

# U.S. Client Terms and Conditions Booklet

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## Introduction

Thank you for choosing BMO Private Investment Counsel Inc. (“BPIC”, “we”, “us”, “our” or the “Manager”). This Agreement explains how your Account operates and informs you about our various rules, procedures and policies which govern the operation of your Account. If you have any questions about this Agreement or your Account, please contact your BPIC Investment Counsellor (“Investment Counsellor”). BPIC’s head office is located at 1 First Canadian Place, 100 King Street West, 41st Floor, Toronto, ON M5X 1A1.

## Section I: BMO Private Investment Counsel Inc. Client Account Agreement

### Part A: General Terms and Conditions

You (the “Client”, “you” or “your”) have opened one or more accounts (each an “Account”) with us and have appointed us as the portfolio manager of your Account. This booklet outlines the terms and conditions that guide you through your relationship with us, where we act as your portfolio manager and have discretionary investment authority over the securities or cash in your Account(s) with us. The terms and conditions described in this document are subject to any investment objectives and restrictions that may be set forth in an investment policy statement (“IPS”) that may be prepared for your Account. The IPS forms part of this Agreement.

To open an Account, you will complete an account application (“Account Application”), provided to you with this booklet. The terms and conditions set out in the Account Application also govern your relationship with us. BPIC offers non-registered accounts, including joint accounts.

Please take the time to read through this booklet. We appreciate the opportunity to help you build and protect your wealth.

#### 1. Investment Directives

Once you and your Investment Counsellor have met and discussed your investment objectives, risk profile, and income needs, your Investment Counsellor will determine the appropriate investment strategy for you. Typically, this includes using model asset allocation designed to meet individual investment goals by allocating client assets among different asset classes with varying levels of risk and return. Investment decisions are always made in your best interests. Supporting these decisions is our belief that incorporating a range of responsible investment techniques can have an important impact on the creation of long-term investor value. Our sub-advisors determine the role of responsible investment in their strategies.

We will manage the securities and cash during the term of your Account Agreement (the “Agreement”) in accordance with the investment objectives, investment restrictions and practices relating to your Account as set out in this Agreement and the IPS and in accordance with applicable law and regulations.

We will, with respect, to your Account:

- a) establish and review with you, on an annual basis, your investment objectives, risk profile, restrictions and your income needs and develop an appropriate investment strategy for you based on this information. The investment strategy developed and referred to under this Agreement will not be deemed to include any personal income tax planning services, which will remain your responsibility;

- b) in carrying out our duties and responsibilities under this Agreement, we exercise complete and unlimited discretionary trading authorization with respect to your Account. Pursuant to this authorization, you understand that we may, in our sole discretion and at your risk, directly or indirectly, purchase, sell, exchange, convert, and otherwise trade the securities and other permitted investments in your Account. For greater certainty, the authority granted to us includes authority to cause your Account to engage in in-kind transactions for the purpose of investing in securities issued by us or one of our affiliates. You agree to be bound by all decisions made by us in respect of trades of securities forming part of your Account and to be bound by all instructions issued by us to the Custodian [as defined in Section One, Part A(12)] in respect of your Account. We acknowledge that we will exercise such diligence, competence and skill as may be reasonably expected of a reputable, experienced and competent professional investment manager. Notwithstanding anything else to the contrary contained under this Agreement, you understand and agree that we will at all times act in accordance with our best judgment, consistent with your investment objectives contained in the IPS;
- c) in exercising our discretion under this Agreement, make investment decisions for your Account based on your financial information and investment knowledge as set out in your Account Application, and within the approved guidelines and investment objectives, investment limitations and restrictions outlined in the IPS for your Account which has been reviewed and approved by you and us, as may be changed from time to time. The IPS also outlines a recommended broad asset mix for your investment portfolio. Any sub-asset class ranges provided to you in connection with your portfolio are directional in nature and are included only to provide additional context for the broader total asset class range, and may not be reflective of a potentially greater variance in allocations to these sub-asset classes in your portfolio, at any particular point in time. On a discretionary basis, we may modify the recommended asset mix and asset allocation outside of allowable sub-asset class ranges as long as your portfolio’s asset allocation remains within the allowable ranges for the broader total asset classes.

You may amend your objectives by giving us notice in writing of the amendment required and receiving acknowledgement of such notice from us. We will not be responsible for decisions made in the absence of such written notice. You agree to advise us of any restrictions that may be applicable to investments for your Account. You also agree to provide us with an updated IPS in writing if we reasonably request such an update or if you would like to make any changes to your IPS. Until a revised IPS is approved by you and us, you will be bound by any transaction

that we carry out on your behalf in reliance upon your current IPS. The IPS forms part of this Agreement; and

- d) place securities transactions through the securities dealers of our choice, including a securities dealer with which we are associated or affiliated, and such transactions may include those where the dealer acts as principal.

## 2. Restrictions and Investments

You may impose reasonable restrictions on the management of your Account, including a designation in the IPS of particular securities that should not be purchased for your Account, or that should be sold if held by you, provided that you do not require that particular securities be purchased for your Account. You understand and acknowledge that any restrictions that you impose on the management of your Account may cause us to deviate from investment decisions that we would otherwise make in managing your Account, and in some cases, cash that would otherwise be invested in securities that the you have restricted may be kept in cash in your Account.

While we do not sell Canadian mutual funds to U.S. clients, U.S. residents may be invested in mutual funds such as the BMO Private Portfolios if purchased while resident in Canada. Any dividends paid by the BMO Private Portfolios are not reinvested for U.S. residents; rather, BPIC Investment Counsellors will invest those dividends elsewhere in accordance with your objectives.

## 3. Custody, Delivery, Receipt of Securities and Delivery of Client Statements

Unless we advise you otherwise, we have appointed BMO Trust Company ("BMTC") to act as Custodian for client accounts, pursuant to a Custodial Services Agreement made as of April 1, 2016, as same may be amended, supplemented or otherwise modified from time to time in accordance with its terms (the "Custodian Agreement"). The Custodian Agreement may be terminated by either party upon 90 days' written notice to the other party. If you wish to arrange for another affiliated company or unaffiliated company to be appointed to act as custodian, including taking physical possession of the securities in your Account, you must enter into an agreement, satisfactory to us, regarding such custody arrangement.

BMTC has appointed BMO Nesbitt Burns Inc., an affiliate, as sub-custodian of the securities in client accounts. BMO Nesbitt Burns Inc. may hold securities in electronic form or physical certificate, at its principal offices in Toronto, Ontario.

BMO Nesbitt Burns Inc. is an IIROC registered investment dealer, and a direct participant with CDS Clearing and Depository Services Inc. ("CDS") and other global depositories. As a direct participant, BMO Nesbitt Burns Inc. is permitted to provide custody services to clients and deposit their beneficially owned securities. Depository rules govern the operation of clearing and settlement services and provide transparency and consistency with international standards.

The benefits of holding securities electronically at a depository include reduced counterparty, market and liquidity risks, due to decreased settlement time and increased automation of operational processes. Through the use of central depositories, BMO Nesbitt Burns Inc. provides more efficient transfer in ownership of securities through book based electronic form. The risks of holding securities in electronic form include cybersecurity risks and potential system failure.

Any physical certificates are held in physical form at the BMO Nesbitt Burns Inc. vault with supporting controls and balances. The benefits of the physical certificates being held in Toronto, Ontario and in physical form include the availability of head office processes and controls, and the risks include that there is a central point of dependency. The risks of holding physical certificates include theft and damage.

You hereby instruct the Custodian to accept directions from us concerning transactions within your Account. You will not withdraw any portion of the Assets held by a nominee or Custodian without prior notice to us and will not withdraw any portion of the assets in a manner which may prevent proper settlement of outstanding commitments. You will be provided with an annual gain/loss statement, showing all sales that have occurred throughout the fiscal year and detailing the capital 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 and you are responsible for determining your ACB for tax purposes. You will be provided with tax slips in connection to your Accounts, as required by law. You agree that trade confirmations evidencing each securities transaction in your Account will not be provided to you.

You will notify us in writing if there are any errors in your Account statements or tax statements within 45 days from the time such statements are mailed or otherwise delivered to you, so that we may address such inquiries. After 45 days, all transactions (including withdrawals and redemptions) in your Account will be deemed to be correct and approved by you.

You are provided with a quarterly portfolio statement, unless you have requested delivery on a monthly basis, showing all transactions carried out in your account during the period, all assets held, account fees (and applicable sales tax on the fees), withdrawals and contributions, and certain performance information. Your Investment Counsellor will discuss account statement delivery options with you at the time of account opening. You can change the account statement delivery option that you select at the time you open your Account or at any time by providing written notice to us.

Within your December account statement, you will be provided with an "Annual Fee and Compensation Summary" that reports all fees and charges paid by you and received by us annually. In addition, your December account statement will also include a "Performance

Analysis" section that, at a minimum on an annual basis, will include Annualized Money-Weighted Return and Time-Weighted Return after deducting fees and sales taxes. In certain circumstances, including if your account is closed prior to December, the Summary and Performance Analysis will not be provided.

You may elect to receive account statements electronically ("eStatements") or by mail. You acknowledge and agree that your statement delivery preference will apply to all of your accounts with us and/or BMTC. You will need to set up access to BMO Private Banking Investment Online ("BPBIO") to view electronic statements. You may change your statement delivery preference at any time by contacting your Investment Counsellor. If you have elected to receive eStatements only, you understand and agree that you will no longer receive account statements by mail unless you notify BPIC and/or BMTC that you wish to receive paper statements. In addition, you will be notified by email when new account statements have been posted. Your account statements will be posted automatically to BPBIO. You will be able to retrieve the available statements through the "eDocuments" section on BPBIO. eStatements will remain available for viewing for a period of 7 years, beginning with January 2017 statements or from the time of account opening, whichever is most recent. eStatements will be in PDF format only. It is your responsibility to download, and obtain a licence for Adobe® Acrobat® software in order to view, print and save your eStatements. You agree that any eStatements delivered to you is deemed to be delivered on the day that the eStatement is made available, and not on the day that you actually view the document. We are not liable for costs resulting from a failure to review statements. In addition, you may receive, at no cost, a paper copy of any eStatement by contacting your Investment Counsellor. If you have elected to have a copy of your account statements sent to a third party, you acknowledge that your authorized third party(ies) will require access to BPBIO to view electronic statements, and that your authorized third party(ies) may change this statement delivery preference at any time by contacting your Investment Counsellor.

#### 4. Your Representation and Warranties

You represent and warrant to us that:

- a) you are the owner of the securities delivered to the Custodian for administration under this Agreement and, except for security interests created or permitted under this Agreement, the property is free and clear of all liens, charges, and other encumbrances, and that the Client is in compliance with all laws and regulations relating to the property and the Client's interests therein;
- b) you are authorized to deliver to the Custodian for safekeeping the property delivered under this Agreement and to give instructions either personally or by authorized third parties in relation to the property;
- c) you have full power and authority to execute and deliver this Agreement and enter into the transactions contemplated under this Agreement;
- d) you have duly and validly authorized, executed this Agreement;
- e) your execution, delivery and performance of this Agreement does not violate or conflict with any agreement or obligation to which you are a party or by which the your property is bound, whether arising by contract, operation of law or otherwise. The representations and warranties contained in this paragraph are continuing, and you agree to immediately inform us in the event that you are unable to comply with any such representation or warranty; and
- f) you are a "United States person" within the meaning of the United States Internal Revenue Code of 1986, as amended (the "Code") and the information provided by the Client on the enclosed Internal Revenue Service ("IRS") Form W-9 is true, complete and correct.

#### 5. Know Your Client and Suitability Assessments

We have an obligation to assess whether a purchase or sale of a security in your Account is suitable for you, and puts your interest first, before executing the transaction or as otherwise required by the client relationship. In order to assess suitability, we must establish certain personal, financial and investment objective information about you and ensure that such information is kept up to date. This includes:

- a) your identity and reputation (should BPIC have cause for concern);
- b) whether you are an insider of a reporting issuer or a company whose securities are publicly traded;
- c) your personal circumstances, which includes but is not limited to, your date of birth, employment status, number of dependents and whether another person is authorized to provide instruction on, or has a financial interest in, the Account;
- d) your financial circumstances, which includes annual income, liquidity needs, financial assets, net worth and whether you are intending to use leverage or borrowing as part of your investment strategy;
- e) your investment needs and objectives;
- f) your investment knowledge;
- g) your risk profile (which is further explained below); and
- h) your investment time horizon.

Establishing your risk profile involves understanding your ability to endure potential financial loss, known as your risk capacity, and your willingness to accept risk, known as your risk tolerance. Risk capacity

and risk tolerance are separate considerations that together make up your overall risk profile. Your risk profile should reflect the lower of your risk capacity and your risk tolerance.

Your risk capacity is an objective evaluation of your ability to withstand a financial loss. Risk capacity is influenced by factors such as your investment time horizon, age and life stage, financial circumstances (including liquidity needs, income, and wealth), as well as other factors that may influence your ability to withstand financial loss. Your risk tolerance represents the amount of risk you are willing to take. Typically, investors expect to be compensated with a higher return potential in exchange for higher risk. Identifying your risk profile is a key consideration when determining your investment objective and the construction of an investment portfolio.

To help the government fight the funding of terrorism and money laundering activities, U.S. federal law requires financial institutions to obtain, verify and record information that identifies each Client. Clients will be required to provide information concerning their identity (including information for all related entities executing this Agreement), including address, date of birth, driver's license or other identifying documents. For legal entities, we must also identify the nature and location of the your business and the identity of each individual who, in the case of a corporation, owns or control 25% of the voting rights attached to the outstanding voting shares of the corporation, or, in the case of a partnership or trust, controls the partnership or trust.

#### **6. Updating Your Account Information**

You understand and agree that you are responsible for updating your personal and financial information and you must notify us promptly if you need to update any information relating to your Account. In particular, the you agree to advise us, in writing, immediately if your address, investment objectives and risk tolerance change or if there is any significant change in your financial affairs. You also agree to provide us with any other information that is reasonably requested with respect to updating information relating to your Account including, without limitation, any information required by us in order for us to comply with any information reporting and withholding obligations we may have under the Code, this Agreement, or any other agreement between us and the IRS.

You acknowledge that, in providing services under this Agreement, we are relying on the information you have provided, as subsequently amended or supplemented.

#### **7. Use of Proprietary Investment Products and Affiliated Sub-Advisors**

We may, in our sole discretion, invest your funds in a number of investment mandates which may include investing in units of mutual funds, pooled funds (individually a "Fund" and collectively the "Funds"), alternative investments, deposits, structured products (e.g. synthetic notes) and other securities that are unique to us.

Further, BPIC may invest in Funds such as BMO Private Portfolios and other mutual funds, pooled funds, alternative investments or structured products managed by us or companies associated or affiliated with us ("Proprietary Products").

You acknowledge and understand that we generally can purchase such products described above on behalf of you only while you are a resident of Canada and only if you have entered into an investment management agreement with us appointing us as the portfolio manager to manage your assets on a discretionary basis.

You acknowledge that, generally, where an investment mandate includes a Fund or structured product, the Fund or structured product will be a Proprietary Product. Notwithstanding the foregoing, the investment mandate may also include third-party Funds and structured products at our discretion. We do not receive a fee from the BMO Private Portfolios for its services as portfolio manager; however, some of our affiliates earn compensation, such as sub-advisory fees, management fees and/or performance fees, when the investment mandates are invested in Proprietary Products.

You also agree that the unit holdings in any Fund associated or affiliated with us and structured products unique to us cannot be transferred to another securities dealer. You also understand and agree that holdings in any Fund associated or affiliated with us will be included in the determination of the market value of your Account for the purposes of calculating the Fees charged for the services under this Agreement and that these Fees will be in addition to the fees and expenses accrued and paid within the Funds. You acknowledge and understand that all matters relating to the Funds will be governed by applicable legislation and regulations.

You also acknowledge that we use both affiliated and third-party sub-advisors. The majority of our sub-advisors are affiliated sub-advisors. Some of the benefits to us using affiliated sub-advisors include familiarity with the affiliated portfolio managers and easy access to research. Further, these affiliated sub-advisors frequently offer very competitive cost rates, which are passed on to our Clients. We are not obligated to use affiliated sub-advisors and do not receive additional compensation when we choose to do so.

For further details about our relationships with related parties, please refer to the simplified prospectus and annual information form of the BMO Private Portfolios, to our Form ADV, Part 2A, available from your Investment Counsellor, and our "Conflicts of Interest Statement" that can be found at <https://www.bmo.com/assets/pdfs/privatebank/tc/en/im-conflict-of-interest-statement-en.pdf>. You may also ask your Investment Counsellor for a copy of these documents.

#### **8. Notice of Large Redemption of a BMO Private Portfolio**

Based on information provided to me by my Investment Counsellor, I hereby acknowledge and agree to provide BPIC with at least 30 days prior written notice of a request to redeem units of a BMO Private Portfolio (a "Portfolio") held in my Account having a value equal to 10% or more of the Portfolio's net asset value.

### 9. Investment in Securities of Bank of Montreal

You authorize and direct us to purchase and sell, on your behalf, Bank of Montreal common shares, preferred shares and/or debt securities as we may, in our sole discretion, determine in accordance with your IPS.

You understand and acknowledge that Bank of Montreal is a related and connected issuer to us. For further details about our relationship with the Bank of Montreal, please refer to our "Conflicts of Interest Statement" that can be found at <https://www.bmo.com/assets/pdfs/privatebank/tc/en/im-conflict-of-interest-statement-en.pdf>. You may also ask your Investment Counsellor for a copy of this document.

### 10. Your Residency Information

If you move outside of the United States or Canada for any length of time, we may not be allowed to provide discretionary investment services to you or our ability to provide such services may be limited, and as a result we may be required to close your Account. If your country of residence changes, you must advise us immediately; you will be responsible for any withholding taxes that arise and you agree to close your Account if we require you to do so.

### 11. Short-Term Trading

You understand that in the event you direct the liquidation of securities and such instructions result in short-term trading (e.g. units of an investment fund held in the account are sold or switched within 30 days of depositing funds into the account), the manager of an investment fund may charge a fee in accordance with the provisions set out in the applicable prospectus. We will pass on such short-term trading fees to you.

### 12. Brochure, Relationship Summary and Privacy Notice

We represent that we are a registered investment adviser under the Investment Advisers Act of 1940. You acknowledge receipt of our current Client disclosure brochure, Form ADV, Part 2A, and our current client relationship summary, Form ADV Part 3 (Form CRS). These documents contain important disclosures about us. Clients who are individuals also acknowledge receipt of our privacy notice, in compliance with the U.S. Securities and Exchange Commission's Regulation S-P (Privacy of Consumer Financial Information).

### 13. Our Authority as the Portfolio Manager

You authorize us to manage all or any part of your Account, including without limiting the generality of the foregoing to carry out the following:

- a) to purchase, sell, exchange, convert and otherwise trade in or deal with any security (including any "in-specie" transactions, being transactions that maintain the security in current form and do not convert to cash) in accordance with our fee schedule ("Fee Schedule") and the investment objectives and investment restrictions for your Account, on your behalf and at your risk and in so doing place orders with securities dealers and execute and deliver such documents, including subscription agreements,

instruments of transfer and conveyance, as we consider necessary or advisable to carry out and give effect to the terms of this Agreement;

- b) to instruct BMO Trust Company to act as custodian ("BMTC" or "Custodian") to deliver securities in your Account that are sold, exchanged or otherwise disposed of and to pay cash for securities acquired upon delivery thereof to the Custodian;
- c) to give instructions to the Custodian, consistent with the normal procedures and the timeliness requirements of the Custodian;
- d) to consult with legal counsel about any question which may arise about our duties under this Agreement and to engage such agents and advisors as we require from time to time;
- e) to exercise at our discretion, unless otherwise required by law, all voting and other rights in securities, including securities issued by us or our associated or affiliated companies. For greater certainty, we may determine not to exercise our discretion (absent any specific direction from the Client) to vote in respect of any securities, including securities issued by us, or our associated or affiliated companies, or securities of Funds managed by companies affiliated or associated with us;
- f) to retain sub-advisors as we deem appropriate, including our affiliates, to provide investment advisory services with respect to your Account, provided that we will at all times be responsible for the provision of such services as if such services had been provided solely by us;
- g) to hold any cash for your Account on deposit in an interest bearing account with the Custodian or any of its affiliates;
- h) to perform all acts necessary to enter into and participate in class action lawsuits and settlements to class action lawsuits on your behalf, relating to securities held in your Account, all as we may determine, in our sole discretion;
- i) to commingle cash held for and on behalf of your Account with cash held for and on behalf of other accounts we manage, from time to time; and
- j) generally to perform any other act necessary to enable us to carry out our obligations under this Agreement.

### 14. Our Authority as Exempt Market Dealer

You authorize us, for and on behalf of you and only with respect to your Account, to act as a dealer on your behalf with respect to the purchase and sale of securities in accordance with the investment objectives for your Account which are traded pursuant to exemptions from the prospectus requirements.

### 15. Insiders

You must notify us promptly, in writing, if you or any of your associates is an "insider" (as those terms are defined by applicable securities legislation of any issuer whose securities may be



purchased for your Account or if you (alone or in combination with others) hold a sufficient number of securities of an issuer to materially affect control of the issuer (including holding of 10% or more of the outstanding voting securities of the issuer). You remain solely responsible for completing all regulatory filings related to all transactions involving securities related to the Issuer named in your Account, including any other reporting obligations such as large position reporting.

#### 16. Conflicts of Interest

A conflict of interest may arise where (i) our interests and your interests are inconsistent or different; (ii) you may perceive that we are influenced to put our interests ahead of your interests, 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 have adopted policies and procedures to identify and address the handling of material conflicts of interest. We 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.

More information about our material conflicts of interest is set out in our BPIC Conflicts of Interest Statement, which is provided to you on account opening. The current version of this Statement will be available on our website at <https://www.bmo.com/assets/pdfs/privatebank/tc/en/im-conflict-of-interest-statement-en.pdf>. Please ask your Investment Counsellor if you have any questions about conflicts of interest and how we address them in your best interest.

#### 17. Fairness Policy

- a) In allocating investment opportunities among clients, we will seek to ensure that all clients are dealt with in a fair manner. All accounts receive similar treatment and no accounts are given special preference. Securities are allocated to accounts for which trade orders are initiated. In situations where purchases or sales of securities are pooled or blocked for multiple client portfolios, partial fills will be allocated on a pro rata basis, considering factors such as cash position, asset mix and policy guidelines. However, if such prorating should result in an inappropriately small portion for the Account, the allotment will be reallocated to another account. No odd lots will be allocated;
- b) The average share price of a block trade, either full or partial fill, is used in the allocation of trades to accounts. Commissions charged are in accordance with our Fee Schedule; and
- c) We select broker-dealers for each trade based on our ability to obtain the "best execution" for our Clients. We consider, among other things, transaction price; size of the order; access to liquidity; certainty, speed and quality of execution; trading characteristics of the security involved; and the broker or dealer's

ability to execute a large trade without moving the market. In some instances, however, you may direct us to place trades through or with a particular broker or dealer and in such cases we may not be able to obtain the best pricing or execution. We use a variety of brokers to carry out transactions on your behalf. In the course of this activity, we may direct trades to associated or affiliated companies. These companies may execute trades as principal or agent, and receive payment for their services. In addition, the fact that these companies are associated with us may provide an incentive for us to favor using such companies for the execution of the Client's transactions.

#### 18. Cross Trades

You authorize us to effect agency cross-transactions (i.e., transactions for which we or our affiliates act as broker for both you and the other party to the transaction), and collect a commission or other compensation in connection with that trade, in accordance with the procedures described in Section 206(3) and Rule 206(3)-2 of the Investment Advisers Act of 1940, as amended. You acknowledge that, in agency cross-transactions, our affiliates may receive compensation from parties on both sides of the transaction (the amount of which may vary), and we or our affiliates could have a potentially conflicting division of loyalties and responsibilities. You may revoke this authorization to effect agency cross-transactions at any time by written notice to us.

#### 19. Information Reporting and Withholding Tax

The Custodian is directed to withhold, pay or otherwise satisfy out of the Account, all withholding taxes payable by you against the assets of your Account under the laws of Canada, the United States or any other country of jurisdiction.

The Custodian maintains the official record for your Account and delivers, on behalf of the Custodian and us, a joint account statement to you and/or your designated agent. We urge you to carefully review your statements and compare their custodial records with any additional portfolio or performance reports that we may provide to you.

Where required, we and/or the Custodian will also file/report information in accordance with the tax laws of Canada, the United States and/or other countries that we and/or the Custodian deem appropriate.

We have entered into an agreement with the IRS that requires us to report certain identifying information of you and your Account to the Canadian Revenue Agency (CRA) and the CRA will share this information with the IRS. The shared information may include your name, address, United States tax identification number, account number, account balance, and gross proceeds and all income payments made by us to you with respect to your Account.

## 20. Standard of Care and Limitation of Liability

We will exercise our powers and discharge our duties honestly, in good faith and in your best interest and in connection therewith, we will exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in the circumstances. The Custodian shall exercise the same degree of care in the safekeeping of the assets of your Account as it uses in respect of its own property of a similar nature in its custody.

Provided we and the Custodian adhere to the above applicable standard of care, we, the Custodian, our and their officers, directors, employees and agents will not be liable for any loss to or any diminution of the securities of your Account. For greater certainty, BPIC and the Custodian will not be liable in any way for not acting on any specific investment opportunity or opportunities on your behalf. BPIC and the Custodian will not be liable in any circumstances for any indirect, consequential or special damages. You agree to release and indemnify BPIC and/or the Custodian, as applicable, against any liability or claims (including any costs or expenses relating thereto) arising from any matter in respect of which BPIC and/or the Custodian, as applicable, have acted in good faith in reliance on your instructions or the instructions of any authorized third party or where judgment was exercised honestly in carrying out duties under this Agreement.

We will not be liable for any loss howsoever caused, whether directly or indirectly, resulting from force majeure, government restrictions, exchange or market rulings, the suspension of trading or any other fact which will not have been caused by the direct act or default of BPIC or any director, officer, employee or agent of BPIC.

The U.S. federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and nothing in this Agreement will waive or limit any rights you may have under such laws.

If you are a corporation, partnership, business trust, or other organization, we may rely upon the instructions of the persons authorized to provide instructions for the account in the Account Application approving this Agreement. You may change the authorized persons by furnishing an updated Account Application to us. The change in authorized persons will be effective immediately.

## 21. Investment Management

We will manage the cash and securities in your Account during the term of this Agreement in accordance with the investment objectives, the investment restrictions and practices relating to your Account as set out in the IPS and in accordance with applicable law and regulations. The securities in which you are invested will generally be liquid securities and able to be sold readily. Investments in illiquid securities will only be made if the security aligns with Know Your Client and Suitability Assessments. Additional information on the securities and their terms will be available to you through your

Investment Counsellor. We generally will not invest your Account directly in derivatives, although derivatives may be held by Funds in which you are invested.

For further details, please refer to Section One, Part A, 1(c).

Although we will diligently pursue your investment objectives, you acknowledge that those objectives are only guidelines for the management of your Account and if those objectives are not achieved, we will not be held liable by you, so long as we manage your Account in accordance with our standard of care set out in this Agreement.

## 22. No Guarantee of Investment Results

We make no representation or warranty as to the achievement of performance, yield or appreciation objectives or standards that may be referred to in the IPS and will not have any obligation in that respect. We do not guarantee investment results and you understand that past performance does not necessarily predict future performance.

You acknowledge that:

- a) you are aware of the long-term nature of the investments in your Account and possible losses inherent in the transactions in which we will engage on your behalf and you are financially capable of bearing such losses;
- b) you have not received any written or oral guarantees of performance or representations based upon prior accounts or transactions as an inducement to open or to continue carrying your Account, and that a representative or agent of ours is not authorized to make any such guarantees or representations now or in the future; and
- c) BPIC is a separate legal entity from Bank of Montreal and BMTC. Unless we advise you otherwise, all securities purchased for your portfolio are purchased by or through us and are not insured by any government deposit insurer such as Canada Deposit Insurance Corporation (CDIC), Federal Deposit Insurance Corporation (FDIC), are not guaranteed by BPIC, Bank of Montreal, BMTC or any of their affiliates, and may fluctuate in value. In addition, any CDIC eligible guaranteed investment certificates (GICs) held in your Account have no individual CDIC insurance coverage. GICs issued by provincial credit unions may be eligible for provincial deposit insurance coverage in some provinces, subject to the conditions and limits of the applicable provincial coverage. Please consult with your Investment Counsellor for further information.

## 23. Cash Balances

Cash balances in your Account may be held in an interest bearing account with BPIC or the Custodian and the Custodian will not be accountable for any profit earned thereon over and above the interest earned on the cash balances.

#### 24. Leverage Disclosure

Using borrowed funds to finance the purchase of securities involves greater risk than a purchase using cash resources only. Should you borrow funds to purchase securities, your responsibility to repay the loan remains the same even if the value of the securities purchased declines. We do not lend cash to clients.

#### 25. Fees

In consideration of the services provided, you will compensate us and the Custodian in accordance with the Fee Schedule for your Account as published from time to time, or such other amounts as may from time to time be agreed upon in writing. Any new or increase to the management fee set out in the Fee Schedule will become effective upon at least 60 days' prior written notice to you. And other changes to the Fee Schedule will become effective as set out in a written notice to you. Such compensation, disbursements and all expenses incurred under this Agreement, will be paid out of the assets of your Account unless such sums are first paid by you.

Your Account may hold mutual funds or other securities that pay a trailing commission. Generally, we do not invest clients into securities with trailing commissions. Any securities with trailing commissions in your account would have been transferred to us when you moved your Account holdings to us. Mutual funds or other securities that pay trailing commissions that are transferred into your Account are excluded from our fee calculation. Our business practice is to divest these securities as soon as possible, but may retain certain securities for a longer period due to early redemption penalties or specific tax considerations. We do not charge an investment management fee in addition to trailing commissions we may receive.

#### 26. Joint Accounts

If your Account is a joint account, each client having an interest in the joint account will be called a "Joint Account Holder" for the purpose of this Section.

**Joint Tenants with Right of Survivorship:** Each Joint Account Holder acts as the agent of each other Joint Account Holder. Each Joint Account Holder authorizes the other Joint Account Holder to operate the Account without the consent or approval of any other Joint Account Holder. We may act on the instruction of any Joint Account Holder without liability to any other Joint Account Holder. We also may act on the instruction of the attorney-in-fact for any Joint Account Holder without prior approval from or notice to any other Joint Account Holder. Each Joint Account Holder owns the sums on deposit in the Account, regardless of the amount of his or her contribution. When a married couple selects a joint tenancy Account, they will not necessarily create a community property Account. Consult your legal advisor regarding creation of a community property Account. This type of Account ownership does not create a tenancy by the entirety. You agree to notify us of the death of

any Joint Account Holder. At our option, we may request certain documents upon notification of the death of any of the Joint Account Holder before the Account titling can be updated or the funds in the Account can be released.

**Tenants in Common:** If the Joint Account Holders have elected to hold their account as tenants in common, each Joint Account Holder declares his/her interest in the account is held as a tenant in common without rights of survivorship. In the event of death of either applicant, the deceased's portion of assets in the joint account passes to his or her beneficiaries in accordance with his or her will or under intestacy and does not pass to the surviving Joint Account Holder(s). The interest of the Tenants in Common Joint Account Holders in the account is deemed to be equal unless otherwise specified by all Joint Account Holders or their authorized representatives in writing and received by BPIC. In addition to the other provisions of this Agreement the Joint Account Holders agree that the assets of the joint account, held either as joint tenants with right of survivorship or tenants in common, and the instructions relating to the joint account will be handled as follows:

- a) BPIC and the Custodian may accept any instructions regarding the joint account, including withdrawal and payment orders, from any one of the Joint Account Holders without requiring the authorization or consent of the other Joint Account Holders, subject to any contrary instructions received in writing and executed by all Joint Account Holders;
- b) the Custodian may credit the joint Account with the proceeds of any cheque or other instrument payable to any one or more of the Joint Account Holders;
- c) Joint Account Holders are responsible individually and together for all liabilities respecting the joint account including payment of fees, charges and if applicable, Overdraft charges; and
- d) each Joint Account Holder jointly and severally agrees to indemnify and hold BPIC and its employees, officers, directors, agents and nominees harmless from any loss, liability or expense resulting from BPIC acting in accordance with the above authority. Without in any way limiting the authority granted, BPIC is authorized, in its absolute discretion to require joint action by all of the Joint Account Holders of a joint account with respect to any matter concerning such joint accounts including but not limited to the giving or cancellation of orders and the withdrawal of monies, securities or other property.

#### 27. Termination

Either party may terminate this Agreement at any time by providing written notice to the other party as described in this Agreement. The termination will be effective:

- a) if you terminate the agreement, the date you give notice or you are deemed to have given notice;

- b) if we or the custodian terminates the agreement, at any time upon 30 days' written notice to you.

In the event of termination, all property held for your Account will be made available to the Custodian or its agents for delivery to you, or to such successor Custodian that you designate in the notice of termination. Generally, our Proprietary Products: cannot be transferred in-kind but must be liquidated to cash; are not registered for sale to U.S. resident Clients; for any U.S. residents invested in these assets, these would have been purchased while they were residing in Canada. The Custodian will not be required to make delivery until full payment is made to us of all fees, costs and expenses arising out of or in connection herewith, including any costs or expenses arising out of such delivery. If any property remains with the Custodian 30 days after termination (by reason of your failure to take delivery of the property or otherwise to make arrangements for its disposition), the Custodian is authorized to dispatch the property to you at your last known address by registered mail or other secured means, and upon such mailing, the Custodian will have no further responsibility for the property.

### 28. Referral Fee

This disclosure is being provided to you in order to address any potential conflicts of interest as a result of the fact that the Referring Entity (defined below) may receive a fee for referring you to a Receiving Entity (defined below). The prospect of the receipt, or the actual receipt of compensation for referrals may provide the Referring Entity or its employees to favor sales of products for which they can receive compensation for making referrals. You may wish to take referral arrangements into consideration in evaluating recommendations made by the referring registrant.

We have entered into referral agreements with certain other members of BMO Financial Group, specifically, BMO Nesbitt Burns Inc., BMO Estate Insurance Advisory Services Inc. (formerly, BMO Nesbitt Burns Financial Services Inc.), Bank of Montreal, BMO InvestorLine Inc. and BMTC (the "Referral Agreements").

The purpose of these Referral Agreements is to facilitate referrals of Clients to other members of BMO Financial Group to better serve Clients and prospective Clients. Each entity (a "Referring Entity") which successfully refers Clients (each a "Referred Client") to another entity which is a party to the Referral Agreement (a "Receiving Entity") may receive a referral fee from the Receiving Entity. A portion of this referral fee may be paid to the individual employee of the Referring Entity (the "Referring Employee"). Alternatively, there may also be situations where the Referring Employee is compensated, directly or indirectly, by the Referring Entity for referring a Client of the Referring Entity to a Receiving Entity.

Clients of BPIC and BMO Financial Group do not pay any additional charges and fees in connection with such referrals. More details of

these potential referral fees are outlined in the chart starting on page 19.

All activity requiring registration under securities laws and regulations will be performed by an entity with an appropriate registration under applicable securities laws.

For additional information about referrals, please consult with your Investment Counsellor.

Acknowledgements:

You acknowledge receipt and understanding of the above referral disclosure, and further confirm your understanding and agree with the Referring Entity and the Receiving Entity that:

- a) We (or, if we are not the Referring Entity, the Referring Entity) may disclose Information about you to the Receiving Entity in order to make the referral and allow for the ongoing administration of the referral. The word "Information" means financial and financially-related information about you, including information to identify you or qualify you for products and services, or information needed for regulatory requirements.
- b) All activity requiring registration resulting from the Referral Agreements 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 a broker-dealer or investment advisor.
- c) The Referring Entity does not have authority to make any commitments for or on behalf of the Receiving Entity; you will deal directly with the Receiving Entity in respect of any products or services the Receiving Entity may provide to you.
- d) 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 is not responsible for any acts, omissions, statements or negligence of the Referring Entity or any employee or officer of the Referring Entity.
- e) Referral Fees are paid by the Receiving Entity and may change from time to time.
- f) You are under no obligation to purchase any product or service of the Receiving Entity. The Client will receive specific disclosures in writing before BPIC opens the referred Client's account, including among other things, the name of each party to the referral agreement, the terms of the referral arrangement and any associated conflicts of interest generated by the referral arrangement.

g) A referral fee may also be paid if a referral arrangement is entered into between us and a person or entity outside of BMO Financial Group. As with referral arrangements between us and another member of BMO Financial Group, details of these referral arrangements, including the manner in which the referral fee for referral services is calculated and the party to whom it is paid, will be provided to referred Clients.

### 29. 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.

BPIC 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 to be removed from the Class Action Service, please speak with your Investment Counsellor.

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 BPIC'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 BPIC. It will not include securities that you purchased other than through BPIC. 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 BPIC 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 or status of any actions, please speak with your Investment Counsellor.

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 BPIC 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 BPIC.

In connection with any claims processing, claims administrators require BPIC (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 BPIC.

BPIC may terminate its engagement with Broadridge in its sole discretion; if so terminated BPIC 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.

### **30. Communication with Beneficial Owners of Securities of a Reporting Issuer**

A non-registered security holder of a corporation or other issuer has the same right as a registered security holder to vote at annual and special meetings of that issuer. Most common shares carry this privilege as do preferred shares in certain circumstances.

This voting right is provided to registered security holders in securities and corporate legislation and carries with it the right to receive such materials as notices of meetings, information circulars, and proxies from the issuers of the securities (the "Issuers"). You are also entitled to receive the issuer's audited financial statements. As the securities in your Account are held in safe custody by the Custodian and not registered in your name, under Canadian securities laws relating to communications with beneficial owners of securities, we may provide material directly to you or may, unless you object, provide the issuer with your name, address, email address, and extent of security ownership so that the Issuer can provide material directly to you.

Depending on the Securities in your 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.

You provide standing instructions waiving delivery and receipt, to the extent possible under applicable law, of material relating to annual or special meetings of security holders, or annual reports and financial statements of the Issuers of securities that you hold in your Account. Furthermore, you authorize us to disclose your name, address and security holdings to the issuer of the Securities or another sender of material required by law to be sent to security holders in order that, at our option, material may be forwarded to you directly from the Issuer or another sender of material. Note, these instructions do not apply to any specific request that you give or may have given separately to a reporting issuer concerning the sending of interim financial reports of the reporting issuer. In addition, in some circumstances, the instructions you give to us 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 you on whether you wish to receive its annual report or financial statements, and where you provide specific instructions, the instructions you provide to us with respect to financial statements in this section will not apply. Your standing instructions and authorizations in this section will continue to be followed until you advise us in writing by contacting your Investment Counsellor, that you would like to change such instructions and/or authorizations. For more information regarding the rights of a non-registered security holder and how to select one of the options stated above, please contact your Investment Counsellor.

### **31. Materials Related to the Purchase or Sale of Securities**

In connection with any purchase or sale of securities for your Account, you direct us to:

- a) deliver the trade confirmation to the Investment Counsellor designated by us; and
- b) if the purchase of the security is in connection with a distribution, deliver the prospectus, fund facts, ETF facts, or other document prescribed by applicable law to the Investment Counsellor designated by us.

### **32. Proxy**

We may, in our sole discretion, exercise the right to vote a proxy or enlist another company which can include an affiliated company to vote the proxy in respect of securities. We have established a proxy voting policy designed to reasonably ensure that its proxy voting responsibilities are in compliance with applicable laws and regulations and in the best interests of security holders. If you would like to direct their vote in a particular solicitation, you may do so by submitting their specific request in writing and sending it directly to their Investment Counsellor.

Any proxy vote that pertains to Bank of Montreal or its affiliates shall represent the business judgment of the proxy voter, uninfluenced by considerations other than the best interests of BPIC clients in accordance with BPIC's policies and procedures.

Clients or prospective clients may request a copy of BPIC's Proxy Voting Policy or learn how proxies were voted in respect of their account by contacting their Investment Counsellor.

### **33. Communications**

Any notice or communication required or permitted to be given by you under this Agreement must be given in writing, signed either by you or your duly authorized agent and may be given by prepaid mail or be hand-delivered to your Investment Counsellor. We are also authorized to act on instructions received by telephone, email or facsimile (teletype/fax) transmission (a "Message" or "Messages") subject to the terms of the Verbal/Facsimile Message Agreement for Individuals and Entities in Section Two, Part A.

Any communication from us to you:

- a) if mailed by prepaid mail, will be deemed to have been received on the third business day after the date that was post-marked upon it, whether or not you actually received them, or
- b) if sent by facsimile or other means of electronic communication, will be deemed to have been received on the day sent where such day is a business day or the following business day if such day is not a business day, whether or not you actually received them, or
- c) if delivered by hand, will be deemed to have been received at the time it is delivered whether or not you actually received them.

Any communication sent to us will be effective, and treated as having been given to and received by us, only upon actual receipt by us. This section will govern notice of change of address. It is your responsibility to keep your personal information up to date. All communication will be sent to the last known address on file for you.

If you are a corporation, the corporation will deliver to us a certificate of incumbency containing the name, title and original signature of each authorized signatory of the corporation and will keep us and the Custodian informed as to any changes.

Bank of Montreal, BMTC and BPIC will be fully protected in acting upon any instruction, instrument, certificate, or paper transmitted by telephone, email, facsimile, or any other electronic device believed by us to be genuine and to be signed or presented by you and we will be under no duty to make any investigation or inquiry as to any statement contained in any such communication and may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained. You will indemnify and hold us harmless for and from any claims, losses, damages, including costs, charges and expenses relating thereto against us or any of our directors, officers, servants, agents or employees arising from our reliance on any such communication or on the Client's signature on any document or instrument thus transmitted. You acknowledge and agree that this Section, including the indemnity provided by you, will apply to any communication provided to us by an attorney(s) appointed from time to time in respect of your Account, provided that we have been notified of such appointment.

### 34. Disclosure Statement for New Clients

We agree to submit to the jurisdiction of the province/territory in Canada, where the BPIC office that services your Account is located, with respect to matters that may arise with your Investment Management Account.

Should you require BPIC's address for service of legal proceedings, the address that should be used is the address of our office in Canada which services the your Account.

### 35. Risk Disclosure Statement

All investments have some level and type of risk. Simply put, risk is the possibility you may lose money, or that you may not earn a return on your investment. Generally, the higher an investment's anticipated return, the greater the risk you must be prepared to take. Underlying investments held in your Account and the value of your Account may fluctuate over short term periods due to market movements and over longer periods during more prolonged market upturns or downturns. In addition to changes in the condition of markets generally, local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues and recessions could have a significant impact on your Account and its investments and could also result in fluctuations in the value of your Account. The following summarizes the range of potential risks generally associated with investing in our investment strategies. Not all of the risks outlined below apply to all of our strategies.

- a) **Alternative Investment Risk:** In addition to risks associated with traditional investments, alternative investments (such as private equity, hedge funds and certain real estate investments) may have additional risks, including the risk that the investments may not be sold at an amount that at least approximates the amount at which the security is valued, restrictions on your ability to sell the security (liquidity risk), that market quotations may not be readily available (valuation risk), that valuations may be available on a less frequent basis than those for traditional investments, risks associated with the use of leverage, risks associated with short selling and risks associated with derivatives, as described below. Each investment will have its own investment risks and these risks can vary. For additional information, regarding the specific risks, refer to your investment products' offering documents. These documents are available upon request from your Investment Counsellor.
- b) **Asset Allocation Risk:** Risk that an investment strategy may not fully participate in the returns of a particular asset class, geography, industry or security if the investment strategy is diversified across multiple asset classes, geographies, industries and/or securities.
- c) **Commodity Risk:** Changes in the prices of commodities, such as oil and gas, may have an effect on a natural resource company or an income or royalty trust whose business is based on a particular commodity. Prices of commodities are generally cyclical and may experience dramatic fluctuations in short periods of time. Prices of commodities may also be affected by new resource discoveries or changes in government regulations.
- d) **Company-Specific Risk:** Risks tied to an individual company that affect its ability to meet debt obligations or generate future profits. Examples include loss of competitive advantage, poor use

- of capital and diminishing corporate governance. Such risks could cause fixed income and equity security prices to fall.
- e) **Concentration Risk:** Investment strategies that are concentrated in a limited number of asset classes, sectors, securities or issuers may be more volatile than those invested across a diversified range of asset classes, sectors, securities or issuers, since the market value fluctuations of those concentrated positions would have a greater impact on the strategy's performance. A greater degree of concentration could also lead to reduced liquidity.
- f) **Currency Risk:** Risk of lower or negative investment returns due to an adverse fluctuation in the exchange rate of an investment's currency relative to your local currency.
- g) **Default and Credit Risk:** Investments in money market instruments, bonds and other fixed income investments issued by governments and corporations are affected by the issuing entity's ability and willingness to pay interest or repay principal when it is due. Default risk is the risk that a borrower will fail to meet its debt obligations while credit risk is the risk that a borrower's willingness or ability to meet its debt obligations will diminish. If a designated rating organization determines that an issuer has become less creditworthy, it may decrease the credit rating of the issuer and/or the security of the issuer. A downgrade will likely cause the price of the security to decrease. High Yield securities, those that carry a credit rating below that of investment-grade securities, typically have greater degrees of credit risk. Since these securities have a greater degree of credit risk, adverse economic or company-specific circumstances could impair the ability to sell these securities.
- h) **Foreign Investment Risk:** The value of a foreign security may be affected by the economic, political and financial environments in the country of the government or the company that issued the security. Issuers of foreign securities are generally not subject to the same degree of regulation as Canadian or U.S. issuers. The reporting, accounting and auditing standards of foreign countries may differ, in some cases significantly, from Canadian or U.S. standards. Strategies that invest in securities of issuers based in countries with developing economies have the potential for greater market, credit, currency, legal, political, and other risks that differ from, or may be greater than, the risks of investing in developed foreign security markets. Some foreign markets have less trading volume, which may make it more difficult to sell an investment or make prices more volatile. Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment. The risks of foreign investments are generally higher in emerging markets.
- i) **Indexing Risk:** You may be invested in an exchange traded fund ("ETF"). ETF's may involve tracking the performance of an index by tracking the performance of the investments included in the index. It is unlikely that an ETF will be able to track an index perfectly because each ETF has its own operating and trading costs, which lower returns. Indices do not have these costs.
- j) **Inflation Risk:** Risk that purchasing power is diminished due to rising inflation. This is prevalent in fixed income markets when inflation rises higher than expected.
- k) **Interest Rate Risk:** Investments in fixed income securities can move up or down in value as interest rates change. Many fixed income securities—including bonds, mortgages, treasury bills and commercial paper—pay a rate of interest that's fixed when they are issued. Their value tends to move in the opposite direction to interest rate changes. For example, when interest rates rise, the value of an existing bond will fall because the interest rate on that bond is less than the market rate. Equity securities can also be affected by the level of interest rates. For example, as interest rates rise, some equity securities may become relatively less attractive.
- l) **Investment Funds Risk:** Certain strategies may invest directly in, or obtain exposure to, investment funds as part of their investment strategy. These strategies will be subject to the risks outlined in the offering documents and/or simplified prospectus of the underlying investment funds. If an underlying investment fund suspends its redemptions, you may be unable to redeem such securities. An investment fund may have one or more investors who hold a substantial number of units. The purchase or redemption of a substantial number of units may change the composition of the investment fund's holdings significantly or may force the investment fund to sell investments at unfavorable prices. This can affect an investment fund's performance, as well as the performance of any strategy investing in it. In addition, with respect to money market funds, although many intend to maintain a constant price for their units, there is no assurance they can maintain a constant unit price as the value of their securities may fluctuate under certain conditions, including where interest rates are low or negative.
- m) **Legislation Change Risk:** There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects your investment returns, including the distributions you receive.
- n) **Liquidity Risk:** Liquidity is a measure of how easy it is to convert an investment into cash. Liquidity risk is not being able to sell an investment in a reasonable amount of time to prevent or minimize a loss. An investment in securities may be less liquid if the securities are not widely traded or if there are restrictions on the ability to sell such securities. Investments with low liquidity can have significant changes in value. Strategies that invest in foreign securities, securities of small companies or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.



- o) **Management and Strategy Risk:** Risk that a particular investment strategy will not achieve its objective due reasons such as an out-of-favor investment style or the performance of the investment manager does not meet expectations.
- p) **Market Risk:** The risk that a security's price falls due to adverse circumstances that influence all securities in financial markets. These factors are numerous and include, but are not limited to, economic, sectorial and geo-political factors as well as supply and demand dynamics. A strategy that invests in smaller capitalization companies and/or growth stocks may be more volatile than a strategy that invests in larger capitalization companies and/or value stocks.
- q) **Reinvestment Risk:** Risk that cash generated from an investment will have to be reinvested at lower rates of return. This is prevalent in fixed income markets in a decreasing interest rate environment where interest earned must be reinvested at lower rates of return.
- r) **Time Horizon Risk:** Risk that an investor's time horizon is shortened compared to the time horizon initially anticipated when the investment was made. This could lead to a situation in which an investor is forced to sell securities at a lower price than otherwise expected.

Each investment will have its own investment risks and these risks can vary. For additional information, regarding the specific risks, refer to your investment products' offering documents. These documents are available upon request from your Investment Counsellor.

Derivatives are investments whose value is based on the value of an underlying investment. Derivatives can be useful for hedging against losses associated with currencies, stock markets and interest rates or as a substitute for the underlying assets. Derivatives are associated with certain risks:

- a) there is no assurance that a liquid market will exist to allow you to realize profits or limit losses by closing out a derivative position;
- b) you could experience a loss if the other party to the derivative contract is unable to fulfill its obligations, including in instances where the other party is adversely affected by regulatory or market changes;
- c) derivatives that are traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in Canada;
- d) there is no assurance that a hedging strategy will be effective; and
- e) the price of a derivative may not accurately reflect the value of the underlying security or index.

The statements above do not disclose all of the risks and other important aspects of investing in securities and the use of derivatives in a portfolio.

### 36. Amendments

We may amend this Agreement at any time with written notice to the Client. The amendment will take effect at the time stipulated in the notice of such amendment.

### 37. Language of Agreement and other Documents

It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et complétés en anglais.

### 38. Governing Law

This Agreement will be governed by and construed and enforced in accordance with the laws of the jurisdiction in Canada where the BPIC office that services your Account is located and the federal laws of Canada applicable therein.

### 39. Authority to Enter into this Agreement

If you are a trustee or other fiduciary, such trustee or fiduciary represents that the services provided under this Agreement and Application are permitted within the scope of the investments authorized pursuant to the plan, trust and/or applicable law and that the trustee or fiduciary is duly authorized to negotiate the terms of this Agreement and Application and to enter into this Agreement and Application.

If you are a corporation, you are validly existing and are in good standing in the jurisdiction of your organization and the signatory on your behalf represents that the execution and delivery of this Agreement and Application have been duly authorized by appropriate corporate action. You will advise us of any event that might affect this authority or the propriety of this Agreement or Application.

### 40. Succession, Death, Disability or Incompetency

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 the Client's death, disability or incompetency, in which case the account will continue to be administered in accordance with the Client's investment objectives, limitations and investment restrictions as set out in the IPS in effect as of the date of the Client's death, disability or incompetency, and elsewhere until such time as BPIC receives instructions from, or this Agreement is terminated by, the Client's authorized estate representative or legal representative. We have the right to refuse to act upon any instructions of the Client's authorized estate representative or legal representative without evidence satisfactory to us regarding the Client's death, disability or incompetency or their authority to act.

#### 41. Entire Agreement and Severability

This Agreement constitutes the entire agreement between the parties hereto with respect to matters herein. If any covenant or other provision of this Agreement is invalid, illegal or incapable of being enforced by reason of any rule of law or public policy, all other conditions and provisions of this Agreement will, nevertheless, remain in full force and effect and no covenant or provision will be deemed to be dependent upon any other covenant or provision unless so expressed herein.

#### 42. Assignment

This Agreement may not be assigned, in whole or in part, by the Bank, Custodian and/or BPIC as applicable without your written consent upon prior notice to you and to any regulatory authority having jurisdiction with respect to such assignment. You may not assign this Agreement to any other party without the written consent of us.

#### 43. Your Personal Information

BMO Financial Group is committed to respecting and protecting the privacy and confidentiality of your Personal Information and wants to help you understand how we collect, use and share it, including how your information may be shared with BPIC's affiliates and third parties, as required or permitted by law, and your options on limiting certain sharing. Please see our Privacy Code (available from your Investment Counsellor or at [www.bmo.com/privacy](http://www.bmo.com/privacy)) for details.

#### 44. Waiver

Failure to insist upon strict compliance with any of the terms, covenants and conditions in this Agreement will not be deemed a waiver or relinquishment of any similar right or power under this Agreement at any subsequent time or of any other provision of this Agreement.

#### 45. Counterparts

This Agreement may be executed simultaneously in counterparts, each of which will be deemed an original, but all of which constitute one and the same instrument.

#### 46. 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 the TCP to confirm the name and contact information of a 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 above. We will review the facts behind placing the temporary hold on a regular basis to determine whether the temporary hold should continue. We may contact your TCP to discuss our reasons for the temporary hold.

#### 47. Benchmarks

Benchmarks provide you with a means of measuring your portfolio against a standardized or "benchmark" portfolio over a prescribed period of time. Although a benchmark may be represented by an individual market index (e.g., a broad stock market index such as the S&P/TSX Composite Index), typically a benchmark for a diversified investment portfolio is represented by a blend of market indices. This may be appropriate for portfolios that include different asset classes and/or investments. Please be reminded that past performance is not necessarily an indicator of future performance.

You are encouraged to connect with your Investment Counsellor to understand how we build and manage your portfolio to meet your short and long-term investment goals. As part of this process, your Investment Counsellor may provide you with information about the most relevant and appropriate benchmark to measure and monitor your portfolio. We do not currently provide benchmark comparisons in our account reporting.

#### Part B: Conflicts of Interest Statement

We and our affiliates engage in a wide variety of business activities. For more information about our business activities and our affiliates, please refer to the our Form ADV, Part 2A, available from your Investment Counsellor.

We are a subsidiary of Bank of Montreal and a separate corporation from the Bank. We wish to ensure that our Clients understand the relationship between us and Bank of Montreal and therefore wish you to know that the securities sold by us (unless we inform you otherwise concerning a specific security) are:

- a) not insured by CDIC, FDIC or any other government deposit insurer or agency;
- b) not guaranteed by Bank of Montreal or any other bank; and
- c) subject to fluctuations in market values and may lose value.

BMO InvestorLine Inc. ("BMO InvestorLine")	BMO Private Investment Counsel Inc. ("BPIC")	BMO Nesbitt Burns Inc. ("Nesbitt Burns")	BMO Trust Company ("BMTC")	BMO Estate Insurance Advisory Services Inc. ("BMO EIASI") (formerly, BMO Nesbitt Burns Financial Services Inc.)	BMO Capital Markets <sup>1</sup>	Bank of Montreal
<b>Services Receiving Entity may provide to Referred Client</b>						
<p>BMO InvestorLine may provide the following services to a referred Client:</p> <ul style="list-style-type: none"> <li>• Self-directed/discount brokerage services</li> <li>• Brokerage services</li> </ul>	<p>BPIC may provide the following services to a referred Client:</p> <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>	<p>Nesbitt Burns may provide the following services to a referred Client:</p> <ul style="list-style-type: none"> <li>• Broker-dealer services</li> <li>• Portfolio management services</li> </ul>	<p>BMTC may provide the following services to a referred Client:</p> <ul style="list-style-type: none"> <li>• Trust and estates services</li> <li>• Escrows</li> </ul>	<p>BMO EIASI may provide the following services to a referred Client:</p> <ul style="list-style-type: none"> <li>• Insurance strategies for estate preservation, tax planning, income replacement and charitable donations</li> </ul>	<p>BMO Capital Markets may provide the following services to a referred Client:</p> <ul style="list-style-type: none"> <li>• Capital raising</li> <li>• Mergers &amp; acquisitions (M&amp;A) advisory services</li> <li>• Acquisitions &amp; divestitures (A&amp;D) advisory services</li> <li>• Treasury services</li> <li>• Market risk management</li> <li>• Institutional investing</li> <li>• Investment products</li> </ul>	<p>Bank of Montreal may provide the following services to a referred Client:</p> <ul style="list-style-type: none"> <li>• Banking and credit product and services</li> <li>• Mortgage and lending products</li> </ul>
<b>Category(ies) of registration under Canadian Securities Law</b>						
<p>BMO InvestorLine is an investment dealer in all provinces and territories and is a member of IIROC</p>	<p>BPIC has the following categories of registration under Canadian securities laws:</p> <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>	<p>Nesbitt Burns has the following categories of registration under Canadian securities laws:</p> <ul style="list-style-type: none"> <li>• Investment dealer in all provinces and territories; member of the Investment Industry Regulatory Organization of Canada (IIROC)</li> <li>• Futures commission merchant</li> <li>• Investment fund manager</li> </ul>	<p>BMTC is not a registrant under Canadian securities laws</p>	<p>BMO EIASI is not a registrant under Canadian securities laws</p>	<p>BMO Capital Markets is an international dealer</p>	<p>Bank of Montreal is not a registrant under Canadian securities laws</p>
<b>Activities permitted under Canadian securities registration</b>						
<p>BMO InvestorLine is permitted to conduct the following activities under its Canadian securities registration:</p> <ul style="list-style-type: none"> <li>• Trading</li> <li>• Advising, including securities investment services</li> </ul>	<p>BPIC is permitted to conduct the following activities under its Canadian securities registration:</p> <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 ("Exempt Securities")</li> <li>• Advising on trading in specific commodity futures contracts or commodity futures options ("Commodity Contracts") 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>	<p>Nesbitt Burns is permitted to conduct the following activities under its Canadian securities registration:</p> <ul style="list-style-type: none"> <li>• Trading</li> <li>• Advising, including discretionary account management and securities investment services</li> </ul>	<p>BMTC may not engage in any activities requiring registration under Canadian securities laws</p>	<p>BMO EIASI may not engage in any activities requiring registration under Canadian securities laws</p>	<p>BMO Capital Markets may engage in activities reasonably necessary to facilitate a distribution (other than a sale) of securities</p>	<p>Bank of Montreal may not engage in any activities requiring registration under Canadian securities laws</p>
<b>Activities not permitted under Canadian securities registration</b>						
<p>BMO InvestorLine is not permitted to conduct the following activities under its Canadian securities registration:</p> <ul style="list-style-type: none"> <li>• Investment fund management</li> </ul>	<p>BPIC is not permitted to conduct the following activities under its Canadian securities registration:</p> <ul style="list-style-type: none"> <li>• Trading in securities that are not Exempt Securities</li> </ul>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

BMO InvestorLine Inc. ("BMO InvestorLine")	BMO Private Investment Counsel Inc. ("BPIC")	BMO Nesbitt Burns Inc. ("Nesbitt Burns")	BMO Trust Company ("BMTC")																																
<b>Referral Fee paid to Referring Entity and Referring Employee where specified</b>																																			
<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 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, BMO 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 Bank of Montreal refers a Client to Nesbitt Burns, Nesbitt Burns will pay Bank of Montreal 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>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. The amount received will depend on the Nesbitt Burns Investment Advisor commission payable rate; up to a maximum of 50%.</p>	<p>If Bank of Montreal refers a Client to BMTC, BMTC 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 border="1" data-bbox="1172 499 1503 674"> <thead> <tr> <th>Revenue Tier</th> <th>Referral Payout</th> </tr> </thead> <tbody> <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> </tbody> </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																				
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BMO Estate Insurance Advisory Services Inc. ("BMO EIASI") (formerly, BMO Nesbitt Burns Financial Services Inc.)	BMO Capital Markets <sup>1</sup>	Bank of Montreal																				
<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, BMO EIASI will arrange to transfer a referral fee based on fifty percent (50%) of the gross value of commissions to BPIC. 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 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> <li>• 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%.</li> <li>• The referral fee is subject to the following requirements: <ul style="list-style-type: none"> <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> </ul> </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 Nesbitt Burns refers a Client to Bank of Montreal and the referral results in a personal loan product, 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: 150 basis points</li> <li>• for personal loans in excess of \$15,000: 60 basis points</li> <li>• for personal lines of credit in excess of \$15,000: 75 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 out based on the following revenue tiers:</p> <table border="1" data-bbox="1065 808 1521 982"> <thead> <tr> <th>Revenue Tier</th> <th>Referral Payout</th> </tr> </thead> <tbody> <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> </tbody> </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 out based on the following balance tiers:</p> <table border="1" data-bbox="1065 1060 1521 1182"> <thead> <tr> <th>Revenue Tier</th> <th>Referral Payout</th> </tr> </thead> <tbody> <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> </tbody> </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	Revenue Tier	Referral Payout	\$1MM-2.5MM	\$500	\$2.5MM-10MM	\$1,000	\$10MM+	\$2,500
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<p><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 Investment Industry Regulatory Organization of Canada and Member Canadian Investor Protection Fund) in Canada and Asia, and BMO Capital Markets Limited (authorized and regulated by the Financial Conduct Authority) in Europe and Australia.</p>																						

## Section II: Message Agreement

### Part A: Message Agreement for Individuals and Entities

You request Bank of Montreal, BPIC., BMTC, BMO InvestorLine Inc., Bank of Montreal Mortgage Corporation, and/or BMO Investments Inc., (in this section only, these entities are together called “we”, “our” or “us”) to act on instructions or information received, either verbally by telephone, by email, fax transmission or letter of direction (a “Message” or “Messages”) subject to the terms hereof. In consideration of us so doing, you agree with us as follows:

1. You authorize and instruct us to act on any Message received without the need for further verification. You further agree that we may take steps to confirm your identity and that you may be required to enter into a Client message or transfer agreement for certain transactions. You agree that use of this service will bind you legally and make you responsible to the same extent and effect as if you had given original signed written instructions to us, whether or not authorized by you or whether or not accurately communicated and received. Our records will be conclusive evidence of the Message. We may act on Messages instructing us to receive or transfer cash assets. We may also act on Messages instructing us to receive and invest new funds according to a pre-arranged investment plan as set out in a detailed investment policy statement.
2. We may decline or delay acting on any Message for any reason, for example if the instructions in any Message are incomplete, ambiguous or cannot be carried out due to insufficient funds or otherwise, or if we doubt the authenticity of any Message, or the lawfulness of any instruction given in any Message. As such, we make no representations that Messages will be acted upon and we cannot accept liability for any damages or missed opportunities that flow from this potential inaction.
3. If you are not an individual, any investments purchased or reinvested will be in your business name(s). If you are an individual, investments purchased or reinvested will be in your personal name(s). Any dividends paid by the BMO Private Portfolios are not reinvested for U.S. residents; rather, our Investment Counsellors will invest those dividends elsewhere in accordance with the Client’s investment objectives.
4. Unless you and we agree otherwise, we will send you relevant documentation, including any terms and conditions, relating to the type of transaction requested in the Message. We will assume you have received this information and that you are in agreement with the contents thereof unless you advise us within 30 days of the date of your Message that you have not received it or that you are not in agreement.
5. We are not responsible for any delay, failure of performance, damage, penalty, cost, expense or inconvenience resulting to you or any other person from causes beyond our control. We are not liable to you or any other person for incorrect or improper payment to any person arising out of the processing of any transfer including wire payments, unless caused by our negligence or wilful misconduct.
6. We, our correspondents and other financial institutions involved in processing remittances may rely on any account or identification numbers provided by you and will not seek to confirm whether the number specified corresponds with the name of the beneficiary or the beneficiary’s bank provided in the payment order. The payee may be required to provide identification to the satisfaction of the paying bank.
7. Payment instructions executed by us are irrevocable. While we will use reasonable commercial efforts to recall a wire payment upon your instructions, we cannot guarantee return of funds to you. If we are able to obtain a return of funds, we will credit your Account at our quoted rate of exchange (where you requested foreign currency exchange) on the date such credit is made.
8. You agree to pay our fees and to reimburse us for any deductions and for any withholding or other taxes, and for any interest and penalties that may be paid by us in connection with any remittances made pursuant to a Message. You acknowledge that other financial institutions may deduct a fee for processing remittances made pursuant to a Message.
9. You acknowledge that international remittances are subject to cutoff times, time zone differences and local regulations of the destination country and agree that we are in no way liable for delays, costs, damages or claims arising from such matters.
10. You agree to indemnify and save us harmless from and against any and all charges, complaints, costs, damages, demands, expenses, liabilities, and losses which any of us may incur, sustain or suffer, other than as a direct result of our negligence or wilful misconduct, arising from or by reason of our acting, delaying in acting or declining or failing to act upon any Message received, in accordance with this Agreement, including without limitation legal fees and disbursements we reasonably incur. This indemnity is in addition to any other indemnity you have provided to us.
11. This Agreement will be binding upon you, your heirs, executors, administrators respective successors and liquidators as applicable.
12. In the case of a joint Account, you hereby jointly and severally agree that we may act on any Message provided by either one of you and such Message will be binding on the other without

confirmation by us. You jointly and severally agree to the conditions outlined in this Agreement. The death of either one of you will not invalidate this Agreement; this Agreement remains in effect until such time as notice of termination has been given in accordance with Section One, Part A(26) of this Agreement.

13. We may terminate this section of this Agreement at any time by verbal or written notice to you effective upon delivery. You may terminate this Agreement at any time by notice in writing delivered to us; such notice to be effective no later than five business days after delivery to us.

## Section III: Online Access Agreement

In consideration of BPIC providing you with access to the Online Services (the "Service"), you and BPIC, on its own behalf, and as trustee for its directors, officers, employees and agents agree as follows:

### a) Client Conduct

- i) Bank of Montreal either owns the copyright in the selection, coordination, arrangement, structure, sequencing, organization and enhancement of the content on the Service or has obtained the permission to use such content from the appropriate intellectual property owner. You 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. You may download copyrighted material for his/her personal use only. Except as otherwise expressly permitted under copyright law, no copying, redistribution, retransmission, publication or commercial exploitation of downloaded material is permitted without the express written permission of Bank of Montreal and/or the applicable copyright owner. You acknowledge that you do not acquire any ownership rights by downloading copyrighted material.
- ii) You will use the Service for lawful purposes only. You will not transmit through the Service any material that encourages conduct that would constitute a criminal offense, give rise to civil liability or otherwise violate any law. Any conduct by you that in our discretion restricts or inhibits any other third-party from using or enjoying the Service will not be permitted.
- iii) You will immediately cease the use of the Service in respect of BPIC accounts over which you cease to have the right to access and you will immediately notify us, in writing, of the same. You further acknowledge and agree that we reserve the right to terminate your right to access an account at no cost or penalty for which:
  1. You are not the legal or beneficial owner; and
  2. We have received instructions from the legal or beneficial owner to terminate your access or such legal or beneficial owner ceases to be our client.

The foregoing provisions are for our benefit and our subsidiaries, affiliates and third-party content providers and licensors and each such entity has the right to assert and enforce such provisions directly or on its own behalf.

### b) Limitation of Warranty and Damages

- i) You agree that use of the Service is at your sole risk. We do not warrant that the Service will be uninterrupted or error free; nor do we make any warranty as to the results that may be obtained from use of the Service, or as to the accuracy, reliability or content of any data or information provided through the Service.
- ii) The Service is provided on an "as is" basis without warranties or conditions of any kind, either express 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 and incapable of exclusion, restriction or modification under the laws applicable to this Online Access Agreement.
- iii) You agree that we will not be liable for 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 behavior, negligence or under any other cause of action, unless the damages or injury are due to a technology system malfunction within our control.
- iv) In no event will we, or any person or entity involved in creating, producing or distributing the 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 Service, unless due to a technology system malfunction within our control. You acknowledge that the provisions of this section will apply to all content on the Service.
- v) In addition to the terms set forth above, we will not be liable, regardless of the cause or duration, unless due to a technology system malfunction within our control for any errors, inaccuracies, omissions, or other defects in, or untimeliness or unauthenticity of, or any use by you of the information contained within the Service ("Account Information"), or for any delay or interruption in the transmission thereof to you, or for any claims or losses arising therefrom or occasioned thereby. We will not be liable for any third-party claims or losses of any nature, including, but not limited to, lost profits, punitive or consequential damages. We will have no liability for investment decisions based on the data or information provided. Additionally, there are no warranties as to the results obtained from the use of the account Information provided.



vi) You agree to indemnify and save us, or any person or entity involved in creating, producing or distributing the Service (“Indemnified Parties”) harmless from and against any and all costs, liabilities and expenses (including reasonable legal fees and disbursements) directly or indirectly suffered as a result of any claim or action against any of the Indemnified Parties by any third-party arising out of or in connection with the Account Information, the Service or this Online Access Agreement, including any legal or beneficial holder of a BPIC account over which you have been granted the right to access hereunder.

#### **c) Service Interruptions and Termination of Service**

We have the right at any time to change or discontinue any aspect or feature of the Service, including, but not limited to, content, hours of availability, and equipment needed for access or use. You agree that we may suspend or terminate your access to the Service for any reason and without prior notice to you.

#### **d) Accuracy of Account Information**

The data and information transmitted to you via the Service is an approximate representation of your Account Information. You should therefore only rely on the printed monthly or quarterly statement that is mailed to you by us as being the official record of your Account Information.

#### **e) Client Inquiries**

Any inquiries regarding your Account Information, investment advice or transactions should be referred to your Investment Counsellor. If you have any technical questions or difficulties with respect to the use of the Service, please contact your Investment Counsellor. You are responsible for obtaining and maintaining all telephone, Internet access, computer hardware and other equipment needed for access to and use of the Service and all related charges.

#### **f) Password and Client Identification**

You confirm that we are under no obligation to confirm the actual identity or authority of any user of the password, user ID and account number(s) that have been issued to you. You are responsible for:

- i) maintaining the confidentiality and security of your password, user ID and account number(s); and
- ii) any and all communications between you and us over the Internet.

We will not be responsible for any damages arising out of the misuse of your password, user ID and account number(s).

#### **g) Important Notice About the Internet**

You acknowledge that the security, integrity and privacy of any and all data and information exchanged between you and us over the Internet cannot be guaranteed and that any such information may be viewed or tampered with in transit by a third party.

#### **h) Miscellaneous**

- i) You acknowledge that your use of the Service may be monitored by us and is subject to this Online Access Agreement and to all other agreements entered into with us. This Online Access Agreement is binding upon your heirs, executors, administrators and personal representatives.
- ii) Notwithstanding anything to the contrary in this Online Access Agreement, we may amend the terms of this Online Access Agreement by providing you 30 days’ notice.
- iii) This Online Access Agreement will be construed in accordance with the laws of the Canadian province or territory of the office/ branch where the clients accounts are maintained, and the federal laws of Canada applicable therein, without regard to such jurisdiction’s conflict of laws rules. No waiver by you or by us of any breach of default under this Online Access Agreement will be deemed to be a waiver of any preceding or subsequent breach or default.

#### **i) Third-Party Access**

You acknowledge that for any BPIC account that are held by any other person who wishes to grant you access as part of the Service, but for which you are not the legal or beneficial owner, you and such other person agree for you to contact an Investment Counsellor for the legal documentation necessary to grant you such access. We reserve the right to require that all assets or certain assets other than those requested by the Planholder be transferred.



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