complaint, which could impact the ability to commence a civil action.

### **BMO Office of the 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](mailto:bmo.ombudsman@bmo.com)

Visit: [our-impact.bmo.com/our-practices/business-conduct/office-of-the-ombudsman/](https://our-impact.bmo.com/our-practices/business-conduct/office-of-the-ombudsman/)

### **BMO Privacy Office**

If your complaint is regarding the privacy of your personal information, you may escalate to the BMO Privacy Office:

### **BMO Office of the Chief Privacy Officer**

1 First Canadian Place, P.O. Box 150, Toronto, ON M5X 1H3

Email: [privacy.matters@bmo.com](mailto:privacy.matters@bmo.com)

Subject line: Attn: Chief Privacy Officer

Visit: [bmo.com/privacy](https://bmo.com/privacy)

If you are still not satisfied after contacting BMO's Privacy Office, you may contact:

### **The Office of the Privacy Commissioner of Canada**

Call: 1-800-282-1376

Visit: [priv.gc.ca](https://priv.gc.ca)

### **Canadian Investment Regulatory Organization (CIRO)**

In Canada, regulation of the securities industry is carried out by provincial securities commissions and self-regulatory organizations, which include CIRO. CIRO monitors client complaints and disciplinary matters to proactively identify emerging regulatory issues at Member firms. CIRO 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.

#### **CIRO**

Call: 1-877-442-4322

Email: [info@ciro.ca](mailto:info@ciro.ca)

Or visit [ciro.ca/office-investor/how-make-complaint](http://ciro.ca/office-investor/how-make-complaint) and either complete the online secure form or completing the downloadable form and mailing it to 40 Temperance Street, Suite 2600, Toronto, ON M5H 0B4, or fax at 1-888-497-6172.

#### **CIRO Regional Offices**

##### **Toronto - Head Office:**

40 Temperance Street, Suite 2600,  
Toronto, Ontario, M5H 0B4  
Tel: 416-364-6133

##### **Montréal:**

525 Viger Avenue West, Suite 601,  
Montréal, Quebec, H2Z 0B2  
Tel: 514-878-2854

##### **Calgary:**

255-5th Avenue S.W., Suite 800, Bow Valley Square 3  
Calgary, Alberta, T2P 3G6  
Tel: 403-262-6393

##### **Vancouver:**

Suite 2800 - Royal Centre, 1055 West Georgia Street  
Vancouver, British Columbia  
P.O. Box 11164 V6E 3R5  
Tel: 604-683-6222

#### **Autorité des marchés financiers (AMF)**

As the regulatory body for Quebec's financial sector, the AMF protects consumers and enforces Quebec's financial legislation and regulations. The AMF offers guidance to consumers in preparing formal complaints regarding investments and insurance products.

If you are dissatisfied with how your complaint has been handled, you may have your file transferred to the AMF. The AMF may review your complaint or offer voluntary mediation to help resolve a dispute. To arrange for the transfer of your complaint file, complete the transfer form available on the AMF website.

##### **Autorité des marchés financiers**

800 Square-Victoria, 4<sup>e</sup> étage CP 246, Tour de la Bourse  
Montréal, QC H4Z 1G3

Call: 514-395-0337 (Montreal)

418-525-0337 (Quebec City)

Toll-free: 1-877-525-0337

Fax: 514-873-3090

Visit: [lautorite.qc.ca/en/general-public/assistance-and-complaints](http://lautorite.qc.ca/en/general-public/assistance-and-complaints)

#### **Residents of Manitoba, New Brunswick or Saskatchewan**

Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:

##### **Manitoba:**

[msc.gov.mb.ca](http://msc.gov.mb.ca)

##### **New Brunswick:**

[nbsec-cvmnb.ca](http://nbsec-cvmnb.ca)

##### **Saskatchewan:**

[fcaa.gov.sk.ca](http://fcaa.gov.sk.ca)

#### **Legal Assistance**

You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action called limitation periods. A lawyer can advise you of your options. Once the applicable limitation period expires, you may lose rights to pursue some claims.

## **Insurance Complaints**

### **1. Talk to Us**

#### **BMO Insurance**

(for BMO Life Assurance products and services)

Please contact BMO Insurance at 1-866-881-9054, or your advisor if applicable.

#### **BMO Creditor & Travel Insurance products**

(for insurance products offered through the Bank of Montreal including on mortgages, lines of credit and BMO Credit Cards)

Contact the BMO Bank of Montreal Customer Contact Centre Call: 1-877-225-5266

For questions relating to claims or underwriting, contact the insurer as set out in your Certificate of Insurance.

Visit: [bmo.com/insurance/contact-us](http://bmo.com/insurance/contact-us)

#### **BMO Estate Insurance Advisory Services Inc.**

Please contact the Advisor indicated on your account statement.

## 2. Escalate to a Senior Officer

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

### **BMO Insurance**

Office of the President  
60 Yonge Street, Toronto, ON M5E 1H5  
Call: 1-866-488-2595  
Email: [Insurance.ResolutionOffice@bmo.com](mailto:Insurance.ResolutionOffice@bmo.com)

### **BMO Creditor and Travel Insurance**

Office of the President  
60 Yonge Street, Toronto, ON M5E 1H5  
Call: 1-866-488-2595  
Email: [Insurance.ResolutionOffice@bmo.com](mailto:Insurance.ResolutionOffice@bmo.com)

### **BMO Estate Insurance Advisory Services Inc.**

Office of the Chief Compliance Officer  
1 First Canadian Place  
P.O. Box 150, Toronto, ON M5X 1A1  
Email: [EIASI.Complaints@bmo.com](mailto:EIASI.Complaints@bmo.com)

## 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 conducts impartial reviews of unresolved complaints about products or services offered by BMO's Canadian operating groups. The process is based on fairness, integrity and respect, and is focused on complaints for individual and small business customers.

The BMO Ombudsman will review concerns to determine if they are within its mandate. The BMO Ombudsman does not investigate certain types of complaints including business or risk management decisions, and matters that are, or have been, before a court.

Although the BMO Ombudsman is employed by BMO Financial Group and not an independent dispute resolution service, the Office does not report directly to any business areas and is not involved in BMO's business operations.

At the conclusion of a review, the BMO Ombudsman may facilitate a resolution between the parties or make a recommendation to settle the complaint.

### **BMO Office of the 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](mailto:bmo.ombudsman@bmo.com)  
Visit: [our-impact.bmo.com/our-practices/business-conduct/office-of-the-ombudsman/](http://our-impact.bmo.com/our-practices/business-conduct/office-of-the-ombudsman/)

## 4. Escalate to an Independent Ombuds Service

Our final response letter will provide you with the option to contact one of the following Ombuds Services:

### **OmbudService for Life & Health Insurance (OLHI)**

If you are a client of the following entities:

- BMO Life Assurance Company
- BMO Nesbitt Burns Inc. (and have purchased insurance products through BMO Estate Insurance Advisory Services Inc.)

You have the option of escalating your concerns to OLHI if you're not satisfied with our final response or more than 90 days have passed since you filed your complaint and you haven't received a final response.

OLHI is a national independent complaint resolution and information service for consumers of Canadian life and health insurance products and services, including life, disability, employee health benefits, travel health insurance, and insurance investment products such as annuities and segregated funds.

### **OmbudService for Life & Health Insurance**

20 Adelaide St. East, Suite 802,  
P.O. Box 29, Toronto, ON M5C 2T6  
Attention: Associate General Manager  
Call (English): 1-888-295-8112  
Call (French): 1-866-582-2088  
Visit: [olhi.ca](http://olhi.ca)

### **Ombudsman for Banking Services & Investments (OBSI)**

If your complaint is regarding BMO Creditor and Travel Insurance on your mortgage, line of credit or BMO Credit Card, you can escalate your concerns to OBSI.

OBSI is an independent and impartial dispute resolution service for consumers with a complaint they can't resolve with their banking services or investment firm.

The OBSI process is free of charge and confidential. You can send your complaint to OBSI if we haven't responded to your complaint within 90 days since you contacted Step 2, or within 180 days of receiving our final response.

### **Ombudsman for Banking Services and Investments**

20 Queen Street West, Suite 2400  
P.O. Box 8, Toronto, ON M5H 3R3  
Call: 1-888-451-4519 / 416-287-2877  
Fax: 1-888-422-2865  
Teletypewriter (TTY): 1-855-TTY-OBSI / 1-855-889-6274  
Email: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)  
Visit: [obsi.ca](http://obsi.ca)

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## Alternative Options

### Financial Consumer Agency of Canada (FCAC)

The FCAC supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws and voluntary codes of conduct and public commitments.

For example, financial institutions are required to provide consumers with information about complaint handling procedures, fees, interest rates and branch closures.

If you have a complaint concerning a consumer protection law or voluntary code of conduct or public commitment, you may contact the FCAC at:

#### Financial Consumer Agency of Canada

427 Laurier Avenue West, 6th Floor, Ottawa, ON K1R 1B9

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

Call (French): 1-866-461-ACFC (2232)

For calls from outside Canada: 613-960-4666

Teletypewriter (TTY): 1-866-914-6097 / 613-947-7771

Fax: 1-866-814-2224 / 613-941-1436

Visit: [canada.ca/en/financial-consumer-agency.html](http://canada.ca/en/financial-consumer-agency.html)

Note: The FCAC does not provide redress or compensation, and will not get involved in individual disputes.

For a complete list of federal consumer-protection laws, voluntary codes of conduct and public commitments, visit: [canada.ca/en/financial-consumer-agency.html](http://canada.ca/en/financial-consumer-agency.html)

### Autorité des marchés financiers (AMF)

As the regulatory body for Quebec's financial sector, the AMF protects consumers and enforces Quebec's financial legislation and regulations. The AMF offers guidance to consumers in preparing formal complaints regarding investments and insurance products.

If you are dissatisfied with how your complaint has been handled, you may have your file transferred to the AMF. The AMF may review your complaint or offer voluntary mediation to help resolve a dispute. To arrange for the transfer of your complaint file, complete the transfer form available on the AMF website.

#### Autorité des marchés financiers

800 Square-Victoria

4<sup>e</sup> étage CP 246, Tour de la Bourse Montréal, QC H4Z 1G3

Call: 514-395-0337 (Montreal)

418-525-0337 (Quebec City)

Toll-free: 1-877-525-0337

Fax: 514-873-3090

Visit: [autorite.qc.ca/en/general-public/assistance-and-complaints](http://autorite.qc.ca/en/general-public/assistance-and-complaints)

If you reside in Saskatchewan you may contact the Superintendent of Insurance at:

### Superintendent of Insurance

Insurance and Real Estate Division  
Financial and Consumer Affairs Authority  
Suite 601, 1919 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H2  
Phone: 306-787-6700  
Fax: 306-787-9006  
Email: [fid@gov.sk.ca](mailto:fid@gov.sk.ca)  
Website: [fcaa.gov.sk.ca](http://fcaa.gov.sk.ca)

### Legal Assistance

You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action called limitation periods. A lawyer can advise you of your options. Once the applicable limitation period expires, you may lose rights to pursue some claims.

# How CIRO protects investors

Copy of official CIRO Brochure



You are opening an account with a firm regulated by the Canadian Investment Regulatory Organization (CIRO). CIRO regulates the activities of Canadian investment dealers and mutual fund dealers and the advisors they employ.

CIRO works to protect investors. Here is how:



#### Rules and Standards

CIRO sets rules for the firms and advisors we regulate, from conduct rules regarding the handling of your account to capital requirements to reduce the risk of a firm insolvency to how your firm trades on a marketplace. These rules protect investors like you.



#### Oversight

We conduct regular reviews of all firms to make sure they comply with our rules. We also monitor the trading activity of all Canadian marketplaces. We can take disciplinary action if firms or their advisors break our rules.



#### Registration and Education Requirements

Advisors registered with a CIRO regulated firm must pass background checks and specific education requirements before they become registered. They must also meet continuing education requirements to keep their knowledge up to date.



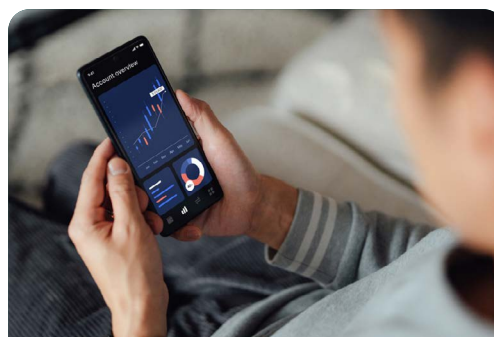
#### Putting Your Interests First

If you are receiving investment advice, your advisor must first work with you to understand your personal and financial circumstances, investment needs and objectives, risk profile and investment time horizon. Any investment recommendation your advisor makes must be suitable for you and put your interests first.



#### Keeping You Informed

Your firm must keep you informed about your investments with regular account statements and periodic reports on the fees and charges you pay and the performance of your investments.







### Addressing Your Complaints

You can complain directly to your firm and they must address your complaint fairly. You can also complain directly to CIRO if you feel there has been misconduct in the handling of your account and we can investigate and, if necessary, take disciplinary action.



### Ombudsman

If you are not satisfied with your firm's response to your complaint, you can also complain to the Ombudsman for Banking Services and Investments. Learn more at [obsi.ca](https://obsi.ca)



### CIPF Protection

Your account is eligible for CIPF protection if your CIRO regulated firm becomes insolvent. Learn more at [cipf.ca](https://cipf.ca)

### Questions?

Contact us:  
1-877-442-4322



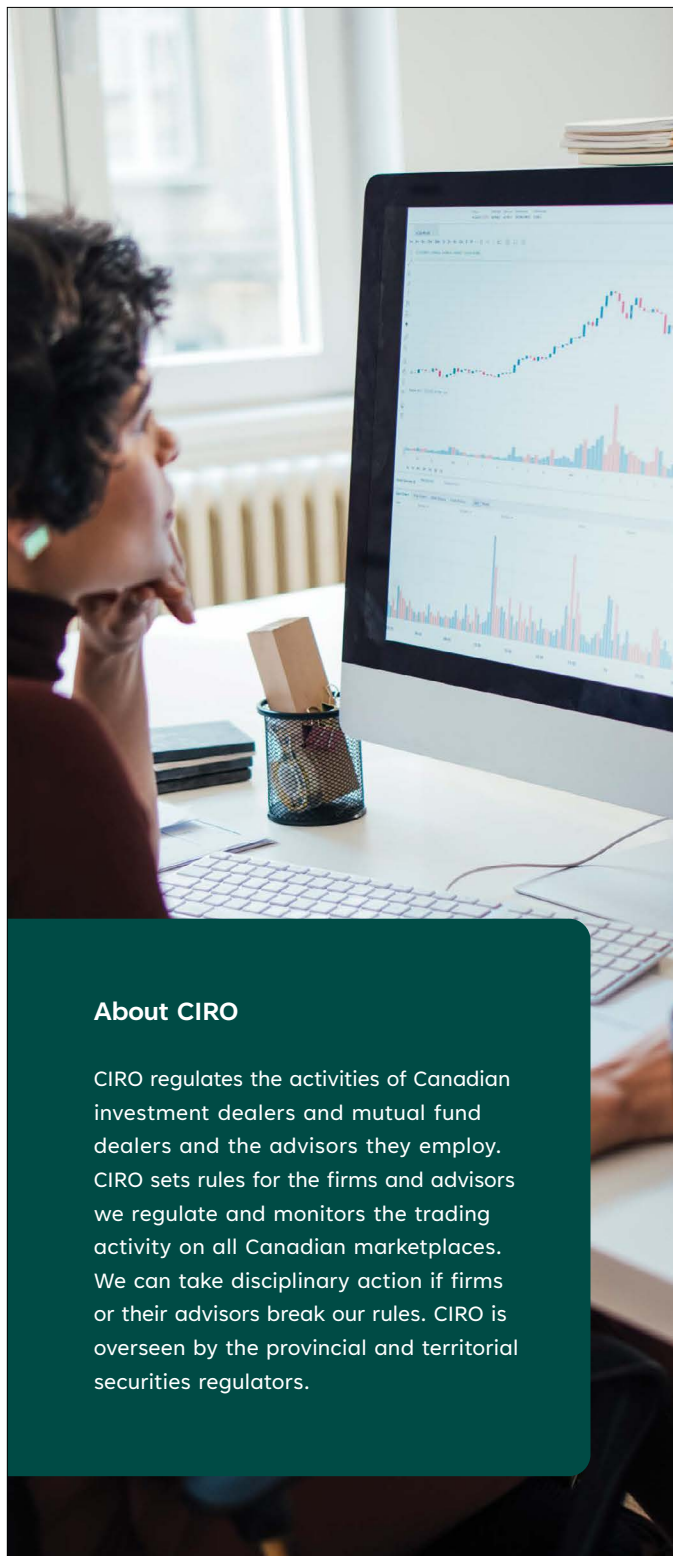
[ciro.ca](https://ciro.ca)

## How to Make A Complaint

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Copy of official CIRO Brochure





## About CISO

CISO regulates the activities of Canadian investment dealers and mutual fund dealers and the advisors they employ. CISO sets rules for the firms and advisors we regulate and monitors the trading activity on all Canadian marketplaces. We can take disciplinary action if firms or their advisors break our rules. CISO is overseen by the provincial and territorial securities regulators.

Here is what you need to know if you have a complaint about your advisor or investment firm regulated by CISO.

## You Can Make a Complaint to Your Investment Firm

Clients of a firm regulated by CISO who are not satisfied with a financial product or service can make a complaint to the firm and seek resolution of the problem. The firm must follow our rules for handling client complaints and address your complaint promptly and fairly. You can find your firm's contact information on your account statement and your firm's complaint handling procedures on their website.

Learn more at [ciso.ca](https://ciso.ca) about how to make a complaint, where you can get help and your options for seeking compensation.



### You Can Also Complain Directly to CIRI





If you feel there has been misconduct in the handling of your account we want to hear from you. You can complain to CIRI directly and we can investigate to determine if your advisor or firm has broken our rules and, if necessary, take disciplinary action. Disciplinary action can include fines or suspensions for firms or advisors that have broken our rules. You can make a complaint to CIRI, at any time, whether or not you have complained to your firm. However, CIRI does not order compensation to investors. If you are seeking compensation, the first step is to make a complaint to your investment firm. You can also consider the options described on the pages that follow.

We can be contacted by:

- 1 Completing the easy and convenient online complaint form at [ciro.ca](http://ciro.ca)
- 2 By email at [info@ciro.ca](mailto:info@ciro.ca)
- 3 By telephone at 1-877-442-4322
- 4 Fax at 1-888-497-6172
- 5 40 Temperance Street, Suite 2600  
Toronto, ON M5H 0B4

### Examples of Complaints We Investigate

Your firm or advisor:

-  Recommended investments that were too risky for you;
-  Made trades in your account without your permission or used your funds in ways that you were unaware of;
-  Charged you fees that were not explained to you;
-  Signed forms on your behalf without your knowledge.

Learn more at [ciro.ca](http://ciro.ca) about how to make a complaint, where you can get help and your options for seeking compensation.

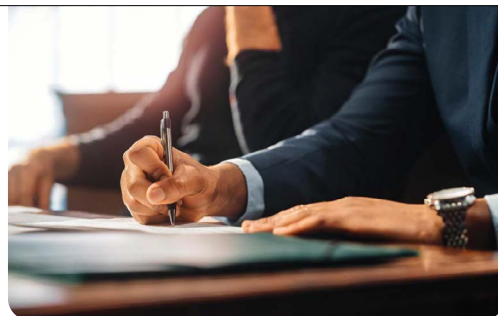
## If You Are Seeking Compensation You Have Options

### The Ombudsman for Banking Services and Investments (OBSI)

If you do not receive a response from your investment firm within 90 days or you are not satisfied with the firm's response you can go directly to OBSI. OBSI is Canada's free, independent and impartial service for resolving investment and banking disputes with participating firms. CIRO requires all the investment firms it regulates to take part in the OBSI process. OBSI can recommend compensation up to \$350,000, but currently its decisions are not legally binding. **You have 180 days to bring your complaint to OBSI after receiving a response from your investment firm. If your firm has not responded within 90 days, then you can take your complaint to OBSI without your firm's response.**

You can contact OBSI at:

- 1 1-888-451-4519
- 2 ombudsman@obsi.ca
- 3 obsi.ca
- 4 20 Queen Street West, Suite 2400  
P.O. Box 8  
Toronto, ON M5H 3R3



### Other Options

#### Going to Court

You can hire a lawyer to take legal action or to assist you with your complaint, however this can be an expensive option. There are also time limits on legal action, which vary by province or territory. Once the time limit expires you may not be able to pursue your claim.

#### Arbitration

Arbitration is a process where a qualified arbitrator, chosen in consultation with both you and the investment firm, hears both sides and makes a final, legally binding decision about your complaint. This option is available if your CIRO firm is an investment dealer. There are costs to using arbitration, though often less than going to court. The arbitrator acts like a judge and reviews facts presented by each side of the dispute. Either side can choose to be represented by a lawyer, though this is not required. Arbitrators in the CIRO arbitration program can award up to \$500,000.

Learn more at [ciro.ca](http://ciro.ca) about how to make a complaint, where you can get help and your options for seeking compensation.



## Provincial and Territorial Securities Regulators

### Quebec

If you live in Quebec, in addition to the options previously described, you can use the free services of the **Autorité des marchés financiers** (AMF). If you are dissatisfied with the firm's handling of the complaint or the outcome, you can request to have the complaint examined by the AMF. The AMF will assess the complaint and may offer conciliation and mediation services, though firms are not required to participate.

If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the Fonds d'indemnisation des services financiers ("Financial Services Compensation Fund"). Up to \$200,000 can be payable for an eligible claim.

For more information on the AMF:

- 1 1-877-525-0337
- 2 [lautorite.qc.ca/en](http://lautorite.qc.ca/en)



### Other Provinces or Territories

Some provincial or territorial securities regulators can, *in certain cases*, seek an order that a person or company that has broken securities law pay compensation to harmed investors who make a claim. These orders are enforced similar to court judgments.

Access the link to your provincial or territorial securities regulator by visiting the following Canadian Securities Administrators page: [securities-administrators.ca/about/contact-us](https://securities-administrators.ca/about/contact-us)

Learn more at [cira.ca](https://cira.ca) about how to make a complaint, where you can get help and your options for seeking compensation.



Your complaint matters. It helps to ensure you are treated fairly and can help CIRI better protect investors now and in the future.

Learn more about how to make a complaint, where you can get help and your options for seeking compensation.



[ciro.ca](https://ciro.ca)

## Strip Bonds and Strip Bond Packages

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Copy of official CIRO Information Statement



June 2014

### STRIP BONDS AND STRIP BOND PACKAGES INFORMATION STATEMENT

**We are required by provincial securities regulations to provide you with this Information Statement before you can trade in strip bonds or strip bond packages based on bonds of the Government of Canada, a Canadian province, or certain foreign governments or political subdivisions thereof. Please review it carefully.**

#### **Preliminary Note Regarding the Scope of this Information Statement**

This information statement relates to strip securities that are based on bonds of the Government of Canada, a Canadian province, or certain foreign governments or political subdivisions thereof. Provincial securities regulations create an exemption from dealer registration and prospectus requirements for these types of securities.

Strip securities may also be based on Canadian corporate bonds. While some of the information in this Information Statement may also be relevant to corporate bond-based strips, corporate bond-based strips are outside the scope of this Information Statement. If you are planning to purchase a strip or strip package based on a corporate Canadian bond, please note that such securities are not governed by the regulations referred to above, but rather, may be subject to certain decisions issued by Canada's securities regulatory authorities exempting certain Canadian corporate bond-based strip securities from various regulatory requirements, including Section 2.1 of National Instrument 44-102 – *Shelf Distributions* and Section 2.1 of National Instrument 44-101 – *Short Form Prospectus Distributions*. See e.g. *RBC Dominion Securities Inc. et al.*, (2013) 36 OSCB 3867 (Apr. 8), online: [www.osc.gov.on.ca/en/SecuritiesLaw\\_ord\\_20130411\\_2110\\_rbc-dominion.htm](http://www.osc.gov.on.ca/en/SecuritiesLaw_ord_20130411_2110_rbc-dominion.htm). Pursuant to each such decision, Canadian securities dealers file with the applicable Canadian securities regulatory authorities a short form base shelf prospectus and certain supplements thereto, pursuant to which certain Canadian corporate-bond based strip securities may be distributed on an on-going basis without a full prospectus (the "CARs<sup>1</sup> and PARs<sup>2</sup> Programme"). For each decision, the applicable shelf prospectus and its supplements may be found on the System for Electronic Document Analysis and Retrieval or "SEDAR" at [www.sedar.com](http://www.sedar.com).

**Risk and other disclosures relating to securities issued as part of the CARs and PARs Programme are set forth in the shelf prospectus and supplements published on SEDAR, and investors considering purchasing such securities are advised to consult these documents, since considerations unique to securities issued as part of the CARs and PARs Programme are not addressed herein.**

### **Strip Bonds and Strip Bond Packages (“Strips”)**

A strip bond—commonly referred to as a “strip”—is a fixed-income product that is sold at a discount to face value and matures at par. This means the holder is entitled to receive the full face value at maturity. Strips do not pay interest, but rather, the yield at the time of purchase is compounded semi-annually and paid at maturity. Since the return on a strip is fixed at the time of purchase, strips may be a suitable investment where the holder requires a fixed amount of funds at a specific future date.

A strip is created when a conventional debt instrument, such as a government or corporate bond, discount note or asset-backed security (i.e., the “underlying bond”), is separated into its “interest” and “principal” component parts for resale. Components are fungible and may be pooled together where they share the same issuer, payment date and currency and have no other distinguishing features. The two types of components may be referred to as follows:

- The “coupon”: the interest-paying portion of the bond; and
- The “residual”: the principal portion.

A strip bond package is a security comprised of two or more strip components. Strip bond packages can be created to provide holders with a regular income stream, similar to an annuity, and with or without a lump sum payment at maturity.<sup>3</sup> By ladderling strips with staggered maturities or other payment characteristics, holders can strategically manage their cash flow to meet their future obligations and specific needs.

### **Strips vs. Conventional Bonds**

Strips are offered on a variety of terms and in respect of a variety of underlying bonds, including government bonds issued by the Government of Canada or provincial, municipal and other government agencies, or a foreign government. CARs and PARs are examples of strips derived from high-quality corporate bonds. Some differences between strips and conventional bonds that you may wish to consider include the following:

- strips are sold at a discount to face value and mature at par, similar to T-bills. Unlike conventional interest-bearing debt securities, strips do not pay interest throughout the term to maturity; rather, the holder is entitled to receive a fixed amount at maturity. The yield or interest earned is the difference between the discounted purchase price and the maturity value; thus, for a given par value, the purchase price for a strip will typically be lower the longer the term to maturity;
- a strip with a longer term to maturity will generally be subject to greater price fluctuations than a strip of the same issuer and yield but with a shorter term to maturity;
- strips typically offer higher yields over T-Bills, GICs and term deposits, and over conventional bonds of the same issuer, term and credit rating;

- the higher yield offered by strips reflects their greater price volatility. Like conventional bonds, the price of a strip is inversely related to its yield. Thus, when prevailing interest rates rise, strip prices fall, and vice versa. However, the rise or fall of strip prices is typically more extreme than with conventional bonds of the same issuer, term and credit rating. The primary reason for this greater volatility is that no interest is paid in respect of a strip bond prior to its maturity;
- unlike conventional bonds that trade in \$1,000 increments, strips may be purchased in \$1 multiples above the minimum investment amount, thereby enabling a holder to purchase a strip for any desired face value amount above the minimum investment amount; and
- strips are less liquid than conventional bonds of the same issuer, term and credit rating: there may not be a secondary market for certain strips and strip bond packages, and there is no requirement or obligation for investment dealers or financial institutions to maintain a secondary market for strips sold by or through them; as a result, purchasers should generally be prepared to hold a strip to maturity, since they may be unable to sell it—or only able to sell it at a significant loss—prior to maturity.

#### **Dealer Mark-ups and Commissions**

When purchasing or selling a strip bond or a strip bond package, the prospective purchaser or seller should inquire about applicable commissions (mark-ups or mark-downs) when executing the trade through an investment dealer or financial institution, since such commissions will reduce the effective yield (if buying) or the net proceeds (if selling). Investment dealers must make reasonable efforts to ensure the aggregate price, inclusive of any mark-up or mark-down, is fair and reasonable taking into consideration all reasonable factors. Commissions quoted by investment dealers generally range between \$0.25 to \$1.50 per \$100 of maturity amount of the strip, with commissions typically at the higher end of this range for small transaction amounts, reflecting the higher relative costs associated with processing small trades.

The table below illustrates the after-commission yield to a strip holder with different terms to maturity and assuming a before-commission yield of 5.5%. All of the yield numbers are semi-annual. For example, a strip bond with a term to maturity of one year and a commission of 25 cents per \$100 of maturity amount has an after-commission yield of 5.229%. The before-commission cost of this particular strip bond will be \$94.72 per \$100 of maturity amount while the after-commission cost will be \$94.97 per \$100 of maturity amount. In contrast, a strip bond with a term to maturity of 25 years and a commission of \$1.50 per \$100 of maturity amount has an after-commission yield of 5.267%. The before-commission cost of this particular strip bond will be \$25.76 per \$100 of maturity amount while the after-commission cost will be \$27.26 per \$100 of maturity amount.<sup>4</sup>



Commission or dealer mark-up amount (per \$100 of maturity amount)	Term to maturity in years and yield after commission or dealer mark-up (assuming a yield before commission of 5.5%)					
	1	2	5	10	15	25
\$0.25	5.229%	5.357%	5.433%	5.456%	5.462%	5.460%
\$0.75	4.691%	5.073%	5.299%	5.368%	5.385%	5.382%
\$1.50	3.892%	4.650%	5.100%	5.238%	5.272%	5.267%

Prospective purchasers or sellers of strips should ask their investment dealer or financial institution about the bid and ask prices for strips and may wish to compare the yield to maturity of the strip, calculated after giving effect to any applicable mark-up or commission, against the similarly calculated yield to maturity of a conventional interest-bearing debt security.

#### Secondary Market and Liquidity

Strips may be purchased or sold through investment dealers and financial institutions on the “over-the-counter” market rather than on an exchange. Where there is an active secondary market, a strip may be sold by a holder prior to maturity at the prevailing market price in order to realize a capital gain or to access funds. However, liquidity may be limited for certain strip bonds and strip bond packages, and, as noted above, investment dealers and financial institutions are not obligated to maintain a secondary market for strips sold by or through them. **As a result, there can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time, and investors should generally be prepared to hold strips to maturity or run the risk of taking a loss.**

#### Other Risk Considerations

Potential purchasers of strips should conduct their own research into the term, yield, payment obligations and particular features of a strip prior to purchase. While not an exhaustive list, you may wish to consider some of the following potential risks:

*Credit risk of the issuer* – strips represent a direct payment obligation of the government or corporate issuer, thus any change to an issuer’s credit rating or perceived credit worthiness may affect the market price of a strip, and the impact may be more severe than the impact on conventional bonds of the same issuer.

*Interest rate risk* – if interest rates rise, the market value of a strip will go down, and this drop in market value will typically be more severe than the drop in market value for the corresponding conventional bond from the same issuer for the same term and yield. If interest rates rise above

the yield of the strip at the time of purchase, the market value of the strip may fall below the original price of the strip.

*Market and liquidity risk* – strips are not immune to market or liquidity risks and may have specific terms and conditions that apply in the event of a market disruption or liquidity event. If liquidity is low, it may be difficult to sell a strip prior to maturity and there may be large spreads between the bid and ask prices. **There can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time.**

*Currency risk* – strips may pay out in a currency other than Canadian dollars. Currency fluctuations may enhance, nullify or exacerbate your investment gains or losses.

*Component risk* – you should ensure that you understand and are comfortable with the underlying components, terms, risks and features of a strip bond or strip bond package prior to purchase. For example, strips may be derived from asset-backed securities or callable or retractable bonds, and may have features such as inflation indexation or structured payments.

*Price volatility* – strips are generally subject to greater price volatility than conventional bonds of the same issuer, term and credit rating, and will typically be subject to greater price fluctuations in response to changes to interest rates, credit ratings and liquidity and market events. The table below shows the impact that prevailing interest rates can have on the price of a strip. For example, as indicated in the table below, an increase in interest rates from 6% to 7% will cause the price of a 5 year strip bond with a maturity value of \$100 to fall by 4.73%—a larger percentage drop than for a \$100 5 year traditional bond, whose price would fall only 4.16%, assuming the same increase in interest rates.

#### Market Price Volatility

Bond Type	Market Price	Market yield	Price with rate drop to 5%	Price change	Price with rate increase to 7%	Price change
6% 5 Year Bond	\$100.00	6.00%	\$104.38	+ 4.38%	\$95.84	- 4.16%
5 Year Strip Bond	\$74.41	6.00%	\$78.12	+ 4.99%	\$70.89	- 4.73%
6% 20 Year Bond	\$100.00	6.00%	\$112.55	+ 12.55%	\$89.32	- 10.68%
20 Year Strip Bond	\$30.66	6.00%	\$37.24	+ 21.49%	\$25.26	-17.61%

#### **Custodial Arrangements**

Due to the high risk of forgery, money laundering and similar illegal activities—and the costs associated with such risks—with physical strips and bearer instruments, most investment dealers and financial institutions will only trade or accept transfer of book-based strips. CDS Clearing and Depository Services Inc. (“CDS”) provides strip bond services, including book-based custodial services for strips and underlying bonds. Custodian banks or trust companies may also create and take custody of strips that are receipt securities, and may permit holders to obtain a registered certificate or take physical delivery of the underlying coupon(s) or residue(s). However, if the holder decides to take physical delivery, he or she should be aware of the risks,

including the risk of lost ownership, associated with holding a bearer security which cannot be replaced. In addition, the holder should be aware that the secondary market for physical strips may be more limited than for book-based strips due to the risks involved. Investors in strip components held by and at CDS are not entitled to a physical certificate if the strips are Book Entry Only.

#### **Canadian Income Tax Summary**

The Canadian income tax consequences of purchasing strip bonds and strip bond packages are complex. Purchasers of strip bonds and strip bond packages should refer questions to the Canada Revenue Agency (<http://www.cra-arc.gc.ca/>) or consult their own tax advisors for advice relating to their particular circumstances.

The following is only a general summary regarding the taxation of strip bonds and strip bond packages under the *Income Tax Act (Canada)* (the “Tax Act”) for purchasers who are residents of Canada and hold their strip bonds and strip bond packages as capital property for purposes of the Tax Act. The following does not constitute legal advice.

#### ***Qualified Investments***

Strip bonds and strip bond packages that are issued or guaranteed by the Government of Canada or issued by a province or territory of Canada are “qualified investments” under the Tax Act and are therefore eligible for purchase by trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts (“Registered Plans”). Depending on the circumstances, strip bonds issued by corporations may also be “qualified investments” for Registered Plans.

#### ***Annual Taxation of Strip Bonds***

The Canada Revenue Agency takes the position that strip bonds are a “prescribed debt obligation” within the meaning of the Tax Act. Consequently, a purchaser will be required to include in income in each year a notional amount of interest, notwithstanding that no interest will be paid or received in the year. Strips may therefore be more attractive when purchased and held in non-taxable accounts, such as self-directed Registered Plans, pension funds and charities.

In general terms, the amount of notional interest deemed to accrue each year will be determined by using the interest rate which, when applied to the total purchase price (including any dealer mark-up or commission) and compounded at least annually, will result in a cumulative accrual of notional interest from the date of purchase to the date of maturity equal to the amount of the discount from face value at which the strip bond was purchased.

For individuals and certain trusts, the required accrual of notional interest in each year is generally only up to the anniversary date of the issuance of the underlying bond. For example, if a strip bond is purchased on February 1 of a year and the anniversary date of the issuance of the underlying bond is June 30, only five months of notional interest accrual will be required in the year of purchase. However, in each subsequent year, notional interest will be required to be accrued from July 1 of that year to June 30 of the subsequent year (provided that the strip bond is still held on June 30 of the subsequent year).

In some circumstances the anniversary date of the issuance of the underlying bond may not be readily determinable. In these circumstances individual investors may wish to consider accruing notional interest each year to the end of the year instead of to the anniversary date.

A corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary is required for each taxation year to accrue notional interest to the end of the taxation year and not just to an earlier anniversary date in the taxation year.

***Disposition of Strip Bonds Prior To Maturity***

A purchaser who disposes of a strip bond prior to, or at, maturity, is required to include in the purchaser's income for the year of disposition notional interest accrued to the date of disposition that was not previously included in the purchaser's income as interest. If the amount received on a disposition exceeds the total of the purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the total of the purchase price and the amount of all notional interest accrued and included in income, the difference will be treated as a capital loss.

***Strip Bond Packages***

For tax purposes, a strip bond package is considered a series of separate strip bonds with the income tax consequences as described above applicable to each such component of the strip package. Thus a purchaser of a strip bond package will normally be required to make a calculation in respect of each component of the strip bond package and then aggregate such amounts to determine the notional interest accrued on the strip bond package. As an alternative, in cases where the strip bond package is issued at or near par and is kept intact, the Canada Revenue Agency will accept tax reporting that is consistent with reporting for ordinary bonds (i.e., reported on a T5 tax slip as accrued interest where it is matched by cash flow), including no obligation to report premium or discount amortization where the strip bond package is subsequently traded on the secondary market.

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## CIPF Brochure

Copy of official CIPF Brochure

 	<h3>What does CIPF do for investors?</h3> <p>CIPF is a compensation fund that provides protection (within certain limits) if property being held by a member firm on a customer's behalf is missing (i.e., not returned to the customer) following the member firm's insolvency.</p> <p>Member firms are (i) investment dealers and/or (ii) mutual fund dealers that are members of the Canadian Investment Regulatory Organization (CIRO) which oversees all investment dealers and mutual fund dealers in Canada. Lists of CIPF member firms are available at <a href="http://www.cipf.ca">www.cipf.ca</a>.</p>
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# What does CIPF cover?

## CIPF COVERS:

■ Missing property - This is property held by a member firm on your behalf that is not returned to you following the firm's insolvency. Missing property can include:

- cash and cash equivalents
- securities
- commodity and futures contracts
- segregated funds

A "security" is a type of financial instrument. Examples of securities include: bonds, GICs (guaranteed investment certificates), shares or stock of a company, units or shares of an investment fund such as mutual fund or an ETF (exchange-traded fund), and units of limited partnerships.

## CIPF DOES NOT COVER:

- • Losses resulting from any of the following:
  - a drop in the value of your investments for any reason
  - investments not suitable for you
  - fraudulent or other misrepresentations made to you
  - misleading information given to you
  - important information not disclosed to you
  - poor investment advice
  - the insolvency or default of the company or organization that issued your security
- Securities held directly by you, where you have received the share certificate or other ownership documentation for the investment. CIPF coverage does not apply since the member firm is not holding this property for you.
- Mutual funds registered in your name and held directly at the mutual fund company.
- Customer accounts held at a mutual fund dealer if the office serving you is located in Québec, unless the member firm is also registered as an investment dealer.
- Crypto assets held by a member firm on your behalf that are missing at the time of the member firm's insolvency.
- Other exclusions identified in the CIPF Coverage Policy, available at [www.cipf.ca](http://www.cipf.ca).

## AM I ELIGIBLE FOR CIPF PROTECTION?

■ If you meet the 3 points of eligibility below, you are eligible for CIPF protection:

1. **Eligible Customer:** Customers of an insolvent member firm are generally eligible, unless they are in the list of ineligible customers in the CIPF Coverage Policy. Ineligible customers include a director of the firm or an individual who contributed to the firm's insolvency.
2. An **Eligible Account** must be:
  - Used for transacting securities or commodity and futures contracts business, and
  - Fully disclosed in the records of the member firm, which would normally be shown by receipts, contracts and statements that have been issued to you by the member firm.

A mutual fund dealer account located in Québec is not an eligible account, unless the member firm is also registered as an investment dealer. Accounts are considered to be located in Québec if the office serving the customer is located in Québec. Mutual fund dealer customers with accounts in Québec are encouraged to contact their advisor for information about the coverage available for these accounts.

3. **Eligible Property:** may include cash and cash equivalents, securities, commodity and futures contracts, and segregated funds held by a member firm, but excludes crypto assets.

## HOW DOES COVERAGE WORK?

■ If a customer bought one hundred shares of Company X at \$50 per share through a member firm, and the share value on the day of the member firm's insolvency was \$30, CIPF's objective would be returning the one hundred shares to the customer because that's the property in the customer's account at the date of insolvency. If the one hundred shares are missing from the account, CIPF would provide compensation based on the value of the missing shares on the day of the firm's insolvency. In this example, that's \$30 per share.

## WHAT ARE THE COVERAGE LIMITS?

■ CIPF will provide compensation for the value of the missing property as at the date of insolvency, up to the limits prescribed in the CIPF Coverage Policy. For an individual holding an account or accounts with a member firm, the limits on CIPF protection are generally as follows:

1. \$1 million for all general accounts combined (such as cash accounts, margin accounts, FHSAs and TFSAs), plus
2. \$1 million for all registered retirement accounts combined (such as RRSPs, RRIFs, LIRAs and LIFs), plus
3. \$1 million for all registered education savings plans (RESPs) combined where the client is the subscriber of the plan.

The limits of coverage for other types of clients are outlined on CIPF's website. All coverage by CIPF is subject to the terms and conditions of the CIPF Coverage Policy and Claims Procedures, available at [www.cipf.ca](http://www.cipf.ca).

# **Your Partner in Investor Protection**



## **IMPORTANT**

This is a copy of the CIPF Official Brochure that has been obtained from the CIPF website. The CIPF Official Brochure may be obtained from a CIPF member firm. This is one way to ensure that you are dealing with a CIPF member firm.

Check the Member Directory on CIPF's website to confirm you are dealing with a CIPF member firm.



For more information on CIPF, please visit [www.cipf.ca](http://www.cipf.ca) or call toll-free at 1.866.243.6981 or 416.866.8366 or e-mail [info@cipf.ca](mailto:info@cipf.ca).

## A Guide to Your BMO Nesbitt Burns Investment Report

Keeping track of the holdings in your account is vital to your investment success. In conjunction with your BMO Nesbitt Burns Investment Advisor, Your Investment Report will help you monitor your holdings, track the performance of your investments, and understand the fees and charges related to your account.

In addition, you will be notified of important business and regulatory changes through statement bulletins, inserts or special mailings. Your Investment Report is mailed each calendar quarter and each month in which there is account activity and for accounts that hold open, unexpired, or unexercised listed options, even if there is no activity in the account. Your account information is also available through BMO Nesbitt Burns Gateway®, our online client information centre.

Your Investment Report
BMO Wealth Management  
BMO Nesbitt Burns

1 Non-registered account #405-33087  
December 31, 2017

Client first and last  
123 SAMPLE DRIVE  
A1B2C3

Your Investment Report

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- Account Summary

This table provides an overview of your account, including the opening and closing balance for the reporting period.

Your Investments	Opening Value Sep 1, 2017	Closing Value Dec 31, 2017	Balance on Dec 31, 2017 (CAD\$)
<b>Canadian Dollar Investments</b>			
Margin Account	-7,128.73	0.00	0.00
	-7,128.73	0.00	0.00
<b>U.S. Dollar Investments</b>			
Margin Account	64,298.50	0.00	0.00
1 USD = 1.2463 CAD	64,298.50	0.00	0.00
<b>Grand Total (CAD\$)</b>			0.00

Last Statement  
Aug 31, 2017  
**73,244.40\***

\*Foreign exchange rate used last statement 1 USD = 1.2500 CAD

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- We're here to help

Our team is dedicated to helping you succeed in meeting all of your wealth management goals. Please call any member of the team referenced below if you have questions about Your Investment Report. Visit [bmo.com/nesbittburns](http://bmo.com/nesbittburns) for the latest information on investing and wealth planning.

<b>IA first and last</b> Investment Advisor 123-456-7890   <a href="mailto:IAfirstlast@bmo.com">IAfirstlast@bmo.com</a>	<b>additional contact</b> <b>additional contact</b> <b>additional contact</b>	<b>Branch Manager first and last</b> Branch Manager 123-456-7890   <a href="mailto:BMfirstlast@bmo.com">BMfirstlast@bmo.com</a>
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CIPF  
MEMBER
Member of the Investment Industry Regulatory Organization of Canada

This guide has been prepared to assist you in understanding the information detailed in **Your Investment Report**.

Page one of **Your Investment Report** details specific information on your account, including:

1. Your account number, the reporting date and the account type (i.e., non-registered, RRSP, TFSA, etc.).
2. Account Summary details the opening and closing balance of your account, as of the reporting date, across all investments held in your account. Closing values are shown in Canadian dollars using the applicable exchange rate(s) detailed in the table.
3. We're here to help provides the contact information for your BMO Nesbitt Burns Investment Advisor and your BMO Private Wealth Market Leader.

Your Investment Report

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Your Performance Report

Changes to your account

This table provides a summary of the change in value of your account, including all deposits, withdrawals and the change in market value of your investments, for both the current year and as of the start of reporting. Where applicable, balances have been converted to Canadian dollars, see page 1 for exchange rates.

	This Year (2016)	Since Jan 1, 2016
Opening Value	490,000	490,000
Deposited	+ 100,000	+ 100,000
Withdrawn	- 20,000	- 20,000
<b>Net Invested</b>	<b>= 80,000</b>	<b>= 80,000</b>
Change In Market Value	+ 30,000	+ 30,000
<b>Closing Value on Dec 31, 2016</b>	<b>600,000</b>	<b>600,000</b>

Net invested is the value of total deposits less the value of total withdrawals.

**Change in Market Value of your account since January 1, 2016 is + \$30,000**  
This amount includes gains, losses and income received with respect to the investments held in your account, as well as all fees and charges paid by you.

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Your total percentage return

The table below details your personal total percentage return. Total percentage return includes the cumulative realized and unrealized capital gains and losses of an investment, plus income from the investment, over a specified period of time, expressed as a percentage. The total percentage return is provided on both a Money-Weighted and Time-Weighted basis as of December 31 of each year. All performance data is calculated based on the Canadian dollar value of your investments, net of all fees and charges, regardless of the currency of your account. Please contact your Investment Advisor if you have any questions about the performance of your investments.

	1 year	3 years	5 years	10 years	Since Start Date	Start Date
Money-Weighted	6.24%	N/A	N/A	N/A	6.24%	Jan 1, 2016
Time-Weighted	6.13%	5.41%	6.82%	5.12%	5.76%	Feb 2, 2003

**Money-Weighted** performance takes into consideration changes in the value of the investments you hold. It includes the size and timing impact of cash flows in and out of the account from dividends and interest received, as well as the deposits and withdrawals made to and from your account. Please note that if your account was opened prior to January 1, 2016, Your Investment Report will include Money-Weighted rates of return since January 1, 2016.

**Time-Weighted** performance does not consider cash flows to and from your account. It measures the gain or loss of your account over a specified period of time and is often referred to as the compound rate of return.

Your **Performance Report<sup>5</sup>** includes information on both the change in the value of your account and performance.

- Changes to your account provides the change in value of your account on a year-to-date and “since inception” date basis. It includes a summary of all deposits and withdrawals, as well as the change in the market value of your investments. A complementary line graph visually represents this information, allowing you track the growth of your account.
- Your total percentage return is included annually on your December month-end report, and details Time-Weighted returns, as well as Money-Weighted returns.
- For Registered Accounts, information specific to your registered account will be displayed on the page following Your Performance Report.

Your Investment Report

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Individuals related to your account

Type

Name

Successor

CLIENT RELATIVE FIRST AND LAST

Your RRIF payment instructions

Minimum required payment amount	\$0.00
You have elected to receive *	\$9,600.00
This year you have received	\$6,000.00
The total taxes withheld this year are	\$1,500.00
Your selected payment frequency is	Monthly

<sup>5</sup> For accounts opened prior to January 1, 2016, the “since inception” date used in Changes to your account, and your Money-Weighted rate of return is January 1, 2016. For accounts opened after this date, the ‘since inception’ date is the date of account opening.

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Your Investment Report

BMO Wealth Management  
BMO Nesbitt Burns

RRSP - #12345678

**7** • Summary of your investments in Canadian dollars

**Your Investor Profile**

Investment Objective: Growth  
Time Horizon: 10 yrs and more

Investment Category	Amount	Target %	Holdings %
• Cash and Short-term Investments	0.00	0.00-40.00	0.00
• Fixed Income	0.00	0.00-50.00	0.00
• Equities	0.00	50.00-100.00	0.00
<b>Total</b>	<b>0.00</b>		<b>0.00</b>

The investments in your account have been chosen based on the investment objectives you selected on the Client Account Agreement. As your life circumstances change, it is important to talk to your Investment Advisor about updating these objectives as may be applicable.

**Your Canadian Dollar Investments**

All amounts are reported in Canadian Dollars.

**8** • Income you received

Type of Income	Current Month	Year-to-Date
Interest	0.00	0.00
Dividends	975.84	3,105.00
<b>Total</b>	<b>975.84</b>	<b>3,105.00</b>

• Expenses you paid

Type of Expense	Current Month	Year-to-Date
Interest	31.53	195.26
<b>Total</b>	<b>31.53</b>	<b>195.26</b>

7. Summary of your investments in Canadian dollars compares your current asset allocation to the target you provided in your account opening documentation. The pie chart is a visual representation of your current asset allocation (i.e., Cash, Fixed Income, Equities). Note that this section is not available for managed accounts.<sup>6</sup>

Your Investor Profile details your Investment Objective and Time Horizon, as set out in your account documentation.

8. Your Canadian Dollar Investments is an overview of all your Canadian dollar investments, and is followed by reporting on any U.S. or other non-Canadian investments held in your account.

Income you received summarizes income received since your last report, detailed by the Type of Income (i.e., Interest and Dividends). Expenses you paid summarizes expenses incurred since your last report, detailed by Type of Expense (i.e., Interest expense, Dividend expense and Non-resident tax).

9. Your investment details provides information on each of the holdings in your account, as of the reporting date, including the number of units, average cost and market value of each security.

10. Account activity for this month summarizes all transactions that took place in your account during the reporting period. It begins with the Opening Cash Balance, details each Activity and provides a Closing Cash Balance.

Your Investment Report

BMO Wealth Management  
BMO Nesbitt Burns

**9** • Your investment details

	Cost		Market Value on December 31, 2017	
	Quantity	Per Unit	Total	Per Unit
<b>Margin Account</b>				
• Cash and Short-term Investments				
CASH			0.00	0.00
Subtotal			0.00	0.00
Total for Margin Account			0.00	0.00
<b>Total Canadian Dollar Investments</b>			<b>0.00</b>	<b>0.00</b>

Average cost and market price indicator descriptions can be found in Important information about your account at the end of this statement.

**10** • Account activity for this month

Date	Activity	Description	Quantity	Unit Price	Commission	Amount
Sep 1, 2017		Opening Cash Balance				-7,128.73
Sep 15, 2017	Bought	MERIDIAN PROGRAM (HST INCL REG#103854261RT0001) FROM 01AUG2017 TO 31AUG2017			0.00	-484.02
Sep 18, 2017	Bought	MERIDIAN PROGRAM (HST INCL REG#103854261RT0001) FROM 01SEP2017 TO 18SEP2017 FEE BASED ACCT. 40533067-24			0.00	-62.68
Sep 18, 2017	Bought	MERIDIAN PROGRAM (HST INCL REG#103854261RT0001) FROM 01SEP2017 TO 18SEP2017 FEE BASED ACCT. 40619300-14			0.00	-212.61
Sep 21, 2017	Fee Charge	TRANSFER FEE			0.00	-135.00
Sep 21, 2017	Harmonized Sales Tax	HST# R103854261			0.00	-17.55
Sep 22, 2017	Interest	INT FR 08/22 THRU09/06@ 5.100%			0.00	-15.84
Sep 22, 2017	Interest	INT FR 09/07 THRU09/21@ 5.100%			0.00	-15.59
Sep 22, 2017	Transfer out	CASH TRANSFER CS FUNDS RAYMOND JAMES ACCOUNT TRANSFER ACCOUNT(S): 1488L060			0.00	8,072.12
Dec 31, 2017		Closing Cash Balance				0.00

This report includes only activity recorded in your account since your last report. For a more comprehensive listing of your account activity, sign into your BMO Nesbitt Burns Gateway at <https://gateway.bmo.com>.

<sup>6</sup> Managed accounts include the Architect, Blueprint, Managed Portfolio Account, and Quadrant programs.

Your Investment Report

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Your Year-to-Date Fees Summary

• Fees you paid

This section summarizes all compensation received by BMO Nesbitt Burns with respect to your account. Our compensation comes from two sources: what we charge you directly (Operating and Transaction Charges), and what we receive through any third parties.

	CAD (\$)
Operating charges	
Meridian Advisory	4,388.04
Interest Charges	195.26
Transfers	135.00
Sales Tax	17.55
Total operating charges	4,735.85
Transaction charges	
Total transaction charges	0.00
Total fees you paid in 2017	4,735.85

• Payments BMO received from third parties

	CAD (\$)
Total payments BMO Nesbitt Burns received from third parties in 2017	0.00

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• Bulletin board

Effective September 5, 2017, the settlement period for most Canadian and U.S. securities transactions changed to T+2, or two business days, from the previous T+3 cycle.

This industry change impacts the settlement of Canadian and U.S. security buy and sell transactions. Funds must be available in your account two business days after a buy transaction, and funds will be deposited to your account two business days after a sell transaction.

For margin accounts, interest charges will start to accrue as of the T+2 settlement date. For additional information, please contact your BMO Nesbitt Burns Investment Advisor.

When securities are transferred from one currency to another within your account, they will appear as both a deposit and withdrawal in the charges to your account section of your statement's Your Performance Report.

These values always net out to \$0 and do not impact performance calculations for the account.

Registered accounts with pre-authorized mutual fund purchases may show a difference between the amount deposited and the contribution amount.

The difference is a result of overnight valuation changes between the trade date, and when the trade was entered into the system.

11. Your Year-to-Date Fees Summary shows the fees and charges received by BMO Nesbitt Burns with respect to your account on a year-to-date basis, as of the reporting date. This includes Fees you paid (i.e., Operating charges, and Transaction charges), as well as Payments BMO received from third parties.
12. The Bulletin board includes important messages and updates. You are encouraged to review the Bulletin board to stay current on items related to your account.
13. Important information about your account provides information to assist you in reviewing Your Investment Report, including a legend for various notations used on your statement, descriptions of certain security types, as well as disclosure notifications.

Your Investment Report

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• Important information about your account

About this statement

BMO Nesbitt Burns Inc. shall assume the contents of this statement has been acknowledged as correct, approved and consented by you unless we receive written notice to the contrary within 45 days after it is sent to you.

Please let your Investment Advisor or Branch Manager know if there are any changes in your personal or financial situation so that we can ensure you are on track to meet your investment objectives.

The Average Cost and Total Cost for long positions incorporate the book cost of your investment, comprised of, the total amount paid, transaction charges, commissions and fees, adjusted for any corporate actions, reinvested distributions and return of capital.

The Average Cost and Total Cost are calculated as of the end of your reporting period.

Deferred Sales Charge (DSC)

Securities with "Deferred Sales Charge" in the security description may be subject to deferred sales charges when sold.

Investor protection

Customers' accounts are protected by the Canadian Investor Protection Fund within specified limits. A brochure describing the nature and limits of coverage is available upon request.

For Preferred or Preferred Plus accounts, deposits in your Canadian dollar bank account with Bank of Montreal are insured under the Canada Deposit Insurance Corporation Act.

Deposits in your US Dollar bank account with Bank of Montreal are insured under the FDIC.

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## Your BMO Nesbitt Burns Online Account Portal – Gateway®

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BMO Nesbitt Burns Gateway® makes it easy and convenient for you to stay up-to-date on your investments and account information from your desktop, mobile device, or tablet.

### With Gateway, you can:

- View your account balances and holdings on an individual or consolidated basis, anytime, anywhere.
- Review all of your transactions for the past 24 months, making it easy for you to stay on top of your account activity.
- Access a seven-year history of your account statements, trade confirmations and tax documents, securely stored online.<sup>7</sup>
- Get access to select industry-leading research from BMO Nesbitt Burns and BMO Capital Markets experts, as well as independent third party providers.<sup>8</sup>
- View tax-adjusted average cost and unrealized gain/loss information on the securities you own.
- See market-delayed prices on quotable securities.
- Get the latest news for companies you're interested in and hold in your portfolio.

And much more.

### Access your account documents exclusively online with Gateway

Through Gateway's eDocuments view, you can access your account statements, trade confirmations and tax documents. If you'd like to stop receiving these documents through the mail, in favour of viewing them exclusively through the eDocuments view, simply turn off receipt of these statements under the **eServices** tab of the **Account Settings** page on Gateway. All of these documents will be securely stored on the site for seven years, making it easier for you to stay organized and connected to your account information. BMO diligently pursues the execution of each client order on the most advantageous execution terms reasonably available under the circumstances, taking into account prevailing market conditions, in accordance with our best execution obligation.

To register for Gateway, please speak with your BMO Nesbitt Burns Investment Advisor.

<sup>7</sup>Please note that Corporate accounts cannot turn off paper statements (i.e., account statements and trade confirmations) in order to view these documents exclusively online; however, Corporate accountholders are able to view their account statements online, in addition to receiving copies in the mail. Tax documents will be stored for seven years, beginning with the 2017 tax year or the year you open your Nesbitt Burns account, if after 2017.

<sup>8</sup>To get access to research through Gateway, please speak to your BMO Nesbitt Burns Investment Advisor.

# CDIC Brochure



## Protecting your deposits


Canada Deposit Insurance Corporation (CDIC) is a federal Crown corporation that protects more than \$1 trillion in deposits. In the rare event a member financial institution faces failure, we step in to ensure you have continuous access to your money. We have a wide range of tools to enable this, including reimbursing depositors directly through deposit insurance coverage. These tools help support the overall stability of Canada’s financial system. Coverage is free and automatic – you don’t have to sign up.

### What’s covered?

- Savings and chequing accounts
- Guaranteed Investment Certificates (GICs) and other term deposits
- Foreign Currency Deposits

### What’s not covered?

- Mutual funds, stocks, and bonds
- Exchange Traded Funds (ETFs)




Not every financial product you own at your financial institution is eligible for CDIC protection. Visit [cdic.ca](http://cdic.ca) to learn more.

### Add up your coverage!

We protect your deposits with CDIC members for up to \$100,000 in each of these insured categories.



You	+	\$100,000 (in your name alone)
You and another	+	\$100,000 (joint total)
Your savings in trust*	+	\$100,000 (for each beneficiary)
Your tax-free savings	+	\$100,000 (TFSA)
Your retirement savings	+	\$100,000 (RRSP)
Your retirement income	+	\$100,000 (RRIF)
Your education savings	+	\$100,000 (RESP)
Your savings for a person with a disability	+	\$100,000 (RDSP)



= Your total protection in each CDIC member

\* For more detailed information on how CDIC protects deposits held in trust, please visit [cdic.ca](http://cdic.ca).

### What happens if a CDIC member fails?

Your money belongs in your hands. CDIC works hard to protect your savings and your access to financial services. If your institution fails, we will provide access to your insured funds (including interest) within days. It’s automatic – we will contact you.

For a list of CDIC members and associated tradenames, visit [cdic.ca](http://cdic.ca).

### Want to know more?

CDIC is a federal Crown corporation, and is fully funded by CDIC members.

### What you can do

- Know what is covered and what is not
- Keep your contact information up-to-date at your financial institution
- Ask your broker or financial advisor about CDIC’s rules for deposits held in trust including keeping up-to-date beneficiary information

Visit our website  
[cdic.ca](http://cdic.ca)

Call us  
1-800-461-2342

Follow us:  
   



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Learn more [bmo.com/privatewealth](https://bmo.com/privatewealth) | Call 416-359-4000

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The information contained herein is only intended to serve as a summary. BMO Nesbitt Burns makes no representation, guarantee, warranty, or collateral warranty, express or implied, in respect of such information. Customer accounts are protected by the Canadian Investor Protection Fund (CIPF) within specified limits. The nature and limits of the coverage is described on page 110. Information herein regarding CIPF and Canadian Deposit Insurance Corporation (CDIC) coverage is based upon statements made by CIPF and CDIC.

BMO Nesbitt Burns makes no separate representation. In any event, the information published by CIPF and CDIC may change from time to time and the most-up-to-date statements by CIPF and CDIC will prevail. Copies of CIPF and CDIC brochures containing statements made by them are available upon request.

**BMO Nesbitt Burns Inc. is a Member – Canadian Investor Protection Fund. Member of the Canadian Investment Regulatory Organization.**

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