

# **BMO Investments Inc.**

## **Terms and Conditions**

**Effective date December 8, 2025**

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## Terms used in this document

The following terms have the following meanings in this booklet (unless the terms are defined differently for the purposes of a particular agreement):

**Account** refers to your account or accounts associated with the products or services provided to you by BMOII, including each Plan described in this Agreement, any replacement account and any new accounts that we open for you in the future.

**Agreement** refers collectively to this document, and the terms and conditions described in your Application and each of the forms or other documents that you sign or that we may provide you from time to time governing your accounts and your relationship with us, as amended from time to time.

**Application** refers to the BMOII form(s) you signed or verbally or electronically consented to (where applicable), authorizing an account opening, change, or transaction with BMOII.

**BMMC** refers to Bank of Montreal Mortgage Corporation.

**BMOII** refers to BMO Investments Inc.

**Bank** and **BMO** refers to BMO Bank of Montreal.

**BMO Online Banking** refers to services that allow customers to manage their finances through an online channel accessible through [bmo.com](http://bmo.com).

**BMO Mobile Banking** refers to services that allow customers to manage their finances through a smartphone or tablet device, through a mobile banking app or through a mobile browser using our mobile banking website [m.bmo.com](http://m.bmo.com).

**BMO Tablet Banking** refers to services that allow customers to manage their finances through a tablet device, using a tablet banking app.

**Continuous Savings Plan** refers to an investment plan that enables you to make contributions to your Account(s) on a regular basis.

**GIC** refers to Guaranteed Investment Certificate.

**Investment professional(s)** refers to BMOII's network of Personal Bankers, Financial Planners, Investment & Retirement Planning, Investment Specialists at the BMO Investment Centre, or Private Wealth Mutual Fund Specialists.

**Online Banking** refers to **BMO Online Banking**, **BMO Mobile Banking** and **BMO Tablet Banking**.

**Plan** refers to a registered plan which may be a Tax-Free Savings Account, Retirement Savings Plan, Education Savings Plan, Disability Savings Plan or Retirement Income Fund.

**Terms and Conditions** refers to this document, which forms part of your Agreement with us.

**Trustee** refers to BMO Trust Company.

**We, our and us** refers to BMOII.

**You, your, yours, Accountholder, Planholder and Subscriber (RESP only)**, refers to each client who signed an Application.

# BMO Investments Inc. Terms and Conditions

The following pages together with the Agreement contain the relevant terms, conditions, and disclosures that apply to your Account(s) and our relationship with you. These terms and conditions are effective December 8, 2025 and replace all previous terms and conditions you have agreed to with us.

You need to read and understand all applicable terms and conditions relevant to the investment(s), services and plan(s) you have chosen. This is because you and we will be bound by the terms and conditions described in our Agreement with you in effect at the time of a transaction or other event.

**The following clause applies to the Province of Quebec only.** The client acknowledges receipt of the French version of this agreement. It is the express wish of the parties who hereby accept that this agreement and any related documents, including all related notices and communications, be drawn up exclusively in English. *Le client reconnaît avoir reçu la présente convention en français. Les parties conviennent et acceptent que la présente convention et tous les documents s'y rattachant incluant tout avis et communication s'y rattachant soient rédigés exclusivement en anglais.*

## PART I:

### Important Information about BMOII and Our Relationship with You

BMOII provides services and advice relating to the investment accounts and retail investment products we offer. Your points of contact are our network of investment professionals.

Here, we provide you with all core information about what we do and how we do it, as well as the nature of your relationship with us and with your investment professional. Other important information you need to know about your relationship with us is contained in other documents we provide you from time to time, including trade confirmations, account statements, investment and/or retirement plans and assessments, offering and continuous disclosure documents and updates about changes to information we provide you from time to time.

### Who are we?

When you buy or sell a BMO Mutual Fund – or any of the other investments we offer – you're dealing with BMOII. We're:

- a subsidiary of BMO and a separate legal entity from the Bank (see Conflict of Interest Matters below for more information about our relationship with BMO),
- registered as a mutual fund dealer in all provinces and territories across Canada, and
- regulated by the securities regulator in your province or territory and by the Canadian Investment Regulatory Organization.

We're also an investment fund manager. This means some members of our team create and manage the BMO Mutual Funds we sell you.

## The Products and Services we can offer you

While our investment professionals can also help with your banking and borrowing needs, we primarily do 2 things:

1. We sell and provide investment advice about BMO Mutual Funds – and certain other BMO investments like GICs and term investments – that we think may be right for you based on your personal circumstances. As described below, we only recommend BMO products.
2. Our Financial Planners also provide retirement and investment planning advice and services – on behalf of the Bank – to customers that request these services and to those that the Financial Planner identifies as potentially benefiting from such services.

It is also important to be aware that, although we offer investment advice and recommendations, we will not make investment decisions on your behalf. You or anyone you give authority to act on your behalf is responsible for making investment decisions for your account.

Investment type	Key Risks
<b>Term and principal protected investments</b>	These investments – like GICs and Principle Protected Notes – usually guarantee you'll at least get back the money you invested (i.e., your money is protected and you won't lose the money you put in). Some investments also guarantee you'll make a certain amount when your investment matures. There are usually limits on your ability to sell these investments, and you may have to pay a penalty for selling early.
<b>Mutual funds</b>	The value of all mutual funds – like other securities – can go up or down depending on the investments in the fund, the number of interested buyers, and the markets. This means the fund's value could change over time – known as volatility – and you could lose money. The level of risk varies depending on the underlying investments in the fund, but generally the higher the potential return the higher the risk.  For more information about investing in mutual funds, see the CSA's Understanding Mutual Funds brochure at <a href="http://securities-administrators.ca">securities-administrators.ca</a>
<b>Borrowing to invest</b>	Investing with borrowed money increases your risk for many reasons, including the fact that you have to pay back your loan and interest even if you lose money on your investment.  Learn more in our Terms & Conditions or speak to us if you're considering using borrowed money to invest.

## The products and services we don't offer

We don't	This means
<b>sell or give advice about mutual funds managed by other fund companies (third party mutual funds)</b>	<p>We only recommend BMO products.</p> <p>You can still transfer some third party mutual funds you already own elsewhere to your BMOII Account – and in some cases we can help you buy certain third party mutual funds you ask for – but we don't recommend or give advice about non-BMO mutual funds. Specifically, our Financial Planners may, at your express request, transfer and purchase no load or front-end load series of third party mutual funds. However, we reserve the right to cease offering purchases of third party mutual funds at any time without notice. Please refer to the "Account Transfer Customer Disclosure" below section for additional details on third-party fund transfers.</p>
<b>sell or give advice about individual stocks, options, or other investments</b>	<p>Our investment professionals are only licensed to help with mutual funds and certain term investments and deposit notes.</p> <p>If you want to buy or sell individual stocks or need advice about stocks or other investments, we can refer you to one of BMO's other investment teams, like BMO InvestorLine (for customers who don't need advice and want to buy and sell stocks on their own) or BMO Nesbitt Burns (for customers who want advice about stocks and other investments from a licensed advisor). See the <i>How We Get Paid: Compensation We Receive</i> section below for information about compensation our investment professionals may receive from time to time for referring you to a different part of BMO.</p>
<b>provide any legal, accounting or tax advice</b>	<p>You're solely responsible for all taxes and other tax consequences arising from or relating to your BMOII Account(s) and any investments you ever hold in your Account, including any tax liabilities, fees, or penalties assessed or imposed by the Canada Revenue Agency or other competent tax or government authority and any accounting fees or costs you may incur. It's always your responsibility to:</p> <ul style="list-style-type: none"><li>• know your tax status, like your available account contribution room and whether you've ever qualified as a non-resident,</li><li>• know and understand the potential consequences of any transactions in your BMOII account, including potential capital gains impacts and tax penalties for non-resident transactions or overcontributing to or withdrawing money from certain types of accounts, and</li><li>• consult your accountant, lawyer, or other advisors before making any investment decisions, even if we've recommended the investment.</li></ul>

## Investment Suitability

We are responsible for providing suitable and unbiased investment recommendations to you that meet the standard of care expected of a trained investment professional based on the client information that you provide to us. While we will work with you to determine the right account(s) and services to best suit your needs, you (or your authorized representative) direct(s) all trading and are(is) responsible for all investment decisions in your account(s).

Each investment recommendation we make and each order we accept from you or someone you have authorized to make decisions about your Account for you is based on the essential facts you provide us (collectively the “Know Your Client (KYC) information”) Some of these essential facts are described in more detail below.

Your KYC information help us create a personalized Investor Profile. Our recommendations must be suitable for you in light of the Investor Profile – explained in further detail below – as recorded in your Application and/or your Account profile. This means any investments we recommend must align with your Investor Profile at the time you invest or transact in the Account (or whenever one of the other events described below happens) and we must put your interests first. However, it doesn’t mean any investments your investment professional may recommend to you from time to time will perform a certain way (like increasing in value) or that recommended investments will perform better than other available investments we or other dealers may offer. As described above, we only recommend BMO Mutual Funds and other BMO products.

We will conduct a suitability assessment of your Account and always put your interests first whenever:

- you place an order to buy and/or sell investments (unless such sale constitutes a full redemption of your Account or such purchase relates to a further investment in an existing holding by way of a systematic withdrawal plan/Continuous Savings Plan);
- you transfer assets to your Account (both newly opened and existing accounts);
- you sign (physically or digitally) documents – relating to your Account – recording any changes to your stated risk attitude and/or profile, time horizon or investment objectives or other matters that may have a significant impact on your Investor Profile;
- we become aware of a material change in your Account(s) that could result in your investments no longer being suitable for you;
- we perform a periodic review required by securities regulators; or
- there is a change in the investment professional responsible for servicing your accounts with BMOII.

You agree to notify us immediately if you have any questions or concerns about the suitability of the investments in your Account, or believe the investments in your Account no longer reflect your stated investment objective, risk profile or attitude, time horizon or other circumstances, or if you wish to change any information you previously provided to us. We will:

- remind you of this obligation on an annual basis, in writing, and
- make reasonable efforts to try to contact you, verbally or in writing, at least once every 12 months and no later than every 36 months from the date of your last suitability assessment, Investor Profile update, or transaction in your Account, in order to verify that there have been no changes to the information you previously provided us, to assess whether your existing Investor Profile remains right for you, and to review the suitability of your existing holdings.

Our suitability assessment will take into consideration all of the investments held in your Account. We don’t typically take into consideration the investments held in other accounts you may hold at BMOII, though we may periodically assess whether an

actual or proposed transaction in your Account could result in you being more highly concentrated in a particular higher-risk fund or type of fund or holding – across all your BMOII accounts – than may be right for you. We don't consider concentration, liquidity, or other risks relating to accounts you may hold at other dealers outside BMOII, because we don't have access to information about your accounts outside BMOII.

As part of our suitability assessment, we may find that the investments held in your Account do not individually or collectively match your stated investments objectives, time horizon, or Investor Profile for your Account. If we assess that your investments are not suitable based on the information you provided to us, we will inform you of our assessment, confirm that the information we have remains current and accurate, and recommend suitable alternatives for you to consider. However, our suitability determination will not consider the larger market of non-BMO products or whether those non-BMO products would be better, worse or equal in meeting your investment needs and objectives.

## **Information you provide us**

Provincial securities laws require that we collect from you and record certain key information about you and each order we accept or Account we open. It is your obligation to ensure that you keep your records with us up-to-date and promptly notify a BMOII investment professional if your personal circumstances change or if any of the information you previously provided us – like your stated investment objective, risk tolerance, or time horizon for your Account, or any of your financial circumstances – change. This is because such changes may impact your Investor Profile, which can make some investments no longer suitable for you.

Our account agreements setting out your personal and financial information, which you have provided to us will be available to you at the time of account opening, and when a material change in your KYC information has come to our attention.

## **Investor Profile**

Your Investor Profile is a holistic assessment – based on the information you provide us – of your goals for the money you invest in your Account and your willingness and ability to withstand risk, including the risk that some or all of the investments in your Account may fluctuate in value or that you may lose money. When our representatives collect your information, it helps them get to know you better and ensure we only recommend suitable investments or that an investment you have chosen is suitable in light of your goals and needs.

There are 6 Investor Profiles. They are:

**The Safe Investor:** Safe Investors tend to be very cautious. If you're a Safe Investor, you want to protect your money, and you're unwilling or – based on your current financial circumstances or short-term investment goals – unable to tolerate or withstand any declines in the value of your investments. You:

- don't want to risk losing any money, and
- value stability and protecting the money you've invested more than the prospect of earning higher returns through riskier investments.

**The Defence Investor:** Defence Investors are fairly cautious. If you're a Defence Investor, you value stability and protecting the money you've invested, but you're willing and – based on your current financial circumstances and investment goals – able to accept

some volatility (and the risk you could lose some money) in exchange for a potential modest return. However, you're:

- not willing or able to withstand large or frequent declines in the value of your investments, and
- primarily interested in earning a regular income stream from your investments, rather than significantly growing your money.

**The Moderate Defence Investor:** If you're a Moderate Defence Investor, you want to balance risk and potential reward, but you're on the slightly more cautious side. You:

- value stability and want to earn some income from your investments, but you're also willing and – based on your current financial circumstances and investment goals – able to accept some volatility (and the risk you could lose some money) in exchange for potential modest growth/returns, and
- are able to withstand periodic declines in the value of your diversified investments, but want to largely offset your riskier investments by also holding more conservative investments.

**The Moderate Investor:** If you're a Moderate Investor, you want to balance risk and potential reward, but you're somewhat comfortable with risk. You:

- value stability and want to earn some income from your diversified investments, but you're also willing and – based on your current financial circumstances and investment goals – able to accept more volatility (and the risk you could lose some money) in exchange for potentially higher modest growth/returns, and
- are able to withstand periodic declines in the value of your investments, but want to partially offset your riskier investments with some conservative investments too.

**The Growth Investor:** Growth investors tend to be fairly comfortable with risk. That's because they're focused on the opportunity for potential higher longer-term gains, even if that means doing so can sometimes be risky. If you're a Growth Investor, you're:

- primarily interested in trying to grow your money over the longer term by investing in mutual funds mostly made up of stocks, with only a small amount of conservative investments in your portfolio,
- willing and – based on your current financial circumstances and goals for the money in this Account – able to withstand frequent changes in the value of your investments (even moderate or large declines) caused by changes to the market value of those stocks, and
- comfortable with the risk you could lose some or all of your money, in exchange for the opportunity to potentially earn more over the life of your investment than you could with less risky investments.

**The Aggressive Investor:** Aggressive Investors tend to be very comfortable with risk. That's because they're focused on maximizing their potential for higher longer-term gains, even if doing so can often be risky. If you're an Aggressive Investor, you're:

- primarily interested in trying to grow your money by investing in mutual funds made up entirely of stocks, including higher-risk funds that are mostly made up of stocks from a particular sector or geography,
- willing and – based on your current financial circumstances and goals for the money in this Account – able and withstand frequent changes in the value of your investments (even large declines) caused by changes to the market value of those stocks, and
- comfortable with the risk that you could lose a large portion – or all – of your money, in exchange for the opportunity to potentially earn more over the life of your investment than you could with less risky investments.

Your Investor Profile is made up of a number of components, which we balance against each other to ensure we have a more holistic understanding of what kind of investor you are – and what kind of investments are right for you. This means that – depending on the information you give us – your Investor Profile may in some cases be more aggressive or conservative (riskier or less risky) than what you may have asked for. Your investment professional can help you understand how we determined your Investor Profile.

Some of the components that help determine your Investor Profile and conduct suitability assessments for your Account(s) are defined as follows:

## **Investment Objective**

Selecting one of the following investment objectives indicates which objective best describes the goal of your Account. This means that the majority of the holdings in the Account should help achieve this goal. You may have a different investment objective for different Accounts.

By indicating which investment objective is intended for your Account, you also help us ensure that we only recommend suitable investments and that you have chosen an appropriate investment to achieve your goals and needs for that Account.

<b>Investment Objective Category</b>	<b>Description</b>
<b>Security of Capital</b>	Customers whose investment objective is Security of Capital seek stability and preservation of capital. They normally hold money market investments and term investments such as GICs. These customers often desire minimal volatility and will typically accept lower returns as a trade-off for very low risk. In some, but not all instances they may be investing their money for the short-term or for an undetermined period of time that has the potential to be short-term.
<b>Income</b>	Customers whose investment objective is Income desire income distribution, and are less concerned with capital appreciation. They often hold a high proportion of investments that pay interest such as bonds, which may be taken in cash or reinvested. These customers typically accept some volatility in exchange for a potential return. In some, but not all instances they may be investing their money for the shorter to medium term.
<b>Income &amp; Conservative Growth</b>	Customers whose investment objective is Income & Conservative Growth seek the generation of income distribution with potential modest capital appreciation. Their account holdings normally consist of diversified investments that generally hold 60% in fixed income investments and not more than 40% in equity investments. These customers are able to tolerate some fluctuations in their investment returns and typically have medium or long-term time horizons.
<b>Balanced</b>	Customers whose investment objective is Balanced seek the potential of moderate capital appreciation with modest income distribution through a diversified portfolio of investments designed to limit excessive fluctuations in the value of their portfolio. They generally hold 40% in fixed income investments and not more than 60% in equity investments. These customers are able to tolerate fluctuations in their investment returns and typically have medium or long-term time horizons.

Investment Objective Category	Description
<b>Growth</b>	Customers whose investment objective is Growth desire an account with a high concentration of equity holdings that may fluctuate in value but provides the most opportunity for potential higher long-term gains. These customers typically invest for the long-term and are prepared to accept higher levels of risk in order to maximize their return potential over the long run.
<b>Maximum Growth</b>	Customers whose investment objective is Maximum Growth desire an account with the greatest concentration of equity holdings that may fluctuate in value but provides the most opportunity for potential higher long-term gains. These customers typically invest for the long-term – usually in mutual funds made up entirely of stocks - and are prepared to accept higher levels of risk in order to maximize their return potential over the long run.

## Investment Knowledge

Investment knowledge should reflect your understanding of investing, investment products and their associated risks. You should not buy investments that you do not understand. By providing your level of investment knowledge to us, you can help us better pick and explain investments we recommend to you.

Investment Knowledge Category	Description
<b>New to Investing</b>	You have little or no investment understanding and/or experience.
<b>Somewhat Knowledgeable</b>	You have limited investment experience and exposure to investment products. You understand that in general, equities are riskier than bonds.
<b>Quite Knowledgeable</b>	You have a considerable amount of investment experience and exposure to different investment products. You understand the capital markets and the different financial products that exist.
<b>Sophisticated/Very Experienced</b>	You have broad and extensive investment experience and have had exposure to multiple investment products. You understand the risk/return tradeoffs associated with investing in international markets.

## Risk Profile

Your Risk Profile is a gauge of how comfortable you are with risk (your risk attitude) and your financial ability to withstand losses and fluctuation in your accounts given your personal and financial circumstances (your risk capacity). It includes your willingness and ability to withstand this fluctuation and potential volatility and losses in your investment returns.

Risk varies from one investment product to another and even from one mutual fund/series to another. A customer may be willing to assume risk proportionate to obtain higher returns. We ask you a series of questions to assess your risk capacity and risk attitude to determine your Risk Profile which informs your overall Investor Profile to determine investments that are suitable for you.

## Time Horizon

Time horizon means the length of time you expect to hold the investments in your Account, and when you anticipate you will need money from the investments in your Account. It also relates to how far in the future your financial goals for your Account are. For example, if you're investing for a short-term goal, your time horizon will be much shorter than if the purpose of your Account is to accumulate wealth for your retirement that is several years away. You may have different time horizons for different Accounts.

Time Horizon Category	Description
<b>Short-term</b>	Less than 2 years
<b>Medium-term</b>	Between 2 and 5 years
<b>Medium-term</b>	Between 5 and 10 years
<b>Long-term</b>	More than 10 years

## Financial Circumstances

Provincial regulators require that we collect and record information relating to your personal financial circumstances, such as your annual income and disposable income, your debts and net worth, and your liquidity needs. This information helps us assess your ability to withstand risk – including your financial ability to withstand periodic fluctuations in the value of your investments or to lose money – and recommend products that are suitable for you in light of your specific financial circumstances.

For example:

- we collect information about your liquidity needs to help determine your time horizon and to assess if a potential investment meets your particular cash flow needs (like if you need the money you're investing to fund ongoing regular expenses or to pay for a planned major expenditure in the future).
- we ask about your debts, assets, and disposable income to assess how much of your total wealth a particular Account or investment represents, and to determine whether you'd likely be able to pay for your usual expenses if your investment declined sharply in value. This means that even if you're very comfortable with risk but your net worth and disposable income indicate that you're likely unable to withstand a significant decline in the value of your investments, we may recommend investments that are less risky than what you've asked for.

## Payments for your investment purchases

We do not accept cash for business you conduct with us. Instead, you can deposit money into your Account or pay for your investments:

- by cheque (payable to BMOII): Cheques should be made payable only to BMOII, and never directly to your investment professional or to BMO.
- by BMO transfer: If you have a bank account with BMO you may authorize us to debit your bank account in the amount of the purchase price of your investments.

## **Customer Cash held in Trust**

Any cash we hold for you, either as payment for, or as proceeds of redemption of, an investment product, will be deposited in trust until disbursed.

### **Customer cash held in trust will not earn interest.**

## **Compounding**

Compounding allows you to potentially earn more from your investment. It happens when you re-invest any interest or dividends you receive from a mutual fund you have invested in by receiving additional units of the fund instead of cash. Re-investing interest and dividends in the fund means you earn additional interest on those re-invested amounts, and not just on the principal amount you invested. It is somewhat like earning interest on interest.

Compound interest is calculated using the principal amount you invested plus any additional deposits and interest you re-invested in the fund. This means the more money you re-invest – and the longer it remains invested in the fund – the more you could earn on your investment overall. The cycle of periodically buying more units of the fund by way of re-investment can also help the fund and your initial investment grow faster in value.

Speak to your investment professional for more information about your options and whether re-investing your interest and dividends to take advantage of compounding might be right for you.

## **Customer Instructions**

**Limited Authorization for Trade Instructions.** Under this Agreement, you grant us a limited authorization to enter into purchases, switches, and redemptions on your behalf. This means we can work directly with the company that manages the mutual fund or other investment you hold or want to carry out your instructions without you having to speak separately with the company. However, this does not mean we can enter into purchases, switches, and redemptions without your instructions. You do not give us the authority or the right to conduct discretionary trading on your behalf, and we will not complete transactions on your behalf without in each case obtaining your prior specific authorization or the authorization of someone you have specifically authorized to make decisions about your Account.

**Acting on Instructions.** You agree that all instructions accepted and acted upon by BMOII, following a suitability analysis to determine the appropriateness of the transaction and the authority of the person from whom we received the Instructions, will, in the absence of gross negligence or willful misconduct on the part of BMOII, be considered valid, notwithstanding that, among other things, they did not come from you, or were different from any previous or later Instructions.

**Not Acting on Instructions.** You acknowledge that BMOII may decide not to act upon your instructions for any reason, including if we doubt that the Instructions are accurate or are from you or someone you have properly authorized to make decisions about your Account, or if we do not understand the Instructions. BMOII reserves the right not to accept any request if we decide at our discretion that it is not appropriate to do so, based on your personal investment needs and other information you have provided.

**Trusted Contact Person (TCP) and Temporary Holds.** You are encouraged to designate one or more individuals as your TCP in relation to your accounts at BMO and/or BMOII. If you sign any documents designating any TCP(s) for the purpose of any accounts at BMO and/or BMOII – including any Account(s) – you authorize and give your consent to BMOII to:

- contact your TCP if we reasonably believe that you may be the victim of financial abuse or financial exploitation, or that you may be experiencing decreased mental capacity that could impact your ability to make financial decisions.

In any of the circumstances described above, you also authorize and give your consent to BMOII to:

- share any of your personal information with your TCP that we deem, at our sole discretion, reasonably necessary in the circumstances, including the nature, holdings, and value of your Account(s) and the nature of our concerns,
- place a temporary hold for a reasonable period – determined at our sole discretion – on all or some of your Account(s), and/or
- refuse to carry out your instructions or delay acting on your Instructions for a reasonable period – determined at our sole discretion – to permit your TCP to investigate our concerns and/or to make arrangements to take appropriate steps to protect you and your Account(s).

In the event we place a temporary hold on all or some of your Account(s), we will notify you of that fact in writing, including our reasons for doing so, as soon as possible after placing the hold(s). While a hold is in place, and until such time that we revoke it, we will review all relevant facts and circumstances that led us to place it and notify you in writing, at least every 30 days, of our reasons for maintaining and/or revoking the hold.

We agree we will not act on your TCP's instructions unless they provide evidence confirming they are duly authorized to provide instructions on your behalf (for example, by way of a valid Power of Attorney appointment or court order).

You can withdraw your consent to have us contact your TCP and you can change your TCP by contacting your investment professional.

## **Updating Your Account Information**

You agree to promptly advise us if you need to update any information relating to your Account. In particular, you agree to advise us immediately if your residential address, income, investment objective, risk tolerance and/or time horizon change or if there is any significant change in your financial affairs, including your net worth and disposable income. You also agree to provide us with written instructions, if requested.

If you move outside of Canada temporarily or permanently, we may not be allowed to accept trading Instructions from you or do business with you, and we may redeem your investments or close your Account. Therefore, if your country of residence changes for tax purposes, you will be responsible for any withholding taxes that arise and agree to close your Account, if required by us. See the *Products and Services We Don't Offer* section above for more information about tax matters.

## What You Pay: Fees and Expenses

Depending on your investment and the type of account you have, you may incur some or all of the following costs:

Cost	Description
<b>Account Fees</b>	An annual administration fee of \$10 (plus applicable taxes) is charged for each RRSP and RESP account. This fee may be different if you invest through a dealer other than us. A fee of \$50 (plus applicable taxes) may be applied to a registered plan account if you transfer it, in whole or in part, to another institution. This fee may be different if you invest through a dealer other than us.
<b>Short-term trading fees</b>	Short-term trading by investors may adversely affect all investors in a fund. To discourage short-term trading, a fund may, at the fund manager's discretion, charge a short-term trading penalty of up to 2% of the amount you redeem or switch if you buy or switch and then redeem or switch securities of the fund within 30 days of purchasing or switching them. This penalty will be paid directly to the fund. Please see applicable fund facts or the simplified prospectus for further details.
<b>Transfer fees</b>	Most Institutions charge a fee to transfer investment accounts from one institution to another. Transfer costs may vary. You understand and acknowledge that transfer requests may be subject to administrative; transfer or other fees charged by the relinquishing institution and you agree that it is your responsibility to pay any such fees.
<b>Management Expense Ratio (MER)</b>	Whenever you invest in a mutual fund, there's an indirect cost – that varies from fund to fund – known as the MER. This is the fund's total management fees and operating expenses -including an ongoing trailing commission the fund pays to BMOII for the services and advice we provide you – expressed as a percentage of the fund's assets. For example, if a \$100 million fund has \$2 million in total annual management fees and expenses, its MER is 2%. These costs are indirect and are already reflected in the current values reported for your fund investments. Note that different funds have different MERs. <ul style="list-style-type: none"><li><b>For non-Series F funds:</b> You don't directly pay the MER however it affects you because the fee is deducted from the value of your investments and therefore reduce the returns and performance on the funds you own, which effect will be compounded over time. For example, if you buy a fund with a 2% MER, you don't pay 2% in fees. But the fund's returns will be lower – and therefore you earn less – than if the fund had lower expenses.</li><li><b>For Series F funds:</b> The dealer fees associated with investments in Series F mutual funds are paid directly by you on a quarterly basis or at the time you fully redeem your Series F mutual fund investments. BMOII will process the payments by redeeming units of each Series F mutual fund investments you own in an amount equal to the fees incurred for holding them. This differs from the manner in which fees are paid for investments in non-Series F mutual funds, which fees are usually embedded in the mutual funds' MER.</li></ul>

Cost	Description
<b>Other fees and expenses</b>	<p>There may be other fees or costs charged by the manufacturer of an investment product we offer you. You should read the simplified prospectus or fund facts of the mutual funds you purchase through us for information about the management fees, expenses and other costs associated with an investment, and the offering documents of any other investment product you purchase through us for information about the fees and costs associated with investing in those products.</p> <p>While some older funds also have sales charges – like deferred charges and commissions you may have to pay when buying or selling – you don't pay any sales charges when you buy or sell a new BMO Mutual Fund.</p>

The above-described fees, including the MER you don't pay directly, affect you because they are deducted from the value of your investments and therefore reduce the returns and performance on the funds you own, which effect will be compounded over time. For example, if you buy a fund with a 2% MER, you don't pay 2% in fees. But, the fund's returns will be lower – and therefore you earn less – than if the fund had lower expenses.

## How We Get Paid: Compensation We Receive

BMOII and our investment professionals earn the following for the products and services we offer you:

Who	What we earn
<b>Your investment professional</b>	<p>All our investment professionals earn a salary and periodic incentive pay. A portion of this incentive pay is based on:</p> <ul style="list-style-type: none"> <li>• how many mutual funds and other investments they sell (or, in the case of some of our Financial Planners, how much all their customers hold in their investment portfolios), and</li> <li>• whether they have achieved performance goals we set from time to time. Our Financial Planners also earn commissions based on the total value of the investments they manage for some of our customers.</li> </ul> <p>Our investment professionals also get credit when they refer you to another part of BMO – like BMO Private Wealth or BMO InvestorLine – if they think one of our partners is better able to help with your investment needs. This credit may in some cases result in your investment professional receiving compensation from BMO for referring you to another part of BMO.</p>
<b>Branch Managers</b>	<p>Our supervisory staff earn a salary and periodic incentive pay. A portion of this incentive pay is based on:</p> <ul style="list-style-type: none"> <li>• how many mutual funds and other investments their sales team sells; and</li> <li>• whether they've achieved performance goals we set from time to time.</li> </ul> <p>We have strict controls to make sure our supervisory staff never put their financial interests ahead of yours or allow representatives under their supervision to do so – and always put your interests first. For example:</p> <ul style="list-style-type: none"> <li>• While our supervisory staff may earn incentive pay for the sales made by their sales teams, the majority of the transactions and trades made by representatives that may contribute to the supervisory staff incentive pay are reviewed by Bank employees independent of the supervisory staff and whose own incentive pay, if any, is not based on the BMOII transactions and trades being reviewed.</li> </ul> <p>We limit the role that investment sales play in its incentive compensation formula – meaning our representatives' investment sales influence only a portion of their pay – and no representative or supervisory staff ever gets credit for sales or conduct that doesn't align with the Code of Conduct.</p>

Who	What we earn
BMOII	<p>We earn:</p> <ul style="list-style-type: none"> <li>• an ongoing trailing commission – based on the value of your investment – for the services and advice we provide you. This is paid by the fund company and is part of the fund's MER,</li> <li>• a periodic payment from other parts of BMO – like BMO Private Wealth or BMO InvestorLine – when we refer you to them, and</li> <li>• any account and trading fees you pay.</li> </ul> <p>Our investment fund managers also earn any sales charges or fund fees relating to your BMO Mutual Funds.</p>

We have strict controls to make sure our investment professionals and other representatives never put their financial interests ahead of yours – and always put your interests first. For example:

- While our investment professionals may earn more credit for selling mutual funds than some other types of investments, we treat all mutual funds – including all BMO Mutual Funds and all third party funds – the same for compensation purposes. This means our investment professionals don't have a financial incentive to sell you a particular fund (like a fund with a higher MER). They're focused only on recommending funds they think may be right for you.
- BMO limits the role that investment sales play in its incentive compensation formula – meaning our investment professionals' investment sales influence only a portion of their pay – and no one ever gets credit for sales or conduct that doesn't align with BMO's Code of Conduct (which you can find on [www.bmo.com](http://www.bmo.com)).

We have robust surveillance processes where other staff – including Head Office staff – routinely review certain transactions and other account activity to verify that they're aligned to regulatory requirements and right for you. Our Head Office supervisory staff responsible for reviewing transactions and verifying our investment professionals' compliance with applicable policies, procedures, and regulatory rules receive base pay and incentive pay, none of which relates to or is directly impacted by BMOII's mutual fund sales.

For more specific information, please see Content and Frequency of Reporting and Conflict of Interest Matters below.

## Content and Frequency of Our Reporting to You

It is your obligation to thoroughly review your trade confirmations and account statements upon receipt and to advise us of any questions or concerns immediately. We always rely on you to review the confirmations and statements we send you and to quickly let us know if you have any questions, concerns or think you might've found an error.

### Trade Confirmations

We provide you with written confirmation of all mutual fund transactions – including any transactions relating to a systemic withdrawal plan – that take place in your Account, shortly after the transactions occur. This confirmation will include details regarding the mutual funds involved in each transaction. We will only issue a trade confirmation for the first purchase made under a new or amended Continuous Savings Plan.

## **Account Statements**

At least quarterly, you will receive an account statement for each Account you hold with us, which will include:

- the overall value of the investments in your Account;
- certain information about each transaction in your Account during the period covered by the account statement, including the quantity and description of each investment purchased, sold or transferred and the dates of each transaction;
- your personal rate of return ("PROR").

Your account statement may also include some information about your business with certain of our affiliates.

On an annual basis, you will receive an account statement for each Account you hold with us, which will include:

- the annual change in the value of your Account for the 12 month period covered by the report;
- the cumulative change in the market value of the Account, since the Account was opened;
- the annualized total percentage PROR for your Account or portfolio (see below for more information about your PROR);
- any fees that you paid (directly) to us over the course of the 12 month period covered by the report; and
- a summary of other fees (compensation) we received, based on the mutual funds you held for the same 12 month period.

Your PROR shows how your investments have grown or declined in value over certain periods of time. We calculate your PROR – for the last 1, 3, 5, and 10 year periods you held your Account, as well as since the day you opened your Account - using a money-weighted formula. It represents the cumulative realized and unrealized capital gains and losses of your investment, plus any income from the investment, over a period of time, expressed as a percentage.

Money-weighted rates of return are affected by changes in the value of your investment, dividends and interest distributions and also deposits and withdrawals from your investment. Your PROR is calculated after fees and other charges have been deducted, but not income tax. If you hold a Progressive GIC, the index value is being used as the market value to calculate your PROR. If you hold a Deposit Note, the current intrinsic value of the note is used as the market value to calculate your PROR. Your PROR calculation may also be impacted by back-dated transactions as any activity that occurred between the trade and posting dates is not being taken into account for the PROR calculation.

## **Use of Benchmarks**

You may assess the performance of your investments by comparing them to an investment performance benchmark. A benchmark shows the performance of a select group of securities over time. Although a singular benchmark may be used, a blend of benchmarks may be appropriate for portfolios which include different asset classes and investments. Currently, we do not provide benchmark comparisons in our

account reporting. Investors are encouraged to work with their advisor to determine an appropriate benchmark for measuring their portfolio performance.

## **Electronic Delivery of Account and Other Documents**

### **Electronic Delivery of Statements and Confirmations**

You can elect to receive eStatements and eConfirmations at any time, or revert to receiving paper statements, by changing your settings in BMO Online Banking. If you tell us less than 10 days before the end of an account statement period, there may be a delay in receiving your paper statement. In addition, you can receive, at no cost, a paper copy of a trade confirmation or account statement previously delivered electronically by visiting a BMO branch or calling BMO Investment Centre at 1-800-665-7700.

It is your obligation to thoroughly review your trade confirmations and account statements upon receipt and to advise us of any questions or concerns immediately. If you have elected to receive eStatements or eConfirmations, the confirmations and account statements will be posted automatically to your BMO Online Banking profile and will not be sent to you by mail, email or any other method of electronic delivery. You will be able to retrieve the available statements and confirmations through the “eStatements” link. eConfirmations will be posted within 3 days of the value date of the trade and eStatements will be available within 11 days from the end of each calendar quarter. Both will remain available for viewing for a period of 7 years. eConfirmations and 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 and eConfirmations.

You may opt to receive notifications that new trade confirmations or account statements have been posted to your BMO Online Banking profile by clicking on the “My Alerts” link on BMO Online Banking, or by clicking on the Alerts icon in the BMO mobile banking application. If you opt to receive notifications, it is your responsibility to keep your profile up-to-date and to inform BMO of any changes to your preferred method of delivery (i.e. change in email address or mobile phone number). Failure of a notification to be delivered will not revoke your consent to receive eConfirmations and eStatements.

### **Electronic Delivery of Other Documents**

You may consent to BMOII providing you other documents – like your Application and your Agreement and any changes to your Agreement by making them available through Online Banking. If you orally consented through our Customer Contact Centre or BMO Investment Centre to receive documents electronically, your oral consent with a Customer Contact Centre or BMO Investment Centre representative confirms your consent to Electronic Delivery of Documents. If you have consented to receive your account statements and trade confirmations electronically, it will not be changed by your consent to Electronic Delivery of Documents.

In order to receive documents electronically, you agree to be registered for Online Banking. When a document is provided to you electronically, it will be available to you through Online Banking in the My Profile & eDocuments Tab. These documents are available for you to access for up to seven (7) years after the Account is closed. If you would like to keep a copy of any of these documents for your records, it is your responsibility to print or save a copy before those periods end. If you would like to keep

the versions of the disclosure documents that were in effect when you opened your account, you should print or save a copy as soon as the links are available to you in Online Banking.

It is your obligation to access Online Banking and review your documents at least once a month. You are responsible for printing or downloading a copy of any document for your records. BMOII may provide you documents by paper delivery if we are unable to provide electronic delivery or if it was otherwise considered appropriate. Any paper delivery will be provided to you at the most current mailing address that we have on file for your accounts.

You may opt to revoke your consent to Electronic Delivery of Documents for documents associated with all or any of your accounts delivered to you electronically at any time by visiting a BMO branch or calling BMO Investment Centre at 1-800-665-7700. If you elect to revoke your consent to receive account opening or account related documents electronically from BMOII, you will no longer have access to your existing account opening or other account-related documents electronically from BMOII through Online Banking. If you have consented to receive your account statements and trade confirmations electronically, it will not be changed by your revocation to Electronic Delivery of Documents.

If there are any changes to the Electronic Delivery of Documents Terms and Conditions, a notice of change will be provided to you through electronic or paper delivery.

## **Joint & Several Account Agreement**

**Instructions and Payments.** You agree that BMOII, BMO or BMMC may take instructions to sell, exchange, or otherwise deal with any investments or other holdings in your Account - like the securities units of BMO Mutual Funds or third party mutual funds, or the GICs or other term investments or deposit notes in the Account - from any one of the Account holders, and may pay all proceeds from the redemption of such investments or from distributions to any one of the Account holders, or your respective attorney for property or agent. Payment of such amount may be made in reliance upon a receipt signed by any one of the Account holders, or your respective attorney for property or agent, and such payment shall discharge BMOII, BMO or BMMC from all liabilities whatsoever with respect to the units and monies so paid.

Any one of the Account holders may give instructions to BMOII, BMO, or BMMC with respect to any matter or changes relating to the Plan such as, but not limited to, changes to your personal information, changes to investment instructions, or other matters.

**Investment Details.** You agree that the information regarding your Investment Profile - including your Investment Objective, Risk Tolerance and Attitude, ownership of other funds, Time Horizon, and other financial details as recorded in the Application and all subsequent Applications - are applicable to all of the Account holders and will apply to the Account. You also agree that Annual Income, Net Worth, assets, liabilities and disposable income as recorded in the Application and all subsequent applications, are recorded on a combined basis (that is, as the total Annual Income, Net Worth, assets, liabilities, and disposable income of all of the Account holders).

**Statements.** You acknowledge that BMOII or BMMC will deliver notices, confirmations or statements to each joint Account holder of record. This means that if you and your joint

account holder reside at different addresses, we will send a statement to each of you. Notices, confirmations and statements will be effective and binding on all of us when they are sent to each of you at the latest address kept in our records or by electronic delivery to the BMO Online Banking profile(s) linked to any one of the accountholders.

**Joint Tenancy (not applicable in Quebec).** You acknowledge that, unless otherwise agreed in writing, all units or GICs or deposit notes purchased and any units or monies arising from a distribution made under the Plan is your joint property with the right of survivorship. It is understood and agreed that if one of you should die, all assets in the Account or Plan automatically become property of the other Accountholder(s) or Planholder(s). In order to make this legally effective, you each assign such assets to the other Accountholder or Planholder (or the others jointly if there is more than one other Accountholder or Planholder).

## **BMO Investment Centre Agreement – Telephone and Internet Access**

**Instructions.** BMOII is authorized to accept instructions ("Instructions") from you by telephone, facsimile, Internet or other electronic means, via the BMO Investment Centre:

- a) to deal with any BMO Mutual Fund or GIC(s) held in your name/names at BMOII. Instructions may include, among others, trading transactions such as purchases, exchanges or redemptions, and changes to your investment needs and other personal information;
- b) to transfer money to or from the bank account(s) specified on the Application hereof by initiating electronic deposits to or withdrawals from such account(s).

You consent to the recording of your telephone calls with BMOII.

**Your Access ID.** You acknowledge that you are responsible for maintaining the confidentiality and security of: (a) your Access ID, user ID and account number, and b) any and all communications with us over the Internet or our toll-free numbers. BMOII will not be responsible for any damages arising out of the misuse of your Access ID, user ID and account number.

**Confirming Your Identity.** You understand that BMOII may take steps to confirm your identity prior to acceptance of any request to transact on your Account.

**Withdrawal and Service Interruption.** You agree that BMOII may withdraw these services at any time and will not be liable for any damages, losses, costs or injury related to the use of these services or cancellation of any or all of these services, including for its inability to receive Instructions because of problems or inadequacies involving telephone, facsimile, internet or other electronic systems.

**Payments.** You acknowledge that payment of redemption proceeds may not reach the account specified by you herein for up to 5 business days following the giving of Instructions by you.

**Instructions outside the BMO Investment Centre.** You may authorize our investment professionals outside the BMO Investment Centre – like those in our branch network – to conduct transactions and carry out certain Instructions relating to your Account without having to visit a branch in person. However, to be able to do so you must first sign.

- a separate agreement – called a Message Agreement – authorizing us to act on your telephone and fax instructions (and, in limited circumstances applicable to Private Banking customers, email Instructions), and/or
- transaction forms or other necessary documents using our digital remote signing service, which is available in certain limited circumstances.

Unless you have signed a separate Message Agreement or remotely digitally signed all required forms, only staff at the BMO Investment Centre may act on your telephone, fax, internet, or electronic instructions relating to your Account, and you must give all other instructions in person at one of our branches.

## **Redemption Proceeds and Withholding Tax**

If applicable, you authorize payment to and retention by BMOII of redemption proceeds from mutual fund companies when you redeem their funds. BMOII will then advance the redemption proceeds to you using the payment method you selected.

If applicable, you authorize and direct BMOII to withhold, pay or otherwise satisfy out of your Account, all taxes eligible against your Account or the securities held within your Account as may be required under the laws of Canada or those of any other country applicable to your Account or securities.

## **Loan Information (Risk of Borrowing to Invest)**

Here are some risks and factors that you should consider before borrowing to invest or using any money that you borrowed – for any purpose and from any source (including credit cards, lines of credit, loans, or friends and family) – to fully or partially pay for an investment:

### **Is it Right for You?**

Using borrowed money to invest is risky. You should only consider borrowing to invest or otherwise using borrowed money to invest if:

- You are comfortable with taking risk.
- You are comfortable taking on debt to buy investments that may go up or down in value.
- You are investing for the long-term.
- You have a stable income that allows you to make any interest payments regardless of the performance of your investments.

You should not borrow to invest or use borrowed money to invest if:

- You have a low tolerance for risk.
- You are investing for a short period of time.
- You intend to rely on income from the investments to pay living expenses.
- You intend to rely on income from the investments to repay the loan. If this income stops or decreases you may not be able to pay back the loan.

### **You Can End Up Losing Money**

- If the investments go down in value and you have borrowed money, your losses would be larger than had you invested using your own money.

- Whether your investments make money or not you will still have to pay back the loan plus interest. You may have to sell other assets or use money you had set aside for other purposes to pay back the loan.
- If you used your home as security for the loan, you may lose your home.
- If the investments go up in value, you may still not make enough money to cover the costs of borrowing.
- In some cases, borrowing can even change the risk profile of an otherwise suitable investment. For example, borrowing to invest in certain term investments or Deposit Notes can result in you making less money overall – or even losing money overall – than if you had purchased the investment without borrowed money, depending on the interest you end up having to pay on the money you borrowed.

### **Tax Considerations**

- You should not borrow to invest just to receive a tax deduction.
- Interest costs are not always tax deductible. You may not be entitled to a tax deduction and may be reassessed for past deductions. You may want to consult a tax professional to determine whether your interest costs will be deductible before borrowing to invest.

Your advisor should discuss with you the risks of borrowing to invest and whether borrowing to invest is suitable for you.

## **Continuous Savings Plan Agreement**

You understand that each transaction pursuant to your request to set up a Continuous Savings Plan is subject to acceptance by BMOII. Any accepted Continuous Savings Plan will continue to be in effect until the date you have selected as the last date for your contributions or until 10 business days after you provide written notice to terminate the Continuous Savings Plan to BMOII. BMOII, in its sole discretion, reserves the right to cease to offer or terminate any Continuous Savings Plan, including but not limited to those relating to the purchase of third-party mutual funds.

For more information on your right to cancel this Continuous Savings Plan, you may contact BMOII by visiting your local BMO branch, calling the BMO Investment Centre at 1-800-665-7700 or by mail:

### **BMO Investments Inc.**

1 First Canadian Place  
100 King Street West, 43rd Floor Toronto, ON M5X 1A1

You understand that you have certain recourse rights if any debit does not comply with this agreement. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this Continuous Savings Plan agreement. To obtain more information on your recourse rights, you may contact us or visit [www.payments.ca](http://www.payments.ca).

You acknowledge that a transaction confirmation will only be issued for the first transaction pursuant to this Continuous Savings Plan, although account statements will be issued at least quarterly summarizing all transactions in your Account.

You authorize BMOII to draw, by means of personal preauthorized debits, on your account at the financial institution noted to effect the Continuous Savings Plan. You

authorize the applicable financial institution to process such debits against your account in accordance with the rules of Payments Canada.

You acknowledge that a handling fee may be charged to you if there are not sufficient funds in the account when a debit is processed to make a purchase of BMO Mutual Funds or third party mutual funds according to the Continuous Savings Plan. BMOII may reverse a Continuous Savings Plan purchase of mutual funds, or continue to hold you responsible for such purchases if there are not sufficient funds to effect the purchase or if the debit transaction is reversed by the paying financial institution. The financial institution processing these pre-authorized debits is not required to verify that mutual funds were purchased in accordance with this agreement.

You acknowledge that delivery of this agreement to BMOII by you constitutes delivery to your financial institution described and you consent to the disclosure of any personal information which may be contained in this authorization to such financial institution.

You certify that all information provided with respect to the Account to be debited is accurate and you agree to inform BMOII in writing of any change in the account information provided in this Agreement at least ten (10) business days prior to the next scheduled debit. In the event of any such change, this Agreement shall continue in respect of any new account to be used for pre-authorized debits. If for any reason a debit was not drawn in accordance with this agreement, such debit may be disputed by completing a declaration within 90 days at the financial institution that debit was drawn from.

## **Conflict of Interest Matters**

Sometimes we identify situations in the ordinary course of our business where our interests could potentially diverge from yours. These are called conflicts of interest.

A conflict of interest may arise where (i) the interests of BMOII and your interests are inconsistent or different; (ii) you may perceive BMOII to be influenced to put its interests ahead of your interests, or (iii) monetary or non-monetary benefits available to BMOII, or potential negative consequences for BMOII, may affect the trust you have in us.

Such conflicts exist in almost all human interactions and, conflicts may arise from time to time between you, BMOII and/or your investment professional. Some conflicts of interest – by their nature – pose a higher risk that they might affect or negatively impact our advice or your investment decisions. These are called “material” conflicts of interest.

We have policies and procedures in place to identify, manage and resolve any actual or potential conflicts of interest that we believe are sufficient to protect the interests of our customers and fulfill our obligations to you.

We avoid conflicts prohibited by law, as well as conflicts that we cannot effectively control or adequately resolve in your best interests.

Where we cannot avoid, or where our interest compete with yours, your interest is always given priority by:

- Controlling and managing acceptable conflicts by physically separating different business functions, restricting the internal exchange of information in person or through systems, reducing the possibility of one part of our organization unsuitably influencing another, removing material financial incentives of an employee to favour

- a particular product or service over another that may be more suitable, and setting up and testing our operational review and approval processes; and
- Disclosing information about any remaining conflicts to you, so that when you evaluate our recommendations and actions, you can assess independently if conflicts are significant for you.

The following are some of the typical conflicts of interest that arise in the normal course of our business, and how we manage and resolve them in your best interests:

**Outside Activities.** Our investment professionals are employees of BMO and, on behalf of BMO, may – in addition to the mutual funds and investment advice they give you – offer products such as, or services relating to, deposits, mortgages, loans and certain insurance. Such products and services are the responsibility and business of BMO and are not related to BMOII.

Our investment professionals may also – in certain circumstances, and where permitted by legislation and policies and procedures – engage in other activities, including employment and volunteer activities outside of BMO, with approval from BMOII. We take steps where appropriate to ensure any such approved outside activities don't interfere with – or risk unduly influencing – the advice and services we provide you or other actual or prospective customers.

**Relationship between BMOII and BMO.** We are a wholly-owned indirect subsidiary of BMO. BMO is a reporting issuer with securities listed and trading on the Toronto Stock Exchange and the New York Stock Exchange. In addition to being the principal shareholder (meaning a person or company that is the direct or indirect registered or beneficial owner of more than 10 percent of any class or series of voting securities of another person or company) of BMOII, BMO is the principal shareholder of the following other firms registered under applicable securities laws (collectively, our “Affiliate Registrants”): BMO InvestorLine Inc., BMO Nesbitt Burns Inc., BMO Private Investment Counsel Inc., BMO Harris Financial Advisors, Inc., BMO Asset Management Inc., BMO Trust Company, Monegy, Inc. and Pyrford International Limited.

Certain directors and officers of BMOII are also or may become directors and officers of BMO and/or one or more of our Affiliate Registrants. We may obtain from or provide to BMO and/or one or more of our Affiliate Registrants management, administrative, referral and/or other services in connection with our respective ongoing business activities or transactions completed by us or these other companies. These relationships are subject to certain legislative and industry regulatory requirements that impose restrictions on dealings between related registrants intended to minimize the potential for conflicts of interest resulting from these relationships. We have also adopted internal policies and procedures that supplement these requirements, including policies on confidentiality.

**Material Conflicts of Interest:** Some conflicts of interest – by their nature – pose a higher risk that they might affect or negatively impact our advice or your investment decisions. These are called “material” conflicts of interest. The following are some material conflicts of interest that arise in the normal course of our business, and how we manage and resolve them in your best interests:

- **Related Products.** As described above, we only recommend BMO Mutual Funds and other BMO products issued, advised by, or managed by one or more of our affiliates (for example, we offer the BMO Fixed Cash Flow Plus Deposit, which is

issued by BMO). We also earn trailing commissions when you invest in BMO Mutual Funds, for which we are the main distributor in the market. See *How We Get Paid: Compensation We Receive* above for more information. To ensure the investments we recommend are always in your best interest, we periodically review our product shelf to ensure the BMO Mutual Funds we offer are competitive in the market and right for different customers. Our investment professionals are also required to explain why we think a particular BMO Mutual Fund we recommend is in your best interest.

- **Compensation.** As described above, our investment professionals receive incentive pay based – in part – on how many mutual funds and other investments they sell and whether they achieve other performance goals. See *How We Get Paid: Compensation We Receive* above for more information about how our representatives get paid, and the steps we take to ensure our compensation practices do not influence any of our representatives to put their financial interests ahead of yours or to recommend investments that are not right for you.
- **Financial dealings with customers.** We prohibit our investment professionals from having personal financial dealings with our customers, to ensure you always receive service and advice with only your interests in mind. For example, our investment professionals are not allowed to borrow money from or personally lend to a customer (other than their own family members), hold joint accounts with a customer, or act as trustee or power of attorney over a customer's account (except for certain family members, which we routinely monitor).
- **Supervision.** To ensure the activity in your account always complies with applicable legislation, securities regulations and BMOII policies and procedures, we have a robust three-level oversight process that involves non-BMOII staff engaging in regular supervision, monitoring, testing, and auditing of our customers' accounts and activities by our investment professionals. This includes ensuring independent reviews of all transactions processed by investment professionals – like Branch Managers – who give investment advice and are also responsible for supervising our branches to ensure everyone complies with our policies. Non-BMOII staff involved in this oversight process do not receive commissions or compensation for any sales our investment professionals make, and we tie a portion of their annual compensation to BMO's overall performance (not BMOII's) to minimize the risk that anyone might fail to properly carry out their supervisory duties because of an interest in increasing BMOII's sales.
- **Borrowing to Invest.** If a member of BMO Financial Group lends you money to invest in securities, they may earn revenue from the investment and/or the lending activity itself. To address this conflict of interest, we have policies and procedures to ensure a heightened level of due diligence is conducted when a "borrow to invest" strategy is recommended to you or your Investment Advisor becomes aware of such strategy. Any lending is reviewed, adjudicated and monitored independently from your Investment Professional. We provide you with disclosure of the potential risks and costs associated with borrowing money to invest.
- **Gifts and Entertainment.** We and our Investment Professionals may receive offers of gifts and/or entertainment from business partners. We could be perceived to be financially motivated to put our interests ahead of your interests because of the gifts and entertainment. To address this conflict of interest, employees are required to comply with our Code, which requires employees not to accept any gift

or entertainment which is intended to improperly influence a business decision. As well, Investment Professionals are obligated by applicable regulations and policy and procedures to make only suitable investments and recommendations.

**Related and Connected Issuers.** Where we advise you with respect to securities issued by us or a related party or a connected party in the course of distribution, we must disclose to you our relationship with the issuer of the securities.

- An issuer is related to us if we are an influential securityholder of theirs, or they are an influential securityholder of ours, or if we have a common influential securityholder.
- An issuer is connected to us where a reasonable prospective purchaser of their securities might question the issuer's independence from us, a party related to us, one of our directors or officers or a director or officer of our related party.
- A party is associated with us if we beneficially own, directly or indirectly, securities carrying more than 10% of the voting rights of the party, or if the party is a trust, if we have a substantial beneficial interest or we, or another party in a close relationship to us such as one of our salespeople, directors or officers serve as trustee.

The following are also considered to be issuers that are related and/or connected to us:

- the mutual funds in the BMO Mutual Funds group of funds which are managed and distributed by BMOII;
- the exchange traded funds in the BMO Exchange Traded Funds group of funds which are managed by BMO Private Investment Counsel Inc.;
- the pooled funds in the BMO AM Pooled Funds group of funds which are managed by BMO Asset Management Inc.;
- the alternative funds in the BMO AM Alternative Funds group of funds which are managed by BMO Asset Management Inc.;
- the mutual funds in the BMO Private Portfolios group of funds which are managed by our affiliate BMO Private Investment Counsel Inc.; and
- any such issuers as may in certain circumstances be deemed to be connected issuers under applicable securities laws when our affiliate BMO Nesbitt Burns Inc. or other affiliates are members of the underwriting group for a new issue of securities.

Additionally, the following affiliates act as portfolio managers or sub-advisors to certain of these investment funds: BMO Capital Markets Corp. and BMO Private Investment Counsel Inc.

**Referral Arrangements.** BMOII has entered into referral arrangements with BMO and the Affiliate Registrants, pursuant to which investment professionals may receive a benefit as part of their overall compensation for business that results from a referral. You do not pay additional charges or fees in connection with these referrals. All activity requiring registration under securities laws and regulations will be performed by an entity that is appropriately registered under Canadian securities laws. Please refer to the table below for details on the services that may be rendered and the categories of registration of each Affiliate Registrant under Canadian legislation. For additional information about referrals, please consult your investment professional.

BMO Nesbitt Burns Inc.	BMO Estate Insurance Advisory Services Inc.	BMO InvestorLine Inc.	BMO Private Investment Counsel Inc.	BMO Trust Company (the "Trustee")	Bank of Montreal ("BMO")
<b>SERVICES RECEIVING ENTITY MAY PROVIDE TO REFERRED CUSTOMERS</b>					
• Broker-dealer services • Portfolio management services	• Estate insurance advisory services	• Self-directed/discount brokerage services • brokerage services	• Discretionary portfolio management services • may engage in exempt market trading in relation to the provision of these services	Trustco may provide the following services to a referred client: • Trust and estates services	• Banking and credit product and services • Mortgage and lending products and services.
<b>CATEGORIES OF REGISTRATION UNDER CANADIAN SECURITIES LAWS</b>					
• Investment dealer in all provinces and territories; member of the Canadian Investment Regulatory Organization ("CIRO") • Futures commission merchant • Investment fund manager	• Not a registrant under Canadian securities laws	• Investment dealer in all provinces and territories; member of CIRO	• Portfolio manager • Exempt market dealer • Investment fund manager • Commodity trading counsel • Commodity trading manager • Derivatives portfolio manager (Quebec)	• The Trustco is not a registrant under Canadian securities laws	• BMO is not a registrant under Canadian securities laws.
<b>ACTIVITIES PERMITTED UNDER CANADIAN SECURITIES LEGISLATION</b>					
• Trading • Advising, including discretionary account management and securities investment services	• May not engage in any activities requiring registration under Canadian securities laws	• Trading • Advising, including securities investment services	• Advising, including discretionary account management and securities investment services • Trading securities that are exempt from the prospectus or dealer requirements under Canadian securities laws • Advising on trading in specific commodity futures contracts or commodity futures or giving continuous advice on trading in commodity contracts • Managing trading in commodity contracts for customers through discretionary granted.	• The Trustco may not engage in any activities requiring registration under Canadian securities laws	• May not engage in any activities requiring registration under Canadian securities laws
<b>ACTIVITIES NOT PERMITTED UNDER CANADIAN SECURITIES LEGISLATION</b>					
N/A	N/A	• Investment fund management	• Trading in securities that are not Exempt Securities	N/A	N/A

Referring Entity	Services Provided by Referring Entity	Type of Account Referred	Amount of Referral Fee	Receiving Entity	Services Provided by BMOII	Registration of BMOII
Plan	National not-for-profit organization that focuses on innovation through advocating policy reform, education through various learning initiatives, and leadership through projects and partnerships	RDSP	Up to \$200 per referred account	BMOII	Mutual fund dealer services	<ul style="list-style-type: none"> <li>investment fund manager in Ontario, Quebec and Newfoundland and Labrador</li> <li>mutual fund dealer in all Canadian provinces and territories; member of the Canadian Investment Regulatory Organization</li> </ul>

## BMO MatchMaker® Strategic Investment Service

BMO MatchMaker allows you to match your investment goals and investor profile to one of the strategic BMO Matchmaker Mutual Funds portfolios ("Matchmaker Strategic Portfolios") or the BMO Matchmaker savings portfolio ("Matchmaker Savings Portfolio") that is suited to your investor profile. As a BMO MatchMaker customer, you acknowledge and agree that your contributions will be automatically allocated among the investments that comprise the portfolio you select at the time of your original investment.

While BMO Asset Management Inc., (an affiliate of BMOII, the distributor of the BMO MatchMaker portfolios) will make limited discretionary investment decisions for the portfolios, it is not responsible for determining or confirming whether a BMO MatchMaker portfolio is suitable for you. BMOII continues to have ultimate responsibility for any changes that BMO Asset Management Inc. makes to the portfolios. You will have no direct relationship with BMO Asset Management Inc. and they will not provide you with direct access to investment management services. Any transactions made to implement these changes will be processed by BMOII and reflected in our records and in your account on the next day. You will receive confirmations and account statements reflecting these activities.

### MatchMaker Strategic Portfolios

If you are invested in a Matchmaker Strategic Portfolio, it will generally be reviewed during the last month of each calendar quarter (i.e., March, June, September and December). If the percentage weighting of any single mutual fund held in your Matchmaker Strategic Portfolio varies by more than its set target range, all of the mutual funds in your portfolio will be automatically rebalanced to restore the weightings to their current targets.

In addition to this automatic rebalancing of the funds in your MatchMaker Strategic Portfolio, the securities regulators have given BMOII permission to give BMO Asset Management Inc. the authority to make periodic strategic changes to all the BMO MatchMaker portfolios in its discretion. These adjustments are currently expected to occur every two or three years

and may include changes to the investments included in your BMO MatchMaker portfolio or an adjustment of their percentage weightings, if necessary. These adjustments will only be made in keeping with each portfolio's stated investment objectives and risk profiles and the permitted ranges shown below, which cannot be changed without your consent. There will be no direct charge to you in connection with these strategic adjustments.

The permitted ranges for each asset class within the Matchmaker Strategic Portfolios are as follows:

Portfolio	Cash	Fixed Income	Equity
<b>Income</b>	0-10%	65%-90%	10%-35%
<b>Balanced</b>	0-10%	35%-65%	35%-65%
<b>Growth</b>	0-10%	15%-35%	65%-85%
<b>Equity Growth</b>	0-15%	0-25%	75%-100%

### **MatchMaker Savings Portfolio**

The Matchmaker Savings Portfolio comprises a mix of GICs, fixed income and equity Mutual Funds. It is not automatically rebalanced. As a result, the mix of investments in your Matchmaker Savings Portfolio may change over time based on the performance of these investments and any amounts you withdraw from your portfolio, and your portfolio may over time become riskier than when you originally invested (for example, if you make withdrawals from your MatchMaker Savings Portfolio – which are typically drawn first from the GIC component of the portfolio and then from the fixed income portion and then the equity mutual funds portion, the equity portion may progressively come to make up a bigger proportion of your portfolio, which means more of your Account will be exposed to the stocks – which inherently riskier than GICs – underlying those equity mutual funds).

### **BMO Intuition® Strategic Investment Service (RESP only)**

BMO Intuition allows you to match your investment goals and risk tolerance to one of the strategic BMO Intuition Mutual Funds portfolios ("Intuition Strategic Portfolios") or the BMO Intuition savings portfolio ("Intuition Savings Portfolio") that is suited to your investor profile. As a BMO Intuition customer, you acknowledge and agree that your contributions will be automatically allocated among the investments that comprise the portfolio you select at the time of your original investment. If you are invested in an Intuition Strategic Portfolio, it will generally be reviewed during the last month of each calendar quarter (i.e., March, June, September and December). If the percentage weighting of any single mutual fund held in your portfolio varies by more than its set target range, all of the mutual funds in your portfolio will be automatically rebalanced to restore the weightings to their current targets.

In addition to this automatic rebalancing of the funds in your Intuition Strategic Portfolio, the securities regulators have given BMOII permission to give BMO Asset Management Inc. the authority to make periodic strategic changes to all the BMO Intuition portfolios in its discretion. These adjustments are currently expected to occur every two or three years and may include changes to the investments included in your BMO Intuition portfolio or an adjustment of their percentage weightings, if necessary. These adjustments will only be made in keeping with each portfolio's stated investment objectives and risk profiles and the permitted ranges shown below, which cannot be changed without your consent. There will be no direct charge to you in connection with these strategic adjustments.

The permitted ranges for each asset class within the Portfolios are as follows:

Portfolio	Cash	Fixed Income	Equity
Income	0-10%	65%-90%	10%-35%
Balanced	0-10%	35%-65%	35%-65%
Growth	0-10%	15%-35%	65%-85%
Equity Growth	0-15%	0-25%	75%-100%

The Intuition Savings Portfolio comprises a mix of GICs, fixed income and equity Mutual Funds. It is not automatically rebalanced.

While BMO Asset Management Inc. (an affiliate of BMOII, the distributor of the BMO Intuition portfolios) will make limited discretionary investment decisions for the portfolios, it is not responsible for determining or confirming whether a BMO Intuition portfolio is suitable for you. BMOII continues to have ultimate responsibility for any changes that BMO Asset Management Inc. makes to the portfolios. You will have no direct relationship with BMO Asset Management Inc. and they will not provide you with direct access to investment management services. Any transactions made to implement these changes will be processed by BMOII and reflected in our records and in your Account on the next day. You will receive confirmations and account statements reflecting these activities.

## **BMO Term Investments And Savings Accounts**

The following sets out the terms and conditions of the term investments, Guaranteed Investment Certificates ("GICs") or savings accounts referred to on the Application form. Term investments and GICs are issued by the issuer indicated on the applicable Application, trade confirmation or account statement (the "Issuer"). "Bank" refers to Bank of Montreal. "Plan" means the registered retirement savings plan, registered education savings plan, registered disability savings plan, locked-in retirement savings plan, locked-in retirement account, tax-free savings account, first home savings account, group retirement savings plan, group non-registered savings plan, or deferred profit sharing plan under which the investments are held and "Accountholder" means the accountholder named under the Plan. "Portfolio GIC" refers to a one-year GIC held in a BMO Matchmaker Savings Portfolio or a BMO Intuition Savings Portfolio. Additional terms and conditions applicable to each term investment and savings account can be found on the Application and form part of the terms and conditions described herein.

**Amendments.** The Issuers of the investments may from time to time in their discretion amend these terms and conditions upon notice to the Accountholder. The Accountholder agrees to amendments made when notice is given in the Bank's Canadian branches or any other manner which the Bank may determine from time to time.

**Payments.** Payment requests can only be made in accordance with these terms and conditions. A payment request regarding any investment is subject to processing time for the payment. For example, payments scheduled for a non-business day (i.e., Saturday, Sunday or a holiday) may be processed on the first business day before or after the originally scheduled payment date.

**Proceeds.** If interest on the Investment is compounded, "Proceeds" shall mean the principal amount of the Investment together with interest thereon, and in all other cases "Proceeds" shall mean only the principal amount of the Investment.

## Term Investments and GICs

**Guarantee.** Upon issue, the investment is a valid obligation of the issuer and the principal amount and interest payable are unconditionally guaranteed by the Bank.

**Payment at Maturity.** The Issuer promises to pay the account of the Accountholder, on the maturity date of the investment (the "Maturity Date"), the principal amount of the investment. Interest is payable on the principal from the issue date of the investment (the "Issue Date") to the Maturity Date, at the annual interest rate indicated on the Application. Interest is calculated on the daily closing principal, and will be paid in accordance with the interest payment method indicated on the Application.

For Portfolio GICs, the Issuer promises to pay the Accountholder on the Maturity Date, or upon the request of the Accountholder prior to the Maturity Date, the Principal Amount of the Investment. The Issuer also promises to pay interest on the Principal Amount at the confirmed annual interest rate.

For Term Investments redeemable prior to the Maturity Date, the issuer promises to pay on the Maturity Date, interest for any amount of the investment that is not redeemed prior to the Maturity Date calculated from the Issue Date to the Maturity Date of the investment, and for each amount of the investment that is redeemed prior to the Maturity Date, the Issuer promise to pay interest on the amount redeemed on the Maturity Date, or the date of redemption if the investment is redeemed in full, calculated from the Issue Date to the date of redemption. Redemptions may be subject to withholding tax. No interest will be paid on BMO Redeemable Short-Term Investment Certificates redeemed within the first 30 days.

**Maturity Instructions.** The Accountholder may only change maturity instructions by providing notice to the Bank within 21 days before the maturity date of the investment to ensure their investments meet their current needs.

**Minimum Investments.** BMO Guaranteed Investment Certificate, BMO RateRiser GICs (Cashable RateRiser, RateRiser Plus and RateRiser Max), BMO Redeemable Short-Term Investment Certificate and BMO Short-Term Investment Certificate require a minimum investment of \$1,000.

Portfolio GIC in a BMO Matchmaker Savings Portfolio require a minimum investment of \$500. Portfolio GIC in a BMO Intuition Savings Portfolio require a minimum investment of \$250. For contributions made to a BMO Matchmaker Savings Portfolio or BMO Intuition Savings Portfolio through a Continuous Savings Plan, the GIC portion of the contribution will accumulate in a Savings Account and a Portfolio GIC will automatically be purchased once the required minimum amount is reached.

**Redemption.** BMO Guaranteed Investment Certificate is not redeemable prior to the Maturity Date, except for the purpose of making a withdrawal from a RIF Plan. Cashable RateRiser is redeemable in full at any time. RateRiser Plus is redeemable in full prior to the Maturity Date only on each anniversary of the Issue Date. RateRiser Max is not redeemable prior to the Maturity Date. BMO Redeemable Short Term Investment Certificate is redeemable prior to Maturity Date. BMO Short Term Investment Certificate is not redeemable prior to the Maturity Date. Portfolio GIC is fully or partially redeemable at any time. For BMO RateRiser GICs, the date of redemption will be deemed to be the Maturity Date of the investment. Interest will be paid up to but not including the date of redemption.

**Reinvestment.** At the Maturity Date the Proceeds of the investment will be reinvested in the same type of investment issued by the Issuer, having the same term and interest payment method as the matured investment, at the then current annual interest rate.

In a Group Retirement Savings Plan, Group Non-Registered Savings Plan and Deferred Profit Sharing Plan, the Proceeds will be automatically moved to a Savings Account. Provided the product minimum investment amount is available and maturity instructions were not changed from the default, Proceeds will automatically reinvest the next business day into the same product and will have the same term and interest payment option at the then current annual interest rate applicable to the new investment.

**Interest.** For BMO RateRiser GICs, interest is paid as indicated on the Application. The first year of the investment begins on the Issue Date and ends on the date that is one day prior to the first anniversary of the Issue Date. Subsequent years of investment are measured by anniversaries in like manner. For example, the fourth year of investment begins on the third anniversary of the Issue Date and ends on the date that is one day prior to the fourth anniversary of the Issue Date.

## **Savings Accounts**

**Minimum Investments.** The initial minimum amount which may be deposited in a RESP, TFSA, RDSP, FHSA, RIF Savings Account is \$50 and thereafter the minimum deposit is \$25.

**Redemption.** RESP, TFSA, RDSP, FHSA, and RIF Savings Accounts are payable in whole or in part upon request.

**Interest.** RESP, TFSA, FHSA, and RDSP Savings Accounts: Interest is calculated on the daily closing balance and paid at the end of each month. Interest will be calculated on the entire balance at the interest rate for the applicable balance tier. The interest rates are subject to change. RIF Savings Account: Interest is calculated on the daily closing balance and is paid into the Investment each June 30th and December 31st. Interest will be calculated on the entire balance at the interest rate for the applicable balance tier.

## **BMO Preferred Program for Investors**

Investors who meet a minimum threshold of \$500,000 in assets held with BMOII are eligible to purchase F-series versions of eligible A or T series funds in fee-based accounts. This is known as the BMO Preferred Program for Investors.

Non-mutual fund investments, investments in Series G, Series M and Series R of funds managed by BMO Investments Inc., as well as investments in funds managed by third parties (collectively, Non-Series F Investments) may be held in your Preferred Program accounts and will be included in the calculation of your total assets for the purposes of determining your Tier. However, Non-Series F Investments are not eligible to be switched to Series F to receive a discounted fee.

The BMO Preferred Program for Investors enables you to pay a lower amount for the ongoing fees you pay to us in respect of Series F units of the funds held in your BMO Investments Inc. account(s).

The amount of fees that you will pay (BMO Preferred Program Fee)<sup>1</sup> is determined based on your total assets across your BMO Investments Inc. account(s), and will change as the value of those assets increases and decreases. The fees that apply at each asset value tier (Tier) are as follows:

<b>Total Assets Held in Preferred Program Accounts</b>	<b>BMO Preferred Program Fee as % of Series A or Series T Trailing Commission<sup>1</sup></b>
<b>Less than \$500,000</b>	100.0%
<b>\$500,000 to less than \$650,000</b>	95.0%
<b>\$650,000 to less than \$800,000</b>	92.5%
<b>\$800,000 or more</b>	90.0%

<sup>1</sup>Refer to the BMO Mutual Funds Fund Facts at <https://fundfacts.bmo.com/RetailEnglish/index.html>, or the BMO Mutual Funds Simplified Prospectus at <https://www.bmo.com/main/personal/investments/mutual-funds/prospectuses-reports> for specific trailing commissions applicable for all investments held in Series A or Series T mutual funds.

By onboarding to the BMO Preferred Program for Investors, you agree and consent to the following:

## **Preferred Program Accounts**

All your existing BMO Investments Inc. accounts (Preferred Program accounts) will be considered part of the program for the purpose of the BMO Preferred Program Fee calculation. Any additional BMO Investments Inc. account you open in the future will be included as a Preferred Program account.

Any additional BMO Investments Inc. accounts you open in the future ("New Accounts") will be included as a Preferred Program account. Note that it may take up to four days for us to process and include New Accounts as Preferred Program accounts (the "processing period"). During the processing period, investments held in the New Accounts will not be included in the calculation of the total assets held in your BMO Investment Inc. accounts, the total of which determines your BMO Preferred Program Fee. Inclusion of investments held in New Accounts for the purpose of total assets and Preferred Program fee calculations will begin at the end of the processing period and will not be counted or considered retroactively.

For joint BMO Investments Inc. accounts, the account holder that first onboards to the BMO Preferred Program for Investors will have the joint account assets count towards their individual assets.

If you hold funds in U.S. dollars in your Preferred Program account(s), the U.S. dollar amount will be converted to Canadian dollars at the daily equivalent exchange rate and count towards your total assets.

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<sup>1</sup> Sales tax in effect in your province/territory of residence apply.

## **Preferred Group**

Preferred Program accounts allow investors to group assets across family members by creating and/or joining a preferred group (Preferred Group), which may lead to further BMO Preferred Program Fee reductions for all Preferred Group members. BMOII accounts and account holders that are in the BMO Preferred Program for Investors can only be a member of one Preferred Group.

Your Preferred Group may include your Preferred Group Lead's spouse, partner, children, parents, grandchildren, grandparents, in-laws, siblings and eligible business accounts. Each Preferred Group must have a Preferred Group Lead who is responsible for setting up/creating or dissolving a Preferred Group. Preferred Group members have to explicitly authorize participation in the household and will be able to leave the household at any time. If the Preferred Group Lead leaves the Preferred Group, the Preferred Group is dissolved.

### **Preferred Group Creation and Dissolution**

When creating a Preferred Group, you agree to act and be appointed as the Group Lead. As the Group Lead you must inform members of your household of the BMO Preferred Program for Investors and potential fee reductions they would receive by joining the BMO Preferred Program for Investors and/or your Preferred Group.

When Eligible Group Members are part of the BMO Preferred Program for Investors, their eligible total assets will be counted in your groups combined total assets which could lead to further fee savings. These fee savings will be dependent on which tier your Preferred Group is in. Preferred Group members can only be part of one Preferred Group at a time.

As the Preferred Group Lead you are the only person permitted to add members to your Preferred Group. Once a member has joined your group, only that member can choose to withdraw from your Preferred Group if they choose to do so. As the Preferred Group Lead you should inform other members of your Preferred Group when you add other members to the Preferred Group.

Once admitted to your Preferred Group, the Eligible Group Member(s) become(s) a member(s) of your Preferred Group (Preferred Group Member(s)). You, as the Preferred Group Lead, cannot unilaterally withdraw a Preferred Group Member from your Preferred Group. A Preferred Group Member can however withdraw from your Preferred Group at any time without obtaining your consent.

Where a Preferred Group Member withdraws and offboards from your Preferred Group, you and the remaining Preferred Group Members of your Preferred Group will only be eligible to continue participating in the BMO Preferred Program for Investors if the combined value of Assets Under Management in your respective BMOII accounts total at least \$500,000. Where the Preferred Group's total Assets Under Management do not meet the Minimum Assets, you and the remaining Members of your Preferred Group will be provided six months to increase your assets to at least the Minimum Assets level. If you are unable to do so within the aforementioned time period, you will no longer be eligible to remain in the BMO Preferred Program for Investors.

You and the remaining Preferred Group Members will not be removed from the BMO Preferred Program solely due to a decline in the market value of your total assets. However, if the total value of the assets across your Preferred Group's Preferred Program

account(s) is below the Minimum Assets requirement following a redemption of units (excluding a quarterly redemption processed by BMOII to pay BMO Preferred Program Fees), you and your Preferred Group Members will no longer be eligible to remain in the program.

In the event you and your Preferred Group Members are not able to meet the Minimum Assets requirement, BMOII reserves the right to remove you and your Preferred Group Members from the BMO Preferred Program for Investors. Prior to being removed, you and your Preferred Group Members will be notified and given the opportunity to meet the Minimum Assets requirement within a certain period of time. You may also request to be offboarded from the program at any time.

In the event you no longer choose to be the Preferred Group Lead or be part of the Preferred Group you may dissolve the group. Once the Preferred Group is dissolved each member's continued participation in the BMO Preferred Program for Investors is contingent on meeting the minimum program requirements.

## **Switch to Series F**

All eligible Series A and Series T units of funds held in or added to your Preferred Program accounts will be switched to Series F of the same fund, including when you first onboard to the BMO Preferred Program for Investors, and whenever new eligible Series A and Series T units are transferred in. We will not switch your Series A or Series T units unless you meet the minimum investment amount for Series F of the same fund.

Non-mutual fund investments, investments in some Series A/T Series, Series G, Series M and Series R of funds managed by BMOII, as well as investments in funds managed by third parties (collectively, **Non-Series F Investments**) may be held in your Preferred Program accounts and will be included in the calculation of your total assets for the purposes of determining your Tier. However, Non-Series F Investments are not eligible to be switched to Series F.

## **Fee Reductions**

Any switch to Series F made under the BMO Preferred Program for Investors will not result in you paying higher fees than you would pay on Series A and Series T of the same fund.

When eligible Series A and Series T units of a fund are switched to Series F of the same fund, the BMO Preferred Program Fee you pay will be based on your total assets held in your Preferred Program account(s). For total assets of less than \$500,000 (**Minimum Assets**), the BMO Preferred Program Fee is equal to the trailing commissions that you would have paid for Series A or Series T of the fund. The BMO Preferred Program Fee is reduced as your total assets increase, as illustrated in the table above.

The BMO Preferred Program Fee you pay will be lower than the trailing commissions related to your Series A and Series T investment of the same fund, as long as your total assets exceed the Minimum Assets, and you remain in the BMO Preferred Program for Investors. Please note while BMO Preferred Program Fee will never be higher than the fees payable on the equivalent Series A or T, the sales taxes payable for the BMO Preferred Program Fee may differ from the equivalent Series A or T fund depending on your province/territory of residence.

## **Implications of Switch from Series A/T to Series F**

The performance of Series F will be similar to the performance of Series A and Series T of the same fund but will vary as a result of the difference in fees between the series. Management fees (including trailing commissions) for Series A and Series T are no higher than the management fee plus BMO Preferred Program Fee paid in respect of Series F of the same fund. There are no material differences between Series A or Series T units and Series F units of the same fund, other than these fees and potentially sales taxes (depending on your province/territory of residence).

A switch from Series A or T to Series F of the same fund made under the BMO Preferred Program for Investors will not trigger taxable gains or losses.

Fund Facts will not be delivered as part of the switch to Series F unless you specifically request them. However, if you purchase Series F units of a fund you do not already hold in your Preferred Program account(s), you will receive Fund Facts in respect of that purchase. You are entitled to receive, at any time and at no cost to you, the most recently filed Fund Facts for any series of a fund you hold in your Preferred Program account(s). Fund Facts are available at [www.sedarplus.com](http://www.sedarplus.com) and, for funds managed by BMO Investments Inc., at <https://fundfacts.bmo.com/RetailEnglish/index.html>.

Unless it is updated with a Registered Investment Sales Representative (**RISR**), the Investor Profile and associated Know-Your-Client information on file for each of your BMO Investments Inc. accounts will remain unchanged.

Unless you provide written notice to terminate or otherwise modify or update existing standing instructions that are set up and approved by us for your BMO Investments Inc. accounts, any such standing instruction will continue to be in effect.

## **Redemptions to Pay BMO Preferred Program Fee**

On a quarterly basis, BMOII will process BMO Preferred Program Fee payments by redeeming Series F units of the applicable fund in an amount equal to the fees payable. In addition, any time you redeem all Series F investments in a fund, we will deduct any BMO Preferred Program Fees payable from your redemption proceeds.

BMO Preferred Program Fees associated with the Series F investments held in your Preferred Program account(s) will be paid by you directly to us, instead of being paid indirectly by you through the management fee paid to the fund manager. Ongoing trailing commissions associated with Non-Series F Investments held in your Preferred Program account(s) will continue to be paid indirectly by you to us through the management fee paid to the fund manager. No units of your Non-Series F Investments will be redeemed to pay these trailing commissions.

## **Program Eligibility**

To be eligible to remain in the BMO Preferred Program for Investors, you must continue to meet the Minimum Assets requirement. You will not be removed from the BMO Preferred Program solely due to a decline in the market value of your total assets.

However, if the Preferred Group's holdings no longer have the requisite minimum asset threshold, they will not be given any fee discount such that the fee they pay will equal 100% of the equivalent Series A or Series T funds held in their account. If investors do not bring their mutual fund holdings back to the requisite minimum asset threshold by the end of the following quarter, their account(s) will no longer be considered eligible

for the Preferred Program for Investors and BMOII reserves the right to remove you from the BMO Preferred Program for Investors. Prior to being removed, you will be notified and given the opportunity to meet the Minimum Assets requirement within a certain period of time. You may also request to be offboarded from the program at any time.

Non-residents are not eligible to join the Preferred Program.

Customers that are in the program but have become non-residents, will be permitted to offboard from the program.

### **Offboarding Switches from Series F to Series A/T**

If you are offboarded from the BMO Preferred Program for Investors, all your Series F units within your Preferred Program accounts will automatically be switched to Series A or Series T units of the same funds. Fund Facts for Series A and Series T will not be delivered as part of this switch unless you specifically request them.

When you are switched from Series F to Series A and/or Series T funds, you will indirectly pay trailing commissions to us as part of the increased management fees charged in respect of Series A and Series T funds and you will lose the benefit of the progressively larger reductions in the BMO Preferred Program Fee available when you meet the Minimum Assets requirement and reach higher Tiers. This switch does not constitute a redemption of your existing Series F funds.

Any subsequent new BMOII accounts will not be opened as a Preferred Program account unless you opt back into the BMO Preferred Program for Investors and meet and maintain the minimum program requirements.

To the extent fees remain outstanding on the date on which you Offboard from the BMO Preferred Program for Investors, prior to your holdings reverting to Series A or Series T funds, BMOII will process any outstanding BMO Preferred Program Fee associated with your holdings of Series F funds by redeeming units of the applicable mutual funds in an amount equal to the outstanding and payable BMO Preferred Program Fee.

BMOII will no longer process BMO Preferred Program Fee payments by redeeming units of your mutual funds. Upon reverting your holdings to Series A and/or Series T funds, your investments will be subject to MER and any other applicable fees associated with the fund in which your holdings are invested. All your eligible BMOII accounts will be removed from the BMO Preferred Program for Investors.

If an account for some reason cannot be removed from the program at this time, it must be done so separately.

Offboarding requests processed prior to 4 PM EST on a business day, will be removed from the BMO Preferred Program for Investors same day. Any Offboarding request processed after 4 PM EST on a business day or on weekends/statutory holidays will occur next business day.

### **Account Transfer Customer Disclosure**

Please read this section carefully before signing any account transfer forms. Should you have any questions after reading this disclosure, please talk to your investment professional.

Note that when you arrange for a “transfer in kind” it means that you want the investments (such as third-party mutual funds) in the account transferred to your BMOII account “as is”. When you arrange for an “in-cash” transfer, this means that your existing investments would need to be sold/liquidated in order for the relinquishing institution to transfer the proceeds (the net cash value of your investments at the time they’re sold) to BMOII. Depending on the type of investments subject to liquidation, deferred sales charges or other types of penalties may be applied based on early liquidation. Other investments may not be liquidated prior to maturity. To determine the ability and impact of liquidating your investments for transfer, consult your investment statements and your investment professional.

## **Transfer Timing**

**Registered Accounts.** Under the Securities and Investment Management Association best practices guideline, transfer of registered accounts may take between 12 – 25 business days from the time of receipt by the relinquishing institution (the “Transfer Out Institution”), with the exceptions listed below.

**Locked In Accounts.** These plans generally take longer to transfer, as additional documents are required in order for the institution receiving the transfer (“Receiving Institution”) to administer the account, as set out under the various Provincial and Federal Legislation. It is IMPORTANT to ensure that the account opened at the Receiving Institution is opened as “LOCKED IN”, and under the same Provincial or Federal Legislations as your current account. Failure to do so may cause a delay in the transfer of your account.

**Rejected Transfers.** An account transfer request may be rejected by the Transfer Out Institution for a number of reasons, such as, insufficient funds to cover fees, account not in good standing i.e., undermargin, short position(s), etc. If, for any reason, your transfer has been rejected by the Transfer Out Institution, that institution may return the transfer to the Receiving Institution unprocessed. When the rejection has been rectified, the transfer process may begin again, and the Transfer Out Institution may then have 12 – 25 business days from the date of the receipt of the transfer documents to process the transfer.

## **Transfer Fees**

Most Institutions charge a fee to transfer investment accounts from one institution to another. Transfer costs may vary. You understand that transfer requests may be subject to administrative, transfer or other fees charged by the Transfer Out Institution and you agree that it is your responsibility to pay any such fees.

## **Privacy Disclosure and Consent - Your Personal Information**

To learn more about how we collect, use, disclose and safeguard your Personal Information, your choices, and the rights you have, please see our Privacy Code (available at [bmo.com/privacy](http://bmo.com/privacy), or from any of our branches).

### **What is Personal Information?**

Your Personal Information is information about you that you provided to us or information we collected from other sources such as credit reporting agencies, and includes your name, address, age, financial data, Social Insurance Number, employment information, and other information that could be used to identify you.

## **Why do we need your Personal Information?**

We collect and use your Personal Information to:

- verify your identity;
- ensure we have accurate information about you;
- understand your financial needs (including your eligibility for products and services you requested or accepted or were pre-approved for)
- to manage our relationship;
- protect against fraud and manage other risks;
- communicate with you regarding products and services that may be of interest;
- understand our customers, including through analytics, and to develop and tailor our products and services;
- comply with legal or regulatory requirements, or as permitted by law; and
- respond to questions you may have.

If we use your Personal Information for a different purpose, we will identify that purpose.

## **Sharing your Personal Information**

BMO Financial Group consists of Bank of Montreal and its affiliates. Your Personal Information, including information about your authorized representatives and beneficiaries, is shared within BMO Financial Group, to the extent permitted by law, to:

- ensure we have accurate information about you, and your authorized representatives and beneficiaries;
- manage our total relationship;
- provide a better customer experience;
- meet your needs as they change and grow; and
- manage our business.

## **Your Choices**

**Sharing:** You may choose not to allow us to share account-specific information within BMO Financial Group, but you understand we will share your Personal Information where two or more BMO Financial Group affiliates provide you with jointly offered products or services.

**Direct marketing:** You may choose not to allow us to use your contact information for direct marketing, such as mail, telemarketing or email informing you about products and services we think may be of interest and value to you.

Please see "Contact Us" in our Privacy Code for more details on how to opt out.

## **For Commercial Non-Registered Accounts Only**

The section above is applicable to all of the following individuals who are referred to as "you" and "your":

- each Authorized Signatory that executes the Agreement for Business Banking: Execution and Account Information and/or any Agreement for Business Banking: Amendment Information;
- each signatory to the Agreement for Business Banking on behalf of the business banking client; and

- the business banking client's owners, officers, directors, partners (if a partnership), employees and other related parties or representatives (as applicable) whose information is provided to us by or on behalf of the business banking client.

We may collect Personal Information from you about your owners, officers, directors, partners (if a partnership), employees, Authorized Signatories and other related parties or representatives. You acknowledge and confirm to us that you have the consent of any individual whose information is provided to us by you or on your behalf. You understand that your Authorized Signatories may have access to your relevant Personal Information during the course of them opening a new business account

## **Business Information**

This section applies to our business banking client. Business Information is information about a client or its business which we obtain through our banking relationship. Business Information does not include Personal Information. We ask for Business Information to:

- understand our clients' financial service needs;
- customize and implement products and services; and
- deal with matters related to each client's banking relationship with us.

Business Information of our clients is shared, to the extent permitted by law, within the BMO Financial Group (that is, us and our subsidiaries and affiliates) which provide deposit, loan, investment, securities, brokerage, insurance, trust and other products and services.

With this more comprehensive understanding, we are better able to meet the needs of our clients and their businesses as they grow and change.

If you would prefer not to receive our direct marketing service, you can have your business name deleted from our direct marketing lists. All you have to do is ask us.

We may periodically share client Business Information with third party service providers so they can offer our clients useful services such as payroll and payment card processing. We will obtain each client's consent before sharing its Business Information with these third parties.

During the course of our banking relationships and related third party dealings, we may: (i) request and obtain information about our clients and (ii) receive and act upon requests for Business Information about our clients (for example, these may include requests made by rating agencies, credit reporting agencies, accountants or auditors, or by other persons with which a client has direct or indirect business dealings). You authorize us to request and obtain information and release Business Information in the cases described in (i) and (ii) above; provided that, in the case of (ii), we will have no responsibility to verify the validity of such third party requests or any specifically signed client authorizations permitting the release of such Business Information (including, without limitation, whether an authorization is from an Authorized Signatory or complies with any general instructions given to us relating to the customer's Authorized Signatories) and will not be liable for the consequences of any release of Business Information to a third party except in the case of our gross negligence or wilful misconduct. In the event of a conflict or inconsistency between the application of this paragraph and any provision contained in any other document or agreement delivered to or entered into by us with the client, this paragraph shall govern unless such other provision expressly states otherwise.

## Tax Residency Requirements

Under the Income Tax Act, financial institutions in Canada are required to confirm if you are a resident of a foreign jurisdiction for tax purposes:

- **At the time of opening a new non-registered term investment or mutual fund account:** if you confirm that you are a tax resident of the United States or a jurisdiction other than Canada or the United States, you may be required to provide us with supporting information. If you are unable to provide us with the information at the time you open your account, we will send you documentation in writing, either by mail and/ or electronically by email at the contact information we have on file. You must complete and return the documentation to us, including any supporting material required. To continue to provide you with uninterrupted access to your investment, **we must receive the required information from you within 45 days of us sending you notice.** If you are unable to provide the required information, access to your account may be restricted.
- **Ongoing monitoring:** if at any time you update your personal information that may indicate that you are a resident of the United States or a jurisdiction other than Canada or the United States; for example, if you add a U.S. phone number or change your address to an international address, we are required to confirm if you are a tax resident of the United States or a jurisdiction other than Canada or the United States. We will send you documentation in writing, either by mail and/ or electronically by email at the contact information we have on file. You must complete and return the documentation to us, including any supporting material if required. To continue to provide you with uninterrupted access to your investment, **we must receive the required information from you within 45 days of us sending you notice.** If you are unable to provide the required information, access to your account may be restricted.

**If your investment access is restricted,** you may not be able to redeem your investment until you provide us with the required documentation.

If you have any questions, please contact the branch where you opened your investment.

## BMOII Complaint Handling Procedures

BMOII has procedures in place to handle any written or verbal complaints received from customers in a fair and prompt manner. The following is a summary of those procedures:

### How to File a Complaint with BMOII

1. We encourage you to speak with the Branch Manager at the BMO branch where your complaint originated and where you normally conduct business or with the BMO Investment Centre at 1.800.665.7700.
2. If your complaint remains unresolved after following step 1, the Branch Manager will escalate your complaint to BMOII's Head Office. You may submit your complaint directly to our Head Office at:

#### **BMO Investments Inc. Compliance Department**

1 First Canadian Place

P.O. Box 150

Toronto, ON M5X 1A1

Facsimile: 416.867.4015

E-mail: [BMOIIcomplaints@bmo.com](mailto:BMOIIcomplaints@bmo.com)

All complaints are forwarded to qualified compliance or supervisory personnel to be handled. We encourage you to put your complaint in writing or by e-mail where possible. Customers who choose to communicate by e-mail should be aware of possible confidentiality issues regarding internet communications. If you have difficulty putting your complaint in writing, please advise us so that we can provide you with assistance. For confidentiality reasons, we will only deal directly with you or another individual who has your express written authorization to deal with us on your behalf.

**Complaint Handling Procedures.** We will promptly acknowledge receipt of your complaint by mail or e-mail, generally within five business days, which will include a summary of our complaint handling process. We will also provide you with information about the options available to you to have your complaint examined (for customers residing outside Quebec, we will provide a copy of the Canadian Investment Regulatory Organization's *Client Complaints Brochure*, which outlines your available complaint escalation options).

We will review your complaint fairly, taking into account all relevant documents and statements obtained from you, our records, our investment professionals, other staff members and any other relevant source. Once we complete our review we will provide you with the results of our investigation in a response letter that will be mailed or e-mailed to you, depending on your communication preferences. Our response may be an offer to resolve your complaint, a denial of the complaint with reasons or another appropriate response. Our response will summarize your complaint, our findings and will contain a reminder about the options available to you to escalate your complaint, should your concerns not be addressed to your satisfaction.

We will generally provide our response within ninety days, unless we are waiting for additional information from you or if your complaint raises complicated issues that require additional investigation. We will respond to communications you send us after the date of our response to the extent necessary to implement a resolution or to address any new issues or information you provide.

**Settlements.** If we offer you a financial settlement, we may ask you to sign a release and waiver for legal reasons.

**Contacting BMOII.** You may contact us at any time to provide further information or to inquire about the status of your complaint, by contacting the individual handling your complaint.

## **Canadian Investment Regulatory Organization**

Customers of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. CIRO Member dealers have a responsibility to their customers to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.

- Contact the Canadian Investment Regulatory Organization (“CIRO”), which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The CIRO investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the CIRO at any time, whether or not you have complained to your mutual fund dealer. CIRO can be contacted:

- By completing the on-line complaint form at [www.ciro.ca](http://www.ciro.ca)
- By telephone toll free at 1-877-442-4322
- By e-mail at [info@ciro.ca](mailto:info@ciro.ca) (You may wish to consider issues of internet security when sending sensitive information by standard e-mail.)
- In writing by mail to 40 Temperance Street, Suite 2600, Toronto, ON M5H 0B4 or by fax at 1-888-497-6172
- By referring to the “How to Make A Complaint Brochure” at [www.bmo.com/cirobrochure](http://www.bmo.com/cirobrochure)
- By Referring to the “How CIRO Protects Investors” brochure at [www.bmo.com/protectsinvestors](http://www.bmo.com/protectsinvestors)

## **Compensation**

The CIRO does not order compensation or restitution to customer’s of Members. The CIRO exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments (“OBSI”): You may make a complaint to OBSI after you have complained to the dealer, at either of the following times:
  - If the dealer’s Compliance Department has not responded to your complaint within 90 days of the date you complained, or;
  - After the dealer’s Compliance Department has responded to your complaint and you are not satisfied with the response. **Please note you have 180 calendar days to bring your complaint to OBSI after receiving the dealer’s response.**
- OBSI provides independent and impartial process for the investigation and resolution of complaints about the provision of financial services to customers. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law.

The OBSI process is free of charge and is confidential. OBSI can be contacted:

- By telephone at 1-888-451-4519
- By e-mail at [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)
- By their website [www.obsi.ca](http://www.obsi.ca)
- In writing by mail to 20 Queen Street West, Suite 2400, P.O. Box 8, Toronto, ON M5H 3R3
- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or

company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:

Manitoba: [www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)

New Brunswick: [www.nbsc-cvmnb.ca](http://www.nbsc-cvmnb.ca)

Saskatchewan: [www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)

- Québec:

- If you are not satisfied with the outcome or with the examination of a complaint, the Autorité des marchés financiers (“AMF”) can examine your complaint and may provide dispute resolution services.
- If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the *Fonds d’indemnisation des services financiers* (“Financial Services Compensation Fund”). An indemnity up to \$200,000 can be payable through monies accumulated in the fund for an eligible claim.
  - For more information:
    - Contact the AMF by telephone at (418) 525-0337 (in Québec), or toll free at 1-877-525-0337
    - Visit [www.lautorite.qc.ca](http://www.lautorite.qc.ca)

## **General**

**Communications.** Communications may take the form of notices, demands, reports, statements and trade confirmations. Unless otherwise provided for in this Agreement, we may, at our discretion, communicate with you by contacting you by phone, facsimile, email, mail or personal delivery. It is your responsibility to keep your personal information up-to-date. All mail will be sent to the most recent address on file for you. We have the right to refuse mail communications to certain addresses including mail addresses outside of Canada. All communications mailed to you will be considered to be given and received on the third business day after they were sent, whether or not you actually received them. All communication by phone, facsimile, email or personal delivery will be considered to be given and received on the date of transmission whether or not you actually received them. Any notice you provide us must be sent in writing to:

**BMO Investments Inc.**

1 First Canadian Place

100 King Street West, 43<sup>rd</sup> Floor

Toronto, Ontario M5X 1A1

**Telephone Calls.** We may record all of our telephone conversations with you which occur on the order phone line and may record such other phone calls as we decide. You agree that any such tapes will be admissible in court.

**Records.** We may maintain a database of your instructions. Our records will be conclusive and binding on you in any disputes, including in any legal proceedings, as the best evidence of your instructions, in the absence of clear proof that our records are wrong or incomplete.

**Unclaimed Property.** If your Account or the securities in your Account become unclaimed property within the meaning of any applicable legislation governing

unclaimed property, we may take certain actions in accordance with the unclaimed property legislation that is applicable in your province of residence, which may include:

- (i) advising the applicable government agency,
- (ii) selling any or all of the securities in your Account for the purpose of converting your Account holdings into cash, or
- (iii) remitting any or all of the securities in your Account to a government agency.

If you live in a province or territory without unclaimed property legislation, we may take certain actions in accordance with the unclaimed property provisions of the federal *Bank Act*.

**No Waiver of Rights.** We can delay or refrain from exercising any of our rights under this Agreement without losing them.

**No Transfer of Rights or Obligations.** You cannot transfer any of your rights or obligations under this Agreement to anyone else.

**Successors and Assigns.** This Agreement is binding on your heirs, executors, administrators, successors and assigns.

**Amendments.** Unless otherwise provided for in this Agreement, we may change this Agreement at any time by giving you 30 days prior written notice, which may include communication via an electronic access device, and your continued use of one or more Accounts after the date of the amendment will be deemed your consent to such amendment. The first transaction in the Account following notification of a change to this Agreement constitutes your acceptance of the change as of the effective date set out in the notice. You cannot change this Agreement except by a written amendment signed by one of our officers. We may terminate this Agreement at any time without notice. You may terminate your Agreement with us at any time by giving us written notice but such termination will not affect any existing liabilities or indebtedness to us.

**Inactive Accounts.** Accounts with a balance of \$0 and no customer initiated transactions (such as a transfer, deposit, or withdrawal) for a period of at least one year, will be closed. Accounts closed in this manner will be done so without prior written notice to you.

**Terminations.** We have the right, in our sole discretion, to terminate and close your Account by providing you with a written notice to that effect.

**Severability.** In the event any term or provision of this Agreement, as amended from time to time, is deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions of the Agreement will remain in full force and effect.

**Other Documents.** The terms, rules, procedures, fees and charges set out in any written or computer-generated instructions, manuals or other such documents relating to an Account or any Service form part of this Agreement.

**Governing Law.** This Agreement will be governed from time to time by the laws of the Canadian province or territory where you have your residence. If you reside outside Canada, the laws of Ontario, Canada, will apply.

## Contact Information

### You may contact us:

- by phone through the BMO Investment Centre at 1-800-665-7700
- by email at [mutualfunds@bmo.com](mailto:mutualfunds@bmo.com)
- in writing at:

**BMO Investments Inc.**  
1 First Canadian Place  
100 King Street West, 43<sup>rd</sup> Floor  
Toronto, Ontario M5X 1A1

We also encourage you to visit your local BMO branch to speak with one of our investment professionals. Visit us online at [bmo.com/investments](http://bmo.com/investments) to locate a branch near you.

## PART II

# Registered Plan Terms and Conditions

## BMO Tax-Free Savings Account Declaration of Trust

(Specimen Plan No. 527-0020)

BMO Trust Company (the “**Trustee**”) will act as trustee of an arrangement for a BMO Tax-Free Savings Account (“**TFSA**”), as defined under the *Income Tax Act (Canada)* (the “**Act**”), with the holder named in the included application or, at or after the death of the holder, with the spouse or common-law partner who is the holder’s survivor designated in accordance with the first paragraph of section 13 (referred to in section 13 as “**Successor Account Holder**”). The holder and, after the holder’s death, the survivor is known as the “**Account Holder**”. This arrangement for a TFSA is known as the “**Account**”. The Account is governed by the terms and conditions of this Declaration of Trust (the “**Trust Agreement**”), the included application and applicable law including, without limitation, the Act.

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

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

- 1. Registration.** The Trustee will file an election to register this qualifying arrangement as a TFSA under the Act and any applicable provincial legislation relating to the TFSA. The Minister of National Revenue may decline to register the Account for any reason, including but not limited to, the filing of incorrect or incomplete personal information. The Account Holder has up to **February 14** in the year following enrollment to provide any missing or incomplete information. If the Account Holder fails to do so, the arrangement will be considered an unregistered account and dealt with in accordance with section 18 hereof.
- 2. Account Holder.** The Account Holder must be an individual (and not a trust), who is at least 18 years of age. The statement of the Account Holder’s date of birth on the included application or otherwise shall constitute a certification by the Account Holder and an undertaking to furnish such further evidence of proof of age as may be required by the Trustee.
- 3. Contributions and Transfers In.** Contributions and transfers (from another TFSA) of cash and other property accepted by the Trustee may be made to the Account by the Account Holder (but no one other than the Account Holder may make a contribution). Any dishonoured cheques or other amounts that cannot be processed or are otherwise not accepted by the Trustee will not be considered to be a contribution to the Account. The property of the Account (in the aggregate, the “**Fund**”) shall consist of such contributions and transfers, together with any income or gains earned or realized, and shall be held in trust by the Trustee and used, invested or otherwise

applied, in accordance with this Trust Agreement, for the purpose of the Trustee making distributions out of or under the Account (in accordance with section 12) to the Account Holder.

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

Bank of Montreal will be the bank and BMO Investments Inc. will be the mutual fund dealer for the Account Holder in connection with the Account. In their capacity as the bank and mutual fund dealer for the Account Holder in connection with the Account, Bank of Montreal and BMO Investments Inc. will be governed by the laws, rules and regulations applicable to banks or mutual fund dealers respectively.

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

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

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

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

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

5. **Recordkeeping for the account.** The Trustee will record all contributions and transfers made to the Account, all investment transactions and investment earnings, gains and losses and all distributions and transfers made from the Account. The Agents will prepare periodic statements of the Account in accordance with the rules, regulations and practices applicable to banks or mutual fund dealers respectively.
6. **Excess Contributions.** It is the responsibility of the Account Holder to determine whether there is **an excess TFSA amount** (as defined under the Act) of the Account Holder at any time in a year. If there is an excess TFSA amount, it is the responsibility of the Account Holder to file a Tax-Free Savings Account Return (Form RC243) and any other form required under the Act and pay the applicable tax under Part XI.01 of the Act.
7. **Contributions by Non-Resident.** It is the responsibility of the Account Holder to determine whether he/she makes a contribution to the TFSA at a time when he/she is a non-resident of Canada for income tax purposes. If a contribution is made by an individual when he/she is non-resident, it is the responsibility of the individual to file a Tax-Free Savings Account Return (Form RC243) and any other form required under the Act and pay the applicable tax under Part XI.01 of the Act.
8. **Non-Qualified and Prohibited Investments.** The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Account holds a **non-qualified investment** (as defined under the Act) for a TFSA. However, if the Account acquires an investment that is a non-qualified investment or a **prohibited investment** (as defined under the Act) for a TFSA, or if property held in the Account becomes a non-qualified investment or a prohibited investment for a TFSA, it is the responsibility of the Account Holder to file a Tax-Free Savings Account Return (Form RC243) and any other form required under the Act and pay the applicable tax under Part XI.01 of the Act.
9. **Advantage Extended.** If an advantage (as defined under the Act) in relation to a TFSA is extended to the Account Holder or to a person who does not deal at arm's length with the Account Holder, it is the responsibility of the Account Holder to file a TFSA Return (Form RC243) and pay the tax under Part XI.01 of the Act; except that if the advantage is extended by the Trustee (or by the Agents, acting as the agents of the Trustee) or by a person with whom the Trustee is not dealing at arm's length, it is the responsibility of the Trustee to file an Advantage Tax Return For TFSA Issuers (Form RC298) and any other form required under the Act and pay the applicable tax under Part XI.01 of the Act.
10. **No Carrying on Business.** Account Holder agrees not to provide any instructions or series of instructions that could be constituted as using the Account to carry on a business for the purposes of the Act. For greater certainty, the Account Holder acknowledges that this includes, but is not limited to, using the Account for "day-trading" or other high volume trading that may constitute carrying on a business under the Act.
11. **No Use of Indebtedness.** The trust is prohibited from borrowing money or any other property for the purposes of the Account, provided that the Account Holder shall not provide any instructions to borrow or instructions or series of instructions that would result in the Trustee having borrowed funds for the purposes of the Account under the Act. For greater certainty, Account Holder acknowledges that this includes, but is not limited to, having borrowed due to purchasing assets prior to the

settlement of the sale of the other assets. The Account Holder will be solely liable for any tax, penalties and interest arising in respect of any indebtedness arising in connection with the Account.

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

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

13. **Transfer to Account Holder.** The Account Holder may at any time instruct the Trustee to make a transfer of all or any part of the property of the Account (or an amount equal to its value) directly from the Account to another TFSA of which the Account Holder is the holder.

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

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

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

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

The Account Holder may designate (and may add, change or delete) a beneficiary or beneficiaries of the Account in accordance with, and in the form and manner provided by, applicable law. A beneficiary so designated may be or include the Account Holder's spouse or common-law partner. After the death of the Account Holder, the Trustee will distribute the property of the Account in accordance with applicable law to any beneficiaries of the Account so designated (except that, if the Account Holder's survivor is appointed under the paragraph above, the provision of the paragraph above will take precedence). Where no beneficiary has been so designated or the Trustee has not been notified of any beneficiary in accordance with applicable law, the Trustee will distribute the property of the Account to the legal personal representative(s) of the Account Holder.

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

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

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

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

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

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

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

16. **Other Conditions.** The Account will be maintained for the exclusive benefit of the Account Holder (determined without regard for the right of a person to receive a payment out of or under the Account only on or after the death of the Account Holder, in accordance with section 15). While there is an Account Holder, no one other than the Account Holder or the Trustee has rights under the Account relating to the amount and timing of distributions and the investing of funds. The Account Holder may use his/her interest or, for civil law, right in the Account as security for a loan or other indebtedness if the conditions of 146.2(4) are met, but the Account Holder will not sign any document or authorize any action for the Account in the name of the Trustee or the Agents, including using his/her interest or, for civil law, right in the Account (or permitting any property of the Account to be used) as security for a loan or other indebtedness, without first having authorization from the Trustee.
17. **Ceasing to be a TFSA.** The Account will cease to be a TFSA immediately before the earliest of the following times: (i) the time at which the last Account Holder dies; (ii) the time the Account ceases to be a **qualifying arrangement** (as defined under the Act); or (iii) the earliest time at which the Account is not being administered in accordance with the conditions in subsection 146.2(2) of the Act. If the Account ceases to be a TFSA, the arrangement will nevertheless continue as a trust for the benefit of the Account Holder governed by this Trust Agreement and the included application, except that no further contributions or transfers may be made to the Account under section 3 and no transfers or distributions may be made under sections 13 or 14. The trust ends, and this Trust Agreement terminates, at the time when all the property of the Account has been disbursed, whether as a distribution to the Account Holder, spouse, common-law partner, beneficiary and/or legal personal representative of the Account Holder or paid or charged on account of fees, commissions, expense, taxes penalties and interest.
18. **Failure to be a TFSA.** The Account will not qualify as a TFSA until it is registered under the Act. An Account that is not registered will not qualify for tax benefits. Contributions will be held in an unregistered account and all income earned will be taxed in the hands of the Account Holder (and the Trustee shall be indemnified in relation to any expenses incurred with respect thereto in accordance with section 24).

In the event that the Account fails to attain registered status, or becomes unregistered, the Trustee may, in its sole discretion, transfer the account property to a new (non-registered) account opened on the Account Holder's behalf or to a non-registered account which the Account Holder already has in place. The Trustee shall be entitled to place a hold on some or all of the assets in the new or existing account until the documentation required in accordance with section 23 is received and may use such funds to satisfy the indemnities set out in sections 19 and 24 hereto.

The Trustee may also, in its sole discretion, close the account and return the account property to the Account Holder. This may require the Trustee to liquidate or redeem the account property. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the property at the time. The Account Holder will be responsible for any fees, penalties or loss of value that may occur as a result. The Account Holder is solely responsible for ensuring that the information provided to the Trustee upon account opening is consistent with the information on file with the Canada Revenue Agency. The Account Holder is solely responsible for contacting the Canada Revenue Agency to rectify any inconsistencies in this information.

The Account Holder is solely responsible for any income tax implications that may arise as a result of the original account failing to attain registered status. It remains the Account Holder's responsibility to reapply for registered status and to report any income. The Trustee will not resubmit an application for registration. This remains the responsibility of the Account Holder.

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

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

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

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

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

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

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

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

22. **Instructions.** The Trustee and /or the Agents shall be entitled to rely upon instructions received from the Account Holder or from any person designated in writing, in accordance with applicable laws, by the Account Holder to give instructions on behalf of the Account Holder or from any person purporting to be the Account Holder or such designated person, as if they were from the Account Holder. The Trustee and/or the Agents may, without incurring any liability to the Account Holder or any other person, decline to act upon any instruction if the instruction is not given in a timely manner, is not in writing where the Trustee and/or Agents require it, is not in a form or format which the Trustee and/or Agents require(s),

or in the opinion of the Trustee and/or Agents is not complete or otherwise does not comply with the Trustee's and/or Agents' other requirements at such time; or if any of them has any doubt that the instruction has been properly authorized or accurately transmitted.

23. **Documentation.** Notwithstanding anything to the contrary herein, the Trustee may require such satisfactory instructions, releases, indemnities, tax clearance certificates, death certificates and other documents as the Trustee in its discretion deems appropriate prior to accepting a contribution or transfer in accordance with section 3, acting on investment instructions in accordance with section 4, making a distribution in accordance with section 12, making a transfer in accordance with section 13, making a transfer in accordance with section 14, recognizing the acquisition or making the distribution under section 15, or taking any other action resulting in the transfer of assets to or from the Account.
24. **Limitation of Liability and Indemnity.** Except for charges, taxes or penalties for which the Trustee is liable and that cannot be charged against or deducted from the Fund in accordance with the Act, if the Trustee or the Agent is liable for:
  - a) any tax, interest or penalty that may be imposed on the Trustee in respect of the Account, or
  - b) any other charges levied or imposed by any governmental authority on or related to the Account as a result of the purchase, sale or retention of any investment including, without limitation thereof, nonqualified investments within the meaning of the Act,the Trustee or Agent shall be reimbursed or may pay any of these taxes, interest, penalties or charges out of the Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26. **Amendment.** The Trustee may from time to time in its discretion amend this Trust Agreement or the included application which comprise the Account by giving 30 days prior notice to the Account Holder; provided however that any amendment shall not disqualify the Account as a TFSA acceptable for registration under the Act or any applicable provincial legislation.
27. **Replacement of Trustee.** The Trustee may resign upon 60 days' prior written notice given to the Agents (or such shorter notice as the Agents may accept). The Agents may terminate the Trustee as trustee upon 60 days prior written notice given to the Trustee (or such shorter notice as the Trustee may accept). Upon the resignation or termination of the Trustee, the Trustee shall be released and discharged from all duties and liabilities under this Trust Agreement. Where the Trustee resigns or is terminated, the Agents shall appoint a successor trustee who is permitted to be the issuer of a TFSA under the Act. The Agents shall give the Account Holder written notice of the successor trustee within 30 days of the appointment.
28. **Notice.** Any notice given by the Trustee to the Account Holder regarding the Account (including this Trust Agreement) shall be sufficiently given if it is delivered to the Account Holder personally or if it is mailed, postage prepaid, to the Account Holder at the address set out in the included application or the last address provided by the Account Holder. If mailed, any such notice shall be deemed to have been delivered by the tenth business day following the day of mailing.
29. **Binding.** The terms of this Trust Agreement shall be binding upon the survivor, beneficiaries, heirs, executors and administrators of the Account Holder and upon the respective successors and assigns of the Trustee and the Agents. This Trust Agreement may be assigned by the Trustee at any time to a person who is permitted to be the issuer of a TFSA under the Act; however the Account Holder may not assign this Trust Agreement.
30. **Governing Law.** This Trust Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Agents (or an affiliate) is located where the Account is maintained.

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

# BMO Retirement Savings Plan Declaration of Trust

(Specimen Plan No. RSP 527-002)

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

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

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

- 1. Registration and Purpose.** The Trustee will apply for registration of the Plan under the Act and any applicable provincial legislation relating to retirement savings plans. The purpose of the Plan is to provide a retirement income for the Planholder commencing at the maturity of the Plan (as described in paragraph 7), or alternatively to transfer the assets of the Plan to a registered retirement income fund before maturity.
- 2. Contributions and Transfers In.** Contributions and transfers of cash and other property acceptable to the Trustee may be made to the Plan by the Planholder or by the Planholder’s spouse or common-law partner. Any dishonoured cheques or other amounts that cannot be processed or are otherwise not accepted by the Trustee will not be considered to be a contribution to the Plan. The assets of the Plan (in the aggregate, the “**Fund**”) shall consist of such contributions and transfers, together with any income or gains earned or realized, and shall be held, invested and applied in accordance with this Trust Agreement. No contribution or transfer may be made after the maturity of the Plan.
- 3. Contribution Receipts.** The Trustee shall provide the Planholder or the Planholder’s spouse or common-law partner with contribution receipts as required under the Act.
- 4. Excess Contributions.** It is the responsibility of the Planholder or the Planholder’s spouse or common-law partner to determine whether contributions made to the Plan are deductible and do not exceed the maximum permitted without a penalty under the Act. The Trustee shall, on the instructions of the Planholder or the Planholder’s spouse or common-law partner, refund an amount to a taxpayer where the amount is paid to reduce the amount of tax otherwise payable under Part X.1 of the Act by the taxpayer.
- 5. Investments.** The Fund shall be invested and reinvested by the Trustee exclusively on the instructions of the Planholder (or of a person authorized by the Planholder, in a form and manner satisfactory to the Trustee, to manage the investments of the Fund), only in such investments as may be made available for the Plan from time to time by the Agent or the Trustee. The Fund may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds.

The Fund may be invested in investments which are issued by the Trustee, the Agent or their affiliates. Neither the Trustee nor the Agent (in its capacity as Agent) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation regarding trustee investment duties and powers) to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the Plan, except as otherwise expressly provided in this Trust Agreement. Other than its duties with respect to the Plan expressly stated in this Trust Agreement, the Trustee shall not be required or expected to take any action with regard to an investment without prior instructions from the Planholder.

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

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

The Trustee/Agent will not allow any self-directed mortgages to be held in the Plan.

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

The Planholder agrees not to provide any instructions or series of instructions that would cause the Plan to contravene the Act. For greater certainty, Planholder agrees not to provide any instructions or series of instructions that are contrary to its responsibilities or that would cause the Trustee to act contrary to its responsibilities as set out in this Trust Agreement.

The Trustee/Agent reserve the right to refuse any investing by means of private placement. On the occasions where the Trustee/Agent permits a private placement, the Trustee/Agent must receive satisfactory information from the Planholder to establish the market value of the assets.

The Trustee/Agent reserves the right to request an independent valuation of such assets, and any other details and documents of the company offering the private placement, including but not limited to any shareholders' agreements and any audited financial statements.

The Trustee/Agent reserves the sole discretion to refuse to deregister assets associated with any private placement. The Planholder is responsible for any costs associated with this refusal.

- 6. Account.** The Trustee will maintain an account for the Fund showing all contributions and transfers made to the Fund, all investment transactions and investment

earnings, gains and losses and all transfers and withdrawals made from the Fund. The Agent shall prepare periodic statements of the account for the Planholder in accordance with the rules, regulations and practices applicable to banks or mutual fund dealers respectively.

7. **Retirement Income at Maturity.** The Planholder may, by instructions given to the Trustee, specify the date for the maturity of the Plan and the commencement of a "retirement income" (as defined in subsection 146(1) of the Act) to be paid to the Planholder from the Plan. Such date for maturity shall not be later than the end of the calendar year in which the Planholder attains age 71 (or such other time for maturity as may be required by the Act). Any purchase of an annuity is subject to the terms of the investments under the Plan and the deduction of all proper fees, expenses, commissions and other charges.

Payment of a retirement income to the Planholder must be by way of equal annual or more frequent periodic payments until such time as there is a payment in full or partial commutation of the retirement income and, where that commutation is partial, equal annual or more frequent periodic payments thereafter. The total of periodic payments made in a year under an annuity after the death of the Planholder to a successor annuitant (who was the spouse or common-law partner of the Planholder) may not exceed the total of the payments made under the annuity in a year before the death.

Each annuity payable under the Plan that would otherwise become payable to a person other than the Planholder or a successor annuitant (who was the spouse or common-law partner of the Planholder) after the death of the Planholder is required to be commuted. A retirement income under the Plan may not be assigned in whole or in part.

If the Planholder fails to instruct the Trustee at least 60 days prior to the end of the calendar year in which the Planholder attains age 71 (or such other time for maturity as may be required by the Act), the Trustee may in its discretion transfer the Fund to a BMO Investments Inc. registered retirement income fund under which the Planholder is the annuitant.

Any beneficiary designations, and/or any other pertinent information **will** be carried over with such transfer. It remains the responsibility of the Planholder to verify beneficiary designations and/or any other information that has been carried over with such transfer.

The Trustee may in its discretion liquidate all or part of the Fund before such transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper.

In the case of an RRSP with a nominal balance, when the Planholder turns 71, the Trustee may liquidate and close the Plan and provide the funds to the Planholder.

The statement of the Planholder's date of birth on the included application or otherwise shall constitute a certification by the Planholder and an undertaking to furnish such further evidence of proof of age as may be required concerning the maturity of the Plan.

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

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

10. **Withdrawals And Transfers before Maturity.** At any time before the maturity of the Plan, the Planholder may instruct the Trustee to make a withdrawal from the Plan or to pay or transfer on behalf of the Planholder all or part of the Fund, in accordance with subsection 146(16) of the Act, to another registered retirement savings plan, a registered retirement income fund or a registered pension plan. Any withdrawal or transfer is subject to the terms of the investments under the Plan, the withholding of any applicable tax and the deduction of all proper fees, expenses, commission and other charges.

In the case where the Planholder transfers the Plan to another financial institution, or to another line of business within BMO, the Planholder is solely responsible for ensuring the new Agent is aware of any designation of beneficiaries.

11. **Breakdown of Marriage or Common-Law Partnership before Maturity.** At any time before the maturity of the Plan, the Planholder may instruct the Trustee to pay or transfer on behalf of the Planholder all or part of the Fund, in accordance with subsection 146(16) of the Act, to a registered retirement savings plan or registered retirement income fund under which the Planholder's spouse or common-law partner or former spouse or common-law partner is the Planholder, where

(a) the Planholder and the Planholder's spouse or common-law partner or former spouse or common-law partner are living separate and apart; and

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

12. a) **Death of Planholder Before Maturity (*applies to Provinces & Territories except Quebec*).** The Planholder may designate (and may add, change or delete) beneficiaries of the Plan in accordance with, and in the form and manner provided by, applicable law. Where the Planholder dies before the maturity of

the Plan, the Trustee shall pay or transfer the Fund in accordance with applicable law to any beneficiaries of the Plan so designated or, where no beneficiary has been so designated or the Trustee has not been notified of any beneficiary in accordance with applicable law, to the legal personal representative(s) of the Planholder. Before making such a payment or transfer, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as may be required. It is the Planholder's responsibility to update any beneficiary designations should there be any changes in personal circumstances.

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

In the event the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of doing so.

12. b) **Death of Planholder Before Maturity (*applies to Quebec only*)**. If the Planholder wishes to name a successor account holder and/or a beneficiary (or beneficiaries), the Planholder should do so in a will or other written document that meets the requirements of the applicable legislation. On the death of the Planholder, and upon receipt of official documentation, the Trustee will distribute the property of the Plan to the legal personal representative(s) of the Planholder. *The Trustee and the Agent will be fully discharged by such payment or transfer.* The Planholder acknowledges that it is his/her sole responsibility to ensure that a designation or revocation is valid under the applicable legislation.

Before making such a payment or transfer, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as may be required. Where the Trustee, after making reasonable requests for instructions from the beneficiary or the legal personal representative(s), does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion pay or transfer the Fund to the beneficiary or the legal personal representative(s). The Trustee may in its discretion liquidate all or any part of the Fund before making any such payment or transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the asset at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper.

In the event the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of doing so.

13. **Transferring from another Plan.** Where amounts are transferred to the Plan from a registered pension plan or from another plan under the Act or other applicable legislation, the terms of this Plan may be subject to additional terms required under the applicable pension legislation or the Act or other applicable legislation. Such additional terms will be described in a locked-in or other addendum which will be attached to and form part of this Plan. To the extent that there is any conflict or inconsistency between the additional terms described in the addendum and this Trust Agreement and the application form, the additional terms will govern; provided always that the Plan will not be disqualified as a retirement savings plan acceptable for registration under the Act and any applicable provincial legislation.
14. **Third Party Orders or Demands.** The Trustee shall be entitled to be indemnified out of the Fund in respect of any costs, expenses, charges or liabilities whatsoever that may arise out of the Trustee's good faith compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee a duty to take or refrain from taking any action concerning the Plan, or to issue payment from the Fund, with or without instructions from the Planholder or in contradiction of instructions of the Planholder. The Trustee/ Agent retains the ability to restrict trading upon receipt of an order or demand.

The Trustee/Agent will not be liable for any decreases in account value during the restriction period. In order for any related restriction to be removed from the Planholder's account, the Planholder must provide proof satisfactory to the Trustee in its sole discretion, that it is no longer applicable. The Trustee may permit any duly authorized party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Plan or related to the Plan and shall similarly be entitled to indemnity out of the Fund for so doing. In the event the assets of the Fund shall be insufficient to indemnify the Trustee fully in any such regard, by establishing the Plan the Planholder agrees to indemnify and hold the Trustee harmless for any such costs, expenses, charges or liabilities.
15. **Ownership and Voting Rights.** The Trustee may hold any investment of the Plan in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. The voting or other ownership rights attached to any investments held in the Plan may be exercised by the Planholder and the Planholder is appointed as the Trustee's agent and attorney for this purpose, to execute and deliver proxies and/or other instruments, in accordance with applicable laws.
16. **Restrictions on Benefits or Loans.** No advantage or loan that is conditional in any way on the existence of the Plan may be extended to the Planholder or to a person with whom the Planholder was not dealing at arm's length, other than in accordance with subsection 207.01(1) of the Act.
17. **Fees, Expenses, Taxes, Interest and Penalties.** The Trustee may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee and/or the Agent from time to time (the "**Trustee Fees**"), provided that the Trustee and/or the Agent shall give prior written notice to the Planholder of such Trustee Fees and any change in the amount of the Trustee Fees.

The Trustee Fees may be paid for out of the Fund or recovered from the Fund, to the extent that they are not paid when due by the Planholder.

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

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

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

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

18. **Instructions.** The Trustee and the Agent shall be entitled to rely upon instructions received from the Planholder or from any person designated in writing, in accordance with applicable laws, by the Planholder to give instructions on behalf of the Planholder or from any person purporting to be the Planholder or such designated person, as if they were from the Planholder. The Trustee or the Agent may, without incurring any liability to the Planholder or any other person, decline to act upon any instruction if the instruction is not given in a timely manner, is not in writing where the Trustee or Agent requires it, is not in a form or format which the Trustee or Agent requires, or in the opinion of the Trustee or Agent is not complete; or if either of them has any doubt that the instruction has been properly authorized or accurately transmitted.
19. **Amendment.** The Trustee may from time to time in its discretion amend this Trust Agreement or the application form or any locked-in or other addenda which comprise the Plan by giving 30 days prior notice to the Planholder; provided however that any

amendment shall not disqualify the Plan as a retirement savings plan acceptable for registration under the Act and any applicable provincial legislation.

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

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

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

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

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

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

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

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

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

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

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

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

23. **Foreign Pension Transfers.** The acceptance of any foreign pension transfer is at the sole discretion of the Trustee. Where the Planholder transfers a foreign pension to an account with the Trustee/Agent, the Planholder is solely responsible for ensuring the transfer qualifies and adheres to any applicable legislation, including the *Income Tax Act (Canada)*. Any amounts transferred may, in accordance with the applicable foreign legislation, be locked-in for a prescribed period of time.

The Planholder acknowledges that he/she is solely responsible for any foreign and domestic tax consequences in relation to the transferred amounts. The Planholder is responsible for determining eligibility for these transfers and for consulting with their pension manager and a qualified international tax advisor.

In the case of a UK pension transfer, if the Planholder has a 'relevant transfer fund' (as defined by HM Revenue & Customs), the Planholder will not be allowed to transfer-in said relevant transfer fund until their 55<sup>th</sup> birthday.

24. **Notice.** Any notice given by the Trustee to the Planholder regarding the Plan (including this Trust Agreement) shall be sufficiently given if it is delivered to the Planholder personally, or if it is mailed, postage prepaid, to the Planholder at the address set out in the included application or the last address provided by the Planholder. If mailed, any such notice shall be deemed to have been delivered by the tenth business day following the day of mailing.
25. **Binding.** The terms of this Trust Agreement shall be binding upon the beneficiaries, heirs, executors, administrators and assigns of the Planholder and upon the respective successors and assigns of the Trustee and the Agent.
26. **Governing Law.** This Trust Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Agent (or an affiliate) is located where the account is maintained. If any provision of legislation referred to in this Agreement is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.

# BMO Retirement Income Fund Declaration of Trust

## (Specimen Plan No. 076)

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

The Trustee may delegate the performance of any of the Trustee’s duties and responsibilities under the Plan to BMO Investments Inc. and/or Bank of Montreal (the “**Agents**”). The Trustee shall, however, remain ultimately responsible for the administration of the Plan.

The terms “**spouse**” and “**common-law partner**” in the Plan have the same meanings as defined or used under the *Income Tax Act (Canada)*, as the same may be altered or amended from time to time (the “**Act**”). The Planholder or the client is referred to as the “**annuitant**” in the Act.

1. **Registration and Purpose.** The Trustee will apply for registration of the Plan under the Act and any applicable provincial legislation relating to retirement income funds. The purpose of the Plan is to make payments from the Plan, in accordance with paragraph 5, to the Planholder and, where it is elected, to the Planholder’s spouse or common-law partner after the Planholder’s death. For every year after the year in which the Plan is established, a payment at least equal to the minimum amount, as defined in the Act, must be made until the Plan is fully paid out.
2. **Transfers to the Plan.** The Trustee will accept only transfers of cash and other property acceptable to the Trustee, made by the Planholder or by the Planholder’s spouse or common-law partner, from:
  - (a) a registered retirement savings plan or another registered retirement income fund under which the Planholder is the annuitant;
  - (b) a registered pension plan of which the Planholder is a member (within the meaning assigned by subsection 147.1(1) of the Act) or a deferred profit sharing plan of which the Planholder is a member;
  - (c) the Planholder to the extent only that the amount of the consideration was an amount described in subparagraph 60(l)(v) of the Act;
  - (d) a registered retirement income fund or a registered retirement savings plan of the Planholder’s spouse or common-law partner or former spouse or common-law partner under a decree, order or judgment of a competent tribunal or under a written separation agreement, relating to a division of property between the Planholder and the Planholder’s spouse or common-law partner or former spouse or common-law partner in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership; or
  - (e) a registered pension plan in accordance with subsection 147.3(5) or (7) of the Act or a specified pension plan in circumstances to which subsection 146(21) of the Act applies; or a pooled registered pension plan in accordance with subsection 147.5(21) of the Act.

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

**3. Investments.** The Fund shall be invested and reinvested by the Trustee exclusively on the instructions of the Planholder (or of a person authorized by the Planholder, in a form and manner satisfactory to the Trustee or the Agents, to manage the investments of the Fund), only in such investments as may be made available for the Plan from time to time by the Agents or the Trustee. The Fund may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds.

The Fund may be invested in investments which are issued by the Trustee, the Agents or their affiliates. Neither the Trustee nor the Agents (in its capacity as Agents) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation regarding trustee investment duties and powers), to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the Plan, except as otherwise expressly provided in this Trust Agreement. The Trustee shall not be required or expected to take any action with regard to an investment without prior instructions from the Planholder.

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

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

The Trustee/Agents will not allow any self-directed mortgages to be carried in the Account. There will be no exceptions.

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

The Planholder agrees not to provide any instructions or series of instructions that would cause the Plan to contravene the Act. For greater certainty, Planholder agrees not to provide any instructions or series of instructions that are contrary to its responsibilities or that would cause the Trustee to act contrary to its responsibilities as set out in this Trust Agreement.

The Trustee/Agents reserve(s) the right to refuse any investing by means of private placement. On the occasions where the Trustee/Agents permit(s) a private placement, the Trustee/Agents must receive satisfactory information from the Planholder to establish the market value of the assets.

The Trustee/Agents reserve(s) the right to request an independent valuation of such assets, and any other details and documents of the company offering the private placement, including but not limited to any shareholders' agreements and any audited financial statements.

The Trustee/Agents reserve(s) the sole discretion to refuse to deregister assets associated with any private placement. The Planholder is responsible for any costs associated with this refusal.

4. **Account.** The Trustee will maintain an account for the Fund showing all transfers made to the Fund, all investment transactions and investment earnings, gains and losses and all transfers and payments made from the Fund. The Agents shall prepare periodic statements of the account for the Planholder in accordance with the rules, regulations and practices applicable to banks or mutual fund dealers respectively.
5. **Payments.** Payments must begin no later than the first year after the calendar year in which the Plan is established.

For every year following the calendar year in which the Plan is established, the minimum amount is calculated by multiplying the fair market value of the Fund at the beginning of the year by a factor prescribed under the Act which corresponds to the Planholder's age in whole years at the beginning of the year (or the age the Planholder would have been if he or she had been alive then). However, until the first payment has been made from the Plan, the Planholder may elect to use a factor prescribed under the Act which corresponds to the age of the Planholder's spouse or common-law partner in whole years at the beginning of the year (or the age the spouse or common-law partner would have been if he or she had been alive then).

For the calendar year in which the Plan is established, the minimum amount is zero.

The amount and frequency of the payment or payments in respect of any year shall be as instructed by the Planholder on the application form or otherwise. The Planholder may change the amount and frequency of the payment or payments or request additional payments by instructing the Trustee. If the Planholder does not give instructions regarding the payment or payments to be made in a year or if the payment or payments as instructed are less than the minimum amount for the year, the Trustee shall make such payment or payments as are necessary so that the minimum amount for that year is paid to the Planholder.

If the Planholder provided instructions regarding the amount and frequency of payments in a prior year, the Trustee or the Agents may continue to apply these instructions to the payment of future amounts (assuming that these instructions remain acceptable under the applicable legislation and that the Planholder does not provide any new instructions).

A payment cannot be greater than the value of the Fund immediately before the time of the payment. Where there is insufficient cash in the Fund at any time to make a payment, the Trustee or the Agents shall make reasonable requests for instructions from the Planholder regarding which assets of the Fund to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Planholder at the last address provided by the Planholder, the Trustee or the Agents does/do not receive satisfactory instructions from the Planholder within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the Fund in order to realize sufficient cash to make the payment. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agents for the Agents' own account, at such price as the Trustee considers fair and proper.

No payment from the Plan may be assigned in whole or in part.

The statement of the date of birth of the Planholder and/or the Planholder's spouse or common-law partner on the included application or otherwise shall constitute a certification by the Planholder and an undertaking to furnish such further evidence of proof of age as may be required.

6. **Electing Spouse or Common-Law Partner as Successor Annuitant.** At any time, the Planholder may elect for his or her spouse or common-law partner to continue to receive the payments in accordance with paragraph 5 after the Planholder's death, until the Plan is fully paid out. The Planholder may make this election under a will or by naming his or her spouse or common-law partner as the successor annuitant under the Plan. If the Planholder has not made this election, the Trustee may continue to make the payments to the Planholder's spouse or common-law partner as successor annuitant after the Planholder's death, as long as the Planholder's legal representative(s) requests it and gives the Trustee satisfactory evidence of consent and gives such satisfactory instructions, releases, indemnities and other documents as may be required.
7. **Transfers from the Plan.** The Planholder may at any time give the Trustee instructions, together with all information necessary for the continuance of the Plan, to transfer all or part of the Fund to another carrier of a registered retirement income fund of the Planholder, provided that the Trustee shall retain an amount equal to the lesser of: (a) the fair market value of such portion of the Fund as would, if the fair market value does not decline after the transfer, be sufficient to ensure that the minimum amount under the Plan for the year in which the transfer is made may be paid to the Planholder in the year, and (b) the fair market value of the Fund.

In the case where the Planholder transfers the Plan to another financial institution, or to another line of business within BMO, the Planholder is solely responsible for ensuring the new Agent is aware of any designation of beneficiaries.

Further, when the minimum payment amount is determined based on the age of the Planholder's spouse, the Planholder is solely responsible for ensuring the new agent is aware of this election.
8. **Non-Qualified and Prohibited Investments.** The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment (as defined under the Act) for a RRIF. However, if the Plan acquires an investment that is a non-qualified investment or a prohibited investment (as defined under the Act) for a RRIF, or if property held in the Plan becomes a non-qualified investment or a prohibited investment for a RRIF, it is the responsibility of the Planholder to file an Individual Return for Certain Taxes for RRSPs or RRIFs for Tax Year 20\_\_ (Form RC339) [or any other form that is required under the *Income Tax Act (Canada)* and pay the applicable tax under Part XI.01 of the Act].
9. **Advantage Extended.** If an advantage (as defined under the Act) in relation to a RRIF is extended to the Planholder or to a person who does not deal at arm's length with the Planholder, it is the responsibility of the Planholder to file an income tax return and pay the tax under Part XI.01 of the Act; except that if the advantage is extended by the Trustee (or by the Agents) or by a person with whom the Trustee is not dealing at arm's length, it is the responsibility of the Trustee to file a T3GR, Group Income Tax and Information Return for RRSP, RRIF, RESP or RDSP Trusts [or any other form that

is required under the *Income Tax Act (Canada)*] and pay the applicable tax under Part XI.01 of the Act.

10. **Breakdown of Marriage or Common-Law Partnership.** The Planholder may instruct the Trustee, at any time, to transfer all or part of the Fund, in accordance with paragraph 146.3(14)(b) of the Act, to a registered retirement income fund or registered retirement savings plan of the Planholder's spouse or common-law partner or former spouse or common-law partner, under a decree, order or judgment of a competent tribunal, or under a written separation agreement, relating to a division of property between the Planholder and the Planholder's spouse or common-law partner or former spouse or common-law partner in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership.

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

The Planholder may designate (and may add, change or delete) beneficiaries of the Plan in accordance with, and in the form and manner provided by, applicable law. In the event of the death of the Planholder, the Trustee shall pay or transfer the Fund in accordance with applicable law to any beneficiaries of the Plan so designated or, where no beneficiary has been so designated or the Trustee has not been notified of any beneficiary in accordance with applicable law, to the legal personal representative(s) of the Planholder. Before making such a payment or transfer, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities and other documents as may be required.

Where the Trustee, after making reasonable requests for instructions from the beneficiary or the legal personal representative(s), does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion pay or transfer the Fund to the beneficiary or the legal personal representative(s). The Trustee may in its discretion liquidate all or any part of the Fund before making any such payment or transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agents for the Agents' own account, at such price as the Trustee considers fair and proper.

In the event the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of doing so.

11. b) **Death of Planholder (*applies to Quebec only*)** If the Plan Holder wishes to name a successor account holder and/or a beneficiary (or beneficiaries), the account holder should do so in a will or other written document that meets the requirements of the applicable legislation. On the death of the Plan Holder, and upon receipt of official documentation, the Trustee will distribute the property of the Plan to the legal personal representative(s) of the Plan Holder. *The Trustee and the Agents will be fully discharged by such payment or transfer.* The Plan Holder acknowledges that it is his/her sole responsibility to ensure that a designation or revocation is valid under the applicable legislation.

Before making such a payment or transfer, the Trustee must receive satisfactory evidence of death and such satisfactory instructions, releases, indemnities

and other documents as may be required. Where the Trustee, after making reasonable requests for instructions from the beneficiary or the legal personal representative(s), does not receive satisfactory instructions within a reasonable time, the Trustee may in its discretion pay or transfer the Fund to the beneficiary or the legal personal representative(s). The Trustee may in its discretion liquidate all or any part of the Fund before making any such payment or transfer. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agents for the Agents' own account, at such price as the Trustee considers fair and proper.

In the event the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of doing so.

12. **Transferring from Another Plan.** Where amounts are transferred to the Plan from a registered pension plan or from another source as permitted under the Act, in accordance with paragraph 2, the terms of this Plan may be subject to additional terms required under the applicable pension legislation or the Act or other applicable legislation. Such additional terms will be described in a locked-in or other addendum which will be attached to and form part of this Plan. To the extent that there is any conflict or inconsistency between the additional terms described in the addendum and this Trust Agreement, the additional terms will govern; provided always that the Plan will not be disqualified as a retirement income fund acceptable for registration under the Act and any applicable provincial legislation.
13. **Third Party Orders or Demands.** The Trustee shall be entitled to be indemnified out of the Fund in respect of any costs, expenses, charges or liabilities whatsoever that may arise out of the Trustee's good faith compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee a duty to take or refrain from taking any action concerning the Plan or the Fund, or to issue payment from the Fund, with or without instructions from the Planholder or in contradiction of instructions of the Planholder. The Trustee/ Agents retain(s) the ability to restrict trading upon receipt of an order or demand. The Trustee/Agents will not be liable for any decreases in account value during the restriction period. In order for any related restriction to be removed from the Planholder's account, the Planholder must provide proof satisfactory to the Trustee in its sole discretion, that it is no longer applicable. The Trustee may permit any duly authorized party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Plan or related to the Plan and shall similarly be entitled to indemnity out of the Fund for so doing. In the event the assets of the Fund shall be insufficient to indemnify the Trustee fully in any such regard, by establishing the Plan the Planholder agrees to indemnify and hold the Trustee harmless for any such costs, expenses, charges or liabilities.
14. **Ownership and Voting Rights.** The Trustee may hold any investment of the Plan in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. The voting or other ownership rights attached to any investments held in the Plan may be exercised by the Planholder and the Planholder is appointed as the Trustee's agents and attorney for this purpose, to execute and deliver proxies and/or other instruments, in accordance with applicable laws.

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

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

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

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

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

**16. Instructions.** The Trustee and the Agents shall be entitled to rely upon instructions received from the Planholder or from any person designated in writing, in accordance with applicable laws, by the Planholder to give instructions on behalf of the Planholder or from any person purporting to be the Planholder or such designated person, as if they were from the Planholder. The Trustee or the Agents may, without incurring any liability to the Planholder or any other person, decline to act upon any instruction if the instruction is not given in a timely manner, is not given in writing where the Trustee or Agents require(s) it, is not in a form or format which the Trustee or Agents require(s), or in the opinion of the Trustee or Agents is/

are not complete; or if either of them has any doubt that such instruction has been properly authorized or accurately transmitted.

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

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

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

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

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

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

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

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

Except as otherwise prohibited by law, in the event the Planholder breaches this Trust Agreement, the Planholder, his/her legal personal representatives and each beneficiary of this Plan will indemnify and save harmless the Trustee and its Agent

in respect of any loss, damage, or other expense (including legal fees) incurred by the Trustee or the Agent related to such breach.

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

18. **Documentation.** Notwithstanding anything to the contrary herein, the Trustee may require such satisfactory instructions, releases, indemnities, tax clearance certificates, death certificates and other documents as the Trustee in its discretion deems appropriate.
19. **Amendment.** The Trustee may from time to time in its discretion amend this Trust Agreement or the application form or any locked-in or other addenda which comprise the Plan by giving 30 days prior notice to the Planholder; provided however that any amendment shall not disqualify the Plan as a retirement income fund acceptable for registration under the Act and any applicable provincial legislation.
20. **Replacement Of Trustee.** The Trustee may resign and be released and discharged from all further duties and liabilities upon 60 days' prior written notice given to the Agents (or such shorter notice as the Agents may accept). The Agents may terminate the Trustee as trustee of the Plan upon 60 days prior written notice given to the Trustee (or such shorter notice as the Trustee may accept). Upon the resignation or termination of the Trustee, the Agents shall appoint a successor trustee, provided that the successor trustee is acceptable under the Act. The Agents shall give the Planholder written notice of the successor trustee within 30 days of the appointment.
21. **Notice.** Any notice given by the Trustee to the Planholder regarding the Plan (including this Trust Agreement) shall be sufficiently given if it is delivered to the Planholder personally, or if it is mailed, postage prepaid, to the Planholder at the address set out in the included application or the last address provided by the Planholder. If mailed, any such notice shall be deemed to have been delivered by the tenth business day following the day of mailing.
22. **Binding.** The terms of this Trust Agreement shall be binding upon the beneficiaries, heirs, executors, administrators and assigns of the Planholder and upon the respective successors and assigns of the Trustee and/or the Agents.
23. **Governing Law.** This Trust Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Agents (or an affiliate) is/are located where the account is maintained. If any provision of legislation referred to in this Agreement is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.

# BMO Education Savings Plan (Individual Plan)

## Terms and Conditions (Specimen Plan No. 1040002)

We, BMO Investments Inc., are the promoter of the BMO Education Savings Plan (the “**Plan**”). (The words “**us**” and “**our**” refer only to BMO Investments Inc.) You are the “**Subscriber**” or “**Subscribers**” to the Plan. If there is more than one subscriber to the Plan at the same time, “you” refers to each and every subscriber.

The Plan is an agreement between you and us on the following terms and conditions. The application (the “**Application**”) forms part of this agreement. The purpose of the Plan is to make Educational Assistance Payments to or for the Beneficiary. The Application becomes effective, and the Plan is entered into, at the time it is accepted by us.

As the promoter, we have ultimate responsibility for the Plan under the Applicable Tax Legislation and for the administration of the Plan. BMO Trust Company (the “**Trustee**”) will be the trustee for the property of the Plan. The Trustee has ultimate responsibility for the administration of all applicable federal and provincial grants and incentives (“**Grants**”).

1. **Property of the Plan Held in Trust.** The Trustee agrees to hold the property of the Plan (in the aggregate, the “**Fund**”) irrevocably in trust, pursuant to the Plan, for any one or more of the following purposes as defined in section 146.1(2)(f) of the Act:
  - a) the payment of Educational Assistance Payments to or for a Beneficiary of the Plan;
  - b) the payment to (or to a trust in favour of) one or more Designated Educational Institutions (as defined in section 11 below);
  - c) the refund of contributions and, if required, the repayment of amounts under the *Canada Education Savings Act* (the “**CES Act**”) or a “**designated provincial program**” defined below;
  - d) the payment of Accumulated Income Payments; or
  - e) the transfer to another trust that irrevocably holds property under a “**registered education savings plan**” (an “**RESP**”) within the meaning of the Act; or
  - f) in the event that a trust governed by the plan is terminated, the property held by the trust is required to be used for any of the purposes described in the definition of “**trust**” in subsection 146.1(1) of the Act.

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

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

2. **Registration of the Plan.** We will apply to register the Plan under the *Income Tax Act (Canada)* (the “**Act**”) and, if required, under any income tax legislation of a province which applies to the Plan (together the “**Applicable Tax Legislation**”). The promoter must be a resident of Canada as per paragraph 146.1(2)(c) of the Act.

We will ensure that the Plan complies at all times with the requirements of the Applicable Tax Legislation regarding RESPs.

3. **Grants.** Upon your request in the form required by the Minister of Employment and Social Development Canada (the “**Minister**”), we will apply to the Minister for any applicable Grants in respect of the Plan. We will apply for the Grants in accordance with the CES Act, regulations made under the CES Act, the CES regulations, and any agreement concerning Grants between the Trustee and the Minister. Before we apply for any Grants, the Plan must be registered under the Act.

Grants, when received and held by the Trustee, form part of the property of the Plan. The Trustee will hold and account for Grants in accordance with the CES Act, the CES regulations and any agreement concerning Grants between the Trustee and the Minister. We will act in accordance with any agreement concerning Grants between us and the Minister.

The Trustee will be required under the CES regulations to repay part or all of the “**grant account**” (as that term is defined in the CES regulations) in certain circumstances. A Beneficiary who has received more than \$7,200 as the “**grant portion**” (as that term is defined in the CES regulations) of Educational Assistance Payments will be required to repay the excess to the Minister.

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

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

After the death of the last surviving subscriber to the Plan (who is an individual), another person including the estate of the deceased subscriber, can become a subscriber to the Plan by acquiring the subscriber’s rights under the Plan or by making a contribution to the Plan for a Beneficiary. To do this, the legal personal representative(s) of the last surviving subscriber must give us instructions and the person must agree to be bound by the terms and conditions of the Plan.

No one can become a subscriber to the Plan other than as described in this section. A subscriber may resign by giving us instructions (however if all the subscribers resign, the Plan will terminate under section 15).

To become a subscriber, you must provide us your address, Social Insurance Number and date of birth (or if you are a public primary caregiver, your Business Number) in the Application or in instructions. As a subscriber, you must inform us whether you are a resident of Canada (for the purpose of the Act) in the Application or by instructions and you must inform us whenever you become or cease to be resident in Canada by instructions.

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

5. **Who is a Beneficiary of the Plan.** A “**Beneficiary**” of the Plan means any person to whom or for whom Educational Assistance Payments are to be made if the person qualifies under the Plan. You may designate an individual as the Beneficiary in the Application, by naming them and providing their address, Social Insurance Number, date of birth and relationship to you.

An individual may only be designated as the Beneficiary where the individual is resident in Canada (for the purpose of the Act) when the designation is made. However, if the designation is made in conjunction with a transfer of property into the Plan from another RESP under which the individual was a Beneficiary immediately before the transfer, the individual need not be resident in Canada (and in that case, if you are designating a non-resident individual, you need not provide the individual’s Social Insurance Number if the individual was not assigned a Social Insurance Number before the designation is made.)

You may change the Beneficiary by giving us instructions. When changing the Beneficiary, the requirements of the two paragraphs above must be met. (If the Beneficiary is removed, the Plan will terminate under section 15.)

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

You must inform us, by instructions, whenever a Beneficiary ceases to be resident in Canada (for the purpose of the Act) or becomes a resident of Canada again.

You acknowledge and agree that there can only be one individual designated as the Beneficiary under the Plan at any one time.

6. **Contributions.** All contributions to the Plan must be made by you or on your behalf as subscriber and must be made for the Beneficiary under the Plan. You must provide us the Beneficiary’s Social Insurance Number before a contribution is made for the Beneficiary (except where the Plan was entered into before 1999). The Beneficiary must be resident in Canada (for the purpose of the Act) when a contribution is made for the Beneficiary. However, if a contribution is made by way of a transfer from another RESP under which the Beneficiary was a Beneficiary immediately before the transfer, you need not provide us with the Beneficiary’s Social Insurance Number, and the Beneficiary need not be resident in Canada, before a contribution is made. Contributions to the Plan do not include amounts paid into the Plan by the Minister under the CES Act or under a designated provincial program or any other program that has a similar purpose to a designated provincial program

and that is funded directly or indirectly by a province (other than an amount paid into the plan by a public primary caregiver in its capacity as subscriber under the plan). Contributions may be made periodically or by lump sum payment to us, but a contribution must not be less than the minimum amount which we establish. The total cumulative contributions made to the Plan for the Beneficiary cannot exceed the “**RESP lifetime limit**”, as defined in subsection 204.9(1) of the Act. It is your responsibility to ensure that the total contributions for a Beneficiary made to the Plan and to other RESPs, by yourself and by others as subscribers, do not exceed this limit. If this limit is exceeded, a penalty tax may apply. You have to determine whether a penalty tax applies and you have to pay the penalty tax if it applies. The calculation of the “**excess amount**” (if any) for the Beneficiary, your share of the excess amount and any penalty tax are determined under the Act. You may request a refund of contributions sufficient to stop the application of the penalty tax. For the purpose of determining whether this limit has been exceeded, special rules apply where a Beneficiary is changed or where property is transferred from one RESP to another for a Beneficiary. Where a Beneficiary is changed, the new Beneficiary assumes the contribution history of the former Beneficiary, except where, at the time of change, the new Beneficiary is under 21 years of age and the new Beneficiary and former Beneficiary have a common parent, or where both the new Beneficiary and the former Beneficiary are under 21 years of age and are connected by blood relationship or adoption to an original Subscriber. Where there is a transfer from another RESP to the Plan, the contribution history of each Beneficiary of the other RESP is assumed by each Beneficiary of the Plan, except where, at the time of transfer, any Beneficiary under the Plan is also a Beneficiary under the other RESP, or where a Beneficiary of the Plan is under 21 years of age and that Beneficiary and a Beneficiary under the other RESP have a common parent. Contributions cannot be made to the Plan after the 31st year following the year the Plan was entered into. If an amount is transferred to the Plan from another RESP and the other RESP was created before the Plan, then contributions cannot be made to the Plan after the 31st year following the year in which the other RESP was entered into.

#### **6.1 Contributions Where Disability Tax Credit Applies to Beneficiary.**

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

7. **Transfers from another RESP.** You may transfer property to the Plan for the Beneficiary of the Plan from another RESP, in accordance with the Act, by giving instructions to us. Property cannot be transferred to the Plan from another RESP after the other RESP has made an Accumulated Income Payment.
8. **Investment of the Property of the Plan.** The property of the Plan shall be invested and reinvested by the Trustee exclusively on your instructions (or of a person authorized by you, in a form and manner satisfactory to the Trustee or us, to manage the investments of the Plan), only in such investments as may be made available for the Plan from time to time by us or the Trustee. The property of the Plan may be invested in investments which require delegation, such as mutual funds,

pooled funds and segregated funds. The property of the Plan may be invested in investments which are issued by the Trustee, us or our affiliates.

Neither the Trustee nor we (acting in the capacity as administrative agent for the Trustee) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation regarding trustee investment duties and powers) to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the property of the Plan, except as otherwise expressly provided in these terms and conditions. Other than our duties with respect to the property of the Plan expressly stated in these terms and conditions, neither the Trustee nor we shall be required or expected to take any action with regard to an investment without prior instructions from you. Where there is more than one subscriber at the same time, the instruction of any one subscriber (or a person authorized by them) will bind all subscribers.

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

We will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment.

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

9. **Payments from the Plan.** The Trustee will make payments, refunds or transfers out of the Plan for one or more of the purposes listed in section 1 above, according to your instructions, provided that the payments, refunds or transfers are permitted under the Plan and under the Applicable Tax Legislation and the property of the Plan is sufficient. (In the case of Educational Assistance Payments, the Trustee must first receive our direction.) The Trustee will not make any payment, refund or transfer out of the Plan to the extent that, after the payment, refund or transfer, the fair market value of the property of the Plan would be less than the balance of the grant account.

We have the final authority on whether a payment, refund or transfer you instruct the Trustee to make is permitted under the Plan and under the Applicable Tax Legislation. The decision made by us will be binding on you and the Beneficiary.

Before the first Educational Assistance Payment is made to or for the Beneficiary, you must confirm in writing to the Trustee whether the Beneficiary is at that time a resident or non-resident of Canada (for the purpose of the Act).

You may give us instructions telling the Trustee which property to sell if the Trustee is required to sell property of the Plan in order to make a payment, refund or transfer out of the Plan. If you do not give us instructions, the Trustee will sell the property that the Trustee in its sole discretion considers appropriate. Before making a payment, refund or transfer out of the Plan, the Trustee will deduct, as required, any costs, fees or charges related to the sale of property, any amount required to be withheld under the Applicable Tax Legislation and any taxes, interest or penalties that are or may become payable by the Plan. Once the Trustee has made a payment

out of the Plan in accordance with this section, the Trustee will have no liability or duty to you for the property of the Plan which was sold.

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

A “**qualifying educational program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires that each student taking the program spend not less than ten hours per week on courses or work in the program. The total amount of Educational Assistance Payments paid to or for a Beneficiary (from all BMO RESPs) where the Beneficiary has not been enrolled, during the preceding 12 months, for at least 13 consecutive weeks in a “**qualifying educational program**” at a post-secondary educational institution cannot exceed the amount provided by the Act (unless a greater amount is approved in writing by the Minister designated for the purposes of the *Canada Education Savings Act*).

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

A “**post-secondary educational institution**” means an education institution that is:

- a. university, college or other educational institution in Canada and designated by the Lieutenant Governor in Council of a province as a specified educational institution under the Canada Student Loans Act, designated by an appropriate authority under the Canada Student Financial Assistance Act, or designated by the Minister of Education for the Province of Québec for the purposes of An Act respecting financial assistance for educational expenses;
- b. in Canada and certified by the Minister of Employment and Social Development Canada to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person’s skills in, an occupation; or
- c. an educational institution outside Canada that provides courses at a post-secondary level and that is

- (i) a university, college or other educational institution at which the beneficiary was enrolled in a course of not less than 13 consecutive weeks, or
- (ii) applicable after 2010, a university at which the beneficiary was enrolled on a full-time basis in a course of not less than three consecutive weeks.

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

11. **Payments to Designated Educational Institutions.** A **“Designated Educational Institution”** means an institution described in paragraph (a) of the definition of **“post-secondary educational institution”** in section 10, above. You may select one or more Designated Educational Institutions (or a trust for one or more Designated Educational Institutions) in Canada to which payments may be made in the Application or by giving instructions to us.
12. **Refund of Contributions.** A refund of contributions cannot exceed the total of all contributions to the Plan less any refunds of contributions previously made.
13. **Accumulated Income Payments.** “Accumulated Income Payments” are any payments out of the Plan other than Educational Assistance Payments, payments to (or to a trust in favour of) one or more Designated Educational Institutions in Canada, refunds of payments, repayments of amounts under the CES Act or under a program administered pursuant to an agreement entered under section 12 of that Act or transfers to another RESP. A payment out of the Plan will only be recognized as an Accumulated Income Payment to the extent the payment exceeds the fair market value of all property at the time when it was contributed or paid into the Plan.

Accumulated Income Payments will be paid to you or, if you were a subscriber at the time of your death, to your estate. You or your estate must be resident in Canada at the time of payment.

If there is more than one subscriber at the same time, each Accumulated Income Payment can only be paid to one subscriber. You must give us instructions stating which subscriber is to receive each Accumulated Income Payment.

Accumulated Income Payments can be paid if, at the time a payment is made:

- a. each individual (other than a deceased individual) who is or was a Beneficiary under the Plan has attained 21 years of age before the payment is made and is not, when the payment is made, eligible under the Plan to receive an Educational Assistance Payment and the time is the 10<sup>th</sup> calendar year following the calendar year in which the Plan was entered into or later;
- b. the payment is made in the 35<sup>th</sup> year (or, if section 6.1 applies, in the 40<sup>th</sup> year) following the year in which the Plan is entered into; or
- c. each individual who was a Beneficiary under the Plan is deceased when the payment is made.

(For paragraph (a) above, if property is transferred to the Plan from another RESP, then the time must be the 10<sup>th</sup> calendar year or later following the calendar year in which either the Plan or the other RESP was entered into, whichever is earlier.)

Accumulated Income Payments may be made at any time if, on our written application, the Minister of National Revenue waives the conditions in clause 146.1(2)

(d.1)(iii)(A) of the Act, as described in paragraph (a) above, where a Beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a qualifying educational program at a post-secondary educational institution.

The Plan will terminate under section 15 by the end of February of the year following the calendar year in which the first Accumulated Income Payment is made.

14. **Transfer to another RESP.** You may give us instructions at any time to pay some or all of the property of the Plan to another RESP. Once transferred, and the account is at a zero balance, the Trustee will treat the Plan as terminated on its books and records.
15. **Termination of the Plan.** You may designate the date the Plan is to terminate (the “**Termination Date**”) in the Application. You may also designate or change the Termination Date by instructions to us.

On the Termination Date or in the event that the trust governed by the Plan is terminated, we will make payments, refunds or transfers out of the Plan or cause the Trustee to make payments, refunds or transfers out of the Plan for one or more of the purposes listed in section 1, above, according to your instructions to us regarding termination, provided that the payments, refunds or transfers are permitted under the Plan, the Applicable Tax Legislation and any applicable rules relating to Grants. We will give you written notice at least six months prior to the Termination Date.

The Termination Date cannot be later than the last day of the 35<sup>th</sup> year following the year in which the Plan was entered into. If property is transferred to the Plan from another RESP and the other RESP was entered into before the Plan, then the Termination Date cannot be later than the last day of the 35<sup>th</sup> year following the year in which the other RESP was entered into. However, if section 6.1 applies to the Plan, the latest Termination Date is the last day of the 40<sup>th</sup> year following the Plan was entered into. If you do not designate a Termination Date, the Termination Date will be the latest date possible.

The provisions of section 9 will apply to payments, refunds or transfers on termination. If you have not given the Trustee instructions regarding termination by the Termination Date, the Trustee will pay a refund of contributions, to the maximum extent possible, to you. (If you have not given the Trustee instructions regarding payment, the Trustee may deposit the refund of contributions in an interest-bearing account at Bank of Montreal.) The Trustee will pay any remaining amount to (or to a trust in favour of) a Designated Educational Institution in Canada selected by the Trustee. The Trustee will also deduct on termination any fees or other charges owing to us or to the Trustee under section 20.

16. **If the Last Surviving Subscriber Dies.** If you are the last surviving subscriber and you die before the Termination Date, your legal personal representative(s) may continue to administer the Plan on your behalf. However, if the legal personal representative(s) give(s) us instructions, in accordance with section 4, to make another person or your estate the subscriber, then the legal personal representative(s) will cease to administer the Plan on your behalf.
17. **Maintaining Your Account.** We will maintain an account to record: (1) contributions and transfers made to the Plan; (2) the Grants accounts; (3) purchases and sales

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

18. **Ownership of the Property of the Plan and Exercise of Voting Rights.** Ownership of the property of the Plan will be vested in the Trustee. You are the beneficial owner of the property of the Plan. The property of the Plan will be held in the Trustee's name or nominee name, bearer form or any other name that the Trustee determines. The voting rights attached to any securities held under the Plan and credited to your account may be exercised by you. For this purpose, you are hereby appointed as the Trustee's agent and attorney to execute and deliver proxies and/or other instruments mailed by us or the Trustee to you according to applicable laws.
19. **Instructions and Written Notice.** Instructions may take any form, however any reasonable requirements regarding form, content, receipt and timing established by us or the Trustee must be satisfied. We and the Trustee will be entitled to rely upon instructions received from you (or by any person you designate to us to give instructions on your behalf) and any person purporting to be you (or purporting to be the person designated by you). We and the Trustee may decline to act upon instructions if there are doubts about their accuracy or whether they are from you (or a person designated by you) or if we or the Trustee do not understand them.

If there is more than one subscriber at the same time, instructions given by one subscriber will bind all subscribers. If you give us or the Trustee instructions more than once, we or the Trustee will follow the instructions with the latest date, even though they may be different from previous instructions.

We or the Trustee may give you or the Beneficiary any written notice, statement or receipt by personal delivery or by mail, postage prepaid, at the address you gave on the Application. If you give us or the trustee instructions regarding a change of address for you or the Beneficiary, any written notice, statement or receipt will be sent to the new address. Any notice, statement or receipt from us or the Trustee will be considered to have been given to you or the Beneficiary at the time of personal delivery, or if mailed, on the third day after mailing.

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

The Subscriber acknowledges that we (or an affiliate) may charge fees, spreads, commissions and expenses to the Fund in its capacity as the investment advisory firm for the Subscriber (the "**Advisory Fees**"). The Subscriber acknowledges and agrees that the Advisory Fees do not constitute Trustee Fees and are governed by

the terms of the Client Account Agreement as amended from time to time. If there are any inconsistencies between this Plan and the Client Account Agreement with respect to the Advisory Fees, the terms of the Client Account Agreement govern.

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

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

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

Neither the Trustee nor us shall be responsible for any loss occasioned by any such realization. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the assets at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to us for our own account, at such price as the Trustee considers fair and proper.

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

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

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

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

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

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

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

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

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

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

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

**22. Amendment of the Plan.** We and the Trustee may agree to amend the Plan as long as:

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

We and the Trustee may agree to make an amendment effective as of a date prior to the date when the amendment is made. We will give you thirty days written notice of any amendment and its effective date, provided that any amendment made to ensure that the Plan continues to comply with the Applicable Tax Legislation may take effect on a date that is prior to the date on which notice is given.

**23. Replacement of the Trustee.** The Trustee may resign by providing 60 days written notice to us or any shorter period that is acceptable to us. We may remove the Trustee from its position as trustee under the Plan by providing 60 days written notice to the Trustee or any shorter period that is acceptable to the Trustee. The Trustee's resignation or removal will be effective on the date we appoint another trustee (the "**Replacement Trustee**"). The Replacement Trustee

must be a corporation which is resident in Canada, authorized under the laws of Canada or a province to offer trustee services to the public in Canada and which has entered into a agreement concerning Grants with the Minister. If we do not appoint a Replacement Trustee within 60 days after we have received notice of the Trustee's resignation or given notice to the Trustee of its removal, the Trustee may appoint a Replacement Trustee. On the date the Trustee's resignation or removal becomes effective, the Trustee will sign and deliver to the Replacement Trustee all conveyances, transfers and further assurances that may be necessary or desirable to give effect to the appointment of the Replacement Trustee.

24. **Binding.** The Plan will be binding upon your heirs, executors, administrators and upon our successors and assigns.
25. **Governing Law.** This Plan shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Promoter is located where the account is maintained.
26. **English Language.** The parties have requested that the Plan and all documents related to it be established in English. *Les parties ont demandé que ce contrat ainsi que tous les documents y afférents soit rédigé en anglais.*

# **BMO Education Savings Plan (Family Plan)**

## **Terms and Conditions (Specimen Plan No. 1040001)**

We, BMO Investments Inc., are the promoter of the BMO Education Savings Plan (the “**Plan**”). (The words “**us**” and “**our**” refer only to BMO Investments Inc.) You are the “**Subscriber**” or “**Subscribers**” to the Plan. If there is more than one Subscriber to the Plan at the same time, “**you**” refers to each and every Subscriber.

The Plan is an agreement between you and us on the following terms and conditions. The application (the “**Application**”) forms part of this agreement. The purpose of the Plan is to make Educational Assistance Payments to or for the beneficiary. The Application becomes effective, and the Plan is entered into, at the time it is accepted by us.

As the promoter, we have ultimate responsibility for the Plan under the Applicable Tax Legislation and for the administration of the Plan. BMO Trust Company (the “**Trustee**”) will be the trustee for the property of the Plan. The Trustee has ultimate responsibility for the administration of all applicable federal and provincial grants and incentives (“**Grants**”).

- 1. Property of the Plan Held in Trust.** The Trustee agrees to hold the property of the Plan (in the aggregate, the “**Fund**”) irrevocably in trust, pursuant to the Plan, for any one or more of the following purposes as defined in section 146.1(2)(f) of the Act:
  - a) the payment of Educational Assistance Payments to or for a Beneficiary of the Plan;
  - b) the payment to (or to a trust in favour of) one or more Designated Educational Institutions (as defined in section 11 below);
  - c) the refund of contributions and, if required, the repayment of amounts under the *Canada Education Savings Act* (the “**CES Act**”) or a “**designated provincial program**” defined below;
  - d) the payment of Accumulated Income Payments; or
  - e) the transfer to another trust that irrevocably holds property under a “**registered education savings plan**” (an “**RESP**”) within the meaning of the Act; or
  - f) in the event that a trust governed by the plan is terminated, the property held by the trust is required to be used for any of the purposes described in the definition of “**trust**” in subsection 146.1(1) of the Act.

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

1. a program administered pursuant to an agreement entered into under section 12 of the CES Act, or
2. a program established under the laws of a province to encourage the financing of children’s post secondary education through savings in registered education savings plans.
2. **Registration of the Plan.** We will apply to register the Plan under the *Income Tax Act (Canada)* (the “**Act**”) and, if required, under any income tax legislation of a province which applies to the Plan (together the “**Applicable Tax Legislation**”). We will ensure that the Plan complies at all times with the requirements of the Applicable Tax Legislation regarding RESPs. The promoter must be a resident of Canada as per paragraph 146.1(2)(c) of the Act.
3. **Grants.** Upon your request in the form required by the Minister of Employment and Social Development Canada (the “**Minister**”), we will apply to the Minister for any

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

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

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

After the death of the last surviving Subscriber to the Plan (who is an individual), another person including the estate of the deceased Subscriber, can become a Subscriber to the Plan by acquiring the Subscriber's rights under the Plan or by making a contribution to the Plan for a beneficiary. To do this, the legal personal representative(s) of the last surviving Subscriber must give us instructions and the person must agree to be bound by the terms and conditions of the Plan.

No one can become a Subscriber to the Plan other than as described in this section. A Subscriber may resign by giving us instructions (however if all the Subscribers resign, the Plan will terminate under section 15).

To become a Subscriber, you must provide us your address, Social Insurance Number and date of birth (or if you are a public primary caregiver, your Business Number) in the Application or in instructions. As a Subscriber, you must inform us whether you are a resident of Canada (for the purpose of the Act) in the Application or by

instructions and you must inform us whenever you become or cease to be resident in Canada by instructions.

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

5. **Who is a Beneficiary of the Plan.** A “**beneficiary**” of the Plan means any person to whom or for whom Educational Assistance Payments are to be made if the person qualifies under the Plan. You may designate an individual as the beneficiary in the Application, by naming them and providing their address, Social Insurance Number, date of birth and relationship to you.

An individual may only be designated as the beneficiary where the individual is resident in Canada (for the purpose of the Act) when the designation is made. However, if the designation is made in conjunction with a transfer of property into the Plan from another RESP under which the individual was a beneficiary immediately before the transfer, the individual need not be resident in Canada (and in that case, if you are designating a non-resident individual, you need not provide the individual’s Social Insurance Number if the individual was not assigned a Social Insurance Number before the designation is made.)

You may change the beneficiary by giving us instructions. When changing the Beneficiary, the requirements of the two paragraphs above must be met. (If the beneficiary is removed, the Plan will terminate under section 15.) Every beneficiary must be under the age of 21 at the time they are named in the Application, added or named in place of another beneficiary (unless the beneficiary being named or added is at the time a member of another RESP which allows more than one beneficiary at the same time). Each beneficiary of the Plan must be connected to each subscriber, or have been connected to a deceased subscriber if a subscriber has died, by “**blood relationship**” or by “**adoption**”, as those terms are defined in the Act. (But in order to qualify for certain additional Grants under the CES Act, beneficiaries can only be brothers and /or sisters as defined under the CES regulations). As subscriber, you cannot be a beneficiary of the Plan.

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

You must inform us, by instructions, whenever a beneficiary ceases to be resident in Canada (for the purpose of the Act) or becomes a resident of Canada again.

6. **Contributions.** All contributions to the Plan must be made by you or on your behalf as Subscriber and must be made for the beneficiary under the Plan. You must provide us the beneficiary’s Social Insurance Number before a contribution is made for the beneficiary (except where the Plan was entered into before 1999). The beneficiary must be resident in Canada (for the purpose of the Act) when a contribution is made for the beneficiary. However, if a contribution is made by way of a transfer from another RESP under which the beneficiary was a beneficiary immediately before the transfer, you need not provide us with the beneficiary’s Social Insurance Number, and the beneficiary need not be resident in Canada,

before a contribution is made. If there is more than one beneficiary at the same time, you must give us instructions telling us how much of each contribution is for each beneficiary. Contributions to the Plan do not include amounts paid into the Plan by the Minister under the CES Act or under a designated provincial program or any other program that has a similar purpose to a designated provincial program and that is funded directly or indirectly by a province (other than an amount paid into the plan by a public primary caregiver in its capacity as subscriber under the plan). Contributions may be made periodically or by lump sum payment to us, but a contribution must not be less than the minimum amount which we establish. The total cumulative contributions made to the Plan for the beneficiary cannot exceed the **“RESP lifetime limit”**, as defined in subsection 204.9(1) of the Act.

It is your responsibility to ensure that the total contributions for a beneficiary made to the Plan and to other RESPs, by yourself and by others as Subscribers, do not exceed this limit. If this limit is exceeded, a penalty tax may apply. You have to determine whether a penalty tax applies and you have to pay the penalty tax if it applies. The calculation of the **“excess amount”** (if any) for the beneficiary, your share of the excess amount and any penalty tax are determined under the Act. You may request a refund of contributions sufficient to stop the application of the penalty tax. For the purpose of determining whether this limit has been exceeded, special rules apply where a beneficiary is changed or where property is transferred from one RESP to another for a beneficiary. Where a beneficiary is changed, the new beneficiary assumes the contribution history of the former beneficiary, except where, at the time of change, the new beneficiary is under 21 years of age and the new beneficiary and former beneficiary have a common parent, or where both the new beneficiary and the former beneficiary are connected by blood relationship or adoption to an original Subscriber. Where there is a transfer from another RESP to the Plan, the contribution history of each beneficiary of the other RESP is assumed by each beneficiary of the Plan, except where, at the time of transfer, any beneficiary under the Plan is also a beneficiary under the other RESP, or where a beneficiary of the Plan and a beneficiary under the other RESP have a common parent.

Contributions cannot be made to the Plan for a Beneficiary who was 31 years old or older before the time that the contribution was made, unless the contribution is by transfer from another RESP which allows more than one beneficiary at the same time. Contributions cannot be made to the Plan after the 31st year following the year the Plan was entered into. If an amount is transferred to the Plan from another RESP and the other RESP was created before the Plan, then contributions cannot be made to the Plan after the 31<sup>st</sup> year following the year in which the other RESP was entered into.

7. **Transfers from another RESP.** You may transfer property to the Plan for the beneficiary of the Plan from another RESP, in accordance with the Act, by giving instructions to us. Property cannot be transferred to the Plan from another RESP after the other RESP has made an Accumulated Income Payment.
8. **Investment of the Property of the Plan.** The property of the Plan shall be invested and reinvested by the Trustee exclusively on your instructions (or of a person authorized by you, in a form and manner satisfactory to the Trustee or us, to manage the investments of the Plan), only in such investments as may be made available for the Plan from time to time by us or the Trustee. The property of the Plan may be invested in investments which require delegation, such as mutual funds,

pooled funds and segregated funds. The property of the Plan may be invested in investments which are issued by the Trustee, us or our affiliates.

Neither the Trustee nor we (acting in the capacity as administrative agent for the Trustee) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation regarding trustee investment duties and powers) to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the property of the Plan, except as otherwise expressly provided in these terms and conditions. Other than our duties with respect to the property of the Plan expressly stated in these terms and conditions, neither the Trustee nor we shall be required or expected to take any action with regard to an investment without prior instructions from you. Where there is more than one Subscriber at the same time, the instruction of any one Subscriber (or a person authorized by them) will bind all Subscribers.

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

We will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment.

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

9. **Payments from the Plan.** The Trustee will make payments, refunds or transfers out of the Plan for one or more of the purposes listed in section 1 above, according to your instructions, provided that the payments, refunds or transfers are permitted under the Plan and under the Applicable Tax Legislation and the property of the Plan is sufficient. (In the case of Educational Assistance Payments, the Trustee must first receive our direction.) The Trustee will not make any payment, refund or transfer out of the Plan to the extent that, after the payment, refund or transfer, the fair market value of the property of the Plan would be less than the balance of the grant account.

We have the final authority on whether a payment, refund or transfer you instruct the Trustee to make is permitted under the Plan and under the Applicable Tax Legislation. The decision made by us will be binding on you and the beneficiary.

Before the first Educational Assistance Payment is made to or for the beneficiary, you must confirm in writing to the Trustee whether the beneficiary is at that time a resident or non-resident of Canada (for the purpose of the Act).

You may give us instructions telling the Trustee which property to sell if the Trustee is required to sell property of the Plan in order to make a payment, refund or transfer out of the Plan. If you do not give us instructions, the Trustee will sell the property that the Trustee in its sole discretion considers appropriate. Before making a payment, refund or transfer out of the Plan, the Trustee will deduct, as required, any costs, fees or charges related to the sale of property, any amount required to be withheld under the Applicable Tax Legislation and any taxes, interest or penalties that are or may become payable by the Plan. Once the Trustee has made a payment

out of the Plan in accordance with this section, the Trustee will have no liability or duty to you for the property of the Plan which was sold.

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

A “**qualifying educational program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires that each student taking the program spend not less than ten hours per week on courses or work in the program. The total amount of Educational Assistance Payments paid to or for a Beneficiary (from all BMO RESPs) where the Beneficiary has not been enrolled, during the preceding 12 months, for at least 13 consecutive weeks in a “**qualifying educational program**” at a post-secondary educational institution cannot exceed the amount provided by the Act (unless a greater amount is approved in writing by the Minister designated for the purposes of the *Canada Education Savings Act*).

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

A “**post-secondary educational institution**” means an education institution that is:

- a university, college or other educational institution in Canada and designated by the Lieutenant Governor in Council of a province as a specified educational institution under the Canada Student Loans Act, designated by an appropriate authority under the Canada Student Financial Assistance Act, or designated by the Minister of Education for the Province of Québec for the purposes of An Act respecting financial assistance for education expenses;
- in Canada and certified by the Minister of Employment and Social Development Canada to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person’s skills in, an occupation; or

- c. an educational institution outside Canada that provided courses at a post-secondary level and that is
  - (i) a university, college or other educational institution at which a beneficiary was enrolled in a course of not less than 13 consecutive weeks, or
  - (ii) applicable after 2010, a university at which a beneficiary was enrolled on a full-time basis in a course of not less than three consecutive weeks.

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

11. **Payments to Designated Educational Institutions.** A **“Designated Educational Institution”** means an institution described in paragraph (a) of the definition of **“post-secondary educational institution”** in section 10 above. You may select one or more Designated Educational Institutions (or a trust for one or more Designated Educational Institutions) in Canada to which payments may be made in the Application or by giving instructions to us.
12. **Refund of Contributions.** A refund of contributions cannot exceed the total of all contributions to the Plan less any refunds of contributions previously made.
13. **Accumulated Income Payments.** **“Accumulated Income Payments”** are any payments out of the Plan other than Educational Assistance Payments, payments to (or to a trust in favour of) one or more Designated Educational Institutions in Canada, refunds of payments, repayments of amounts under the CES Act or under a program administered pursuant to an agreement entered under section 12 of that Act or transfers to another RESP. A payment out of the Plan will only be recognized as an Accumulated Income Payment to the extent the payment exceeds the fair market value of all property at the time when it was contributed or paid into the Plan.

Accumulated Income Payments will be paid to you or, if you were a Subscriber at the time of your death, to your estate. You or your estate must be resident in Canada at the time of payment.

If there is more than one Subscriber at the same time, each Accumulated Income Payment can only be paid to one Subscriber. You must give us instructions stating which Subscriber is to receive each Accumulated Income Payment.

Accumulated Income Payments can be paid if, at the time a payment is made:

- a. each individual (other than a deceased individual) who is or was a beneficiary under the Plan has attained 21 years of age before the payment is made and is not, when the payment is made, eligible under the Plan to receive an Educational Assistance Payment and the time is the 10<sup>th</sup> calendar year following the calendar year in which the Plan was entered into or later;
- b. the payment is made in the 35<sup>th</sup> year following the year in which the Plan is entered into; or
- c. each individual who was a beneficiary under the Plan is deceased when the payment is made.

(For paragraph (a) above, if property is transferred to the Plan from another RESP, then the time must be the 10<sup>th</sup> calendar year or later following the calendar year in which either the Plan or the other RESP was entered into, whichever is earlier.)

Accumulated Income Payments may be made at any time if, on our written application, the Minister of National Revenue waives the conditions in clause 146.1(2)

(d.1)(iii)(A) of the Act, as described in paragraph (a) above, where a beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the beneficiary from enrolling in a qualifying educational program at a post-secondary educational institution.

The Plan will terminate under section 15 by the end of February of the year following the calendar year in which the first Accumulated Income Payment is made.

14. **Transfer to another RESP.** You may give us instructions at any time to pay some or all of the property of the Plan to another RESP. Once transferred, and the account is at a zero balance, the Trustee will treat the Plan as terminated on its books and records.
15. **Termination of the Plan.** You may designate the date the Plan is to terminate (the “**Termination Date**”) in the Application. You may also designate or change the Termination Date by instructions to us.

On the Termination Date or in the event that the trust governed by the Plan is terminated, we will make payments, refunds or transfers out of the Plan or cause the Trustee to make payments, refunds or transfers out of the Plan for one or more of the purposes listed in section 1 above, according to your instructions to us regarding termination, provided that the payments, refunds or transfers are permitted under the Plan, the Applicable Tax Legislation and any applicable rules relating to Grants. We will give you written notice at least six months prior to the Termination Date.

The Termination Date cannot be later than the last day of the 35<sup>th</sup> year following the year in which the Plan was entered into. If property is transferred to the Plan from another RESP and the other RESP was entered into before the Plan, then the Termination Date cannot be later than the last day of the 35<sup>th</sup> year following the year in which the other RESP was entered into. If you do not designate a Termination Date, the Termination Date will be the latest date possible.

The provisions of section 9 will apply to payments, refunds or transfers on termination. If you have not given the Trustee instructions regarding termination by the Termination Date, the Trustee will pay a refund of contributions, to the maximum extent possible, to you. (If you have not given the Trustee instructions regarding payment, the Trustee may deposit the refund of contributions in an interest-bearing account at Bank of Montreal.) The Trustee will pay any remaining amount to (or to a trust in favour of) a Designated Educational Institution in Canada selected by the Trustee. The Trustee will also deduct on termination any fees or other charges owing to us or to the Trustee under section 20.

16. **If the Last Surviving Subscriber Dies.** If you are the last surviving Subscriber and you die before the Termination Date, your legal personal representative(s) may continue to administer the Plan on your behalf. However, if the legal personal representative(s) give(s) us instructions, in accordance with section 4, to make another person or your estate the Subscriber, then the legal personal representative(s) will cease to administer the Plan on your behalf.
17. **Maintaining Your Account.** We will maintain an account to record: (1) contributions and transfers made to the Plan; (2) the Grants accounts; (3) purchases and sales of investments held in the Plan; (4) income, gains and losses on investments held in the Plan; (5) Educational Assistance Payments; (6) payments to (or to a

trust in favour of) one or more Designated Educational Institutions; (7) refunds of contributions; (8) Accumulated Income Payments; (9) transfers to another RESP; (10) any costs, fees or charges related to the sale of property, any amount required to be withheld under the Applicable Tax Legislation and any taxes, interest or penalties that are or may become payable by the Plan; and (11) fees and other charges to the Plan and expenses of the Plan. We will provide you with periodic statements of your account.

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

19. **Instructions and Written Notice.** Instructions may take any form, however any reasonable requirements regarding form, content, receipt and timing established by us or the Trustee must be satisfied. We and the Trustee will be entitled to rely upon instructions received from you (or by any person you designate to us to give instructions on your behalf) and any person purporting to be you (or purporting to be the person designated by you). We and the Trustee may decline to act upon instructions if there are doubts about their accuracy or whether they are from you (or a person designated by you) or if we or the Trustee do not understand them.

If there is more than one Subscriber at the same time, instructions given by one Subscriber will bind all Subscribers. If you give us or the Trustee instructions more than once, we or the Trustee will follow the instructions with the latest date, even though they may be different from previous instructions.

We or the Trustee may give you or the beneficiary any written notice, statement or receipt by personal delivery or by mail, postage prepaid, at the address you gave on the Application. If you give us or the Trustee instructions regarding a change of address for you or the beneficiary, any written notice, statement or receipt will be sent to the new address. Any notice, statement or receipt from us or the Trustee will be considered to have been given to you or the beneficiary at the time of personal delivery, or if mailed, on the third day after mailing.

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

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

are any inconsistencies between this Account and the Client Account Agreement with respect to the Advisory Fees, the terms of the Client Account Agreement govern.

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

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

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

**21. Our Liability and the Trustee's Liability.** Except for charges, taxes or penalties for which we and/or the Trustee are liable and that cannot be charged against or deducted from the property of the Plan in accordance with the Act, if the Trustee or us are liable for:

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

the Trustee or Us shall be reimbursed or may pay any of these taxes, interest, penalties or charges out of the Plan.

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

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

- a. Any loss or diminution of the assets of the Plan;
- b. The purchase, sale or retention of any investment;

- c. Payments out of the Plan that are made in accordance herewith; or
- d. Acting or declining to act on any instructions given to the Trustee or us by the Subscriber or an individual purporting to be the Subscriber.

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

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

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

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

22. **Amendment of the Plan.** We and the Trustee may agree to amend the Plan as long as:

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

We and the Trustee may agree to make an amendment effective as of a date prior to the date when the amendment is made. We will give you thirty days written notice of any amendment and its effective date, provided that any amendment made to ensure that the Plan continues to comply with the Applicable Tax Legislation may take effect on a date that is prior to the date on which notice is given.

23. **Replacement of the Trustee.** The Trustee may resign by providing 60 days written notice to us or any shorter period that is acceptable to us. We may remove the Trustee from its position as trustee under the Plan by providing 60 days written notice to the Trustee or any shorter period that is acceptable to the Trustee. The Trustee's resignation or removal will be effective on the date we

appoint another trustee (the “**Replacement Trustee**”). The Replacement Trustee must be a corporation which is resident in Canada, authorized under the laws of Canada or a province to offer trustee services to the public in Canada and which has entered into a agreement concerning Grants with the Minister. If we do not appoint a Replacement Trustee within 60 days after we have received notice of the Trustee’s resignation or given notice to the Trustee of its removal, the Trustee may appoint a Replacement Trustee. On the date the Trustee’s resignation or removal becomes effective, the Trustee will sign and deliver to the Replacement Trustee all conveyances, transfers and further assurances that may be necessary or desirable to give effect to the appointment of the Replacement Trustee.

24. **Binding.** The Plan will be binding upon your heirs, executors, administrators and upon our successors and assigns.
25. **Governing Law.** This Plan shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Promoter is located where the account is maintained.
26. **English Language.** The parties have requested that the Plan and all documents related to it be established in English. *Les parties ont demandé que ce contrat ainsi que tous les documents y afférents soit rédigé en anglais.*

# BMO Disability Savings Plan Trust Agreement

(Specimen Plan No. 2-527-001)

BMO Trust Company (the “**Trustee**”) will act as trustee of an arrangement for a BMO Disability Savings Plan, under which contributions are to be made in trust to the Trustee to be invested, used or applied for the purpose of making payments to the Beneficiary, and where the Beneficiary is eligible for the disability tax credit in the taxation year the arrangement is entered into. In entering into the arrangement, the Trustee agrees to pay or cause to be paid Disability Assistance Payments to a Beneficiary.

The arrangement will be governed by the terms and conditions of this Trust Agreement, the included application and Applicable Legislation. Under the ITA, an Accountholder is known as a “holder” and the Trustee is known as the “issuer”. New Accountholders are named in the included application.

The Trustee may delegate the performance of any of the Trustee’s administrative tasks, duties and responsibilities in respect of the Plan and the Plan Trust to BMO Investments Inc. (the “**Agent**”). The Trustee shall, however, remain ultimately responsible for the administration of the Plan and the Plan Trust, and shall ensure that the Plan and the Plan Trust are administered in compliance with the requirements of the Applicable Legislation.

The parties, being the Trustee and the Accountholder(s), agree as follows:

1. **Defined Terms.** For the purposes of this arrangement the ensuing terms will have the following meanings:

“**Accountholder**” means one or more of the following:

- a. an entity that has entered into the Plan with the Trustee;
- b. an entity who receives rights as a successor or assignee of an entity who entered into the Plan with the Trustee; and
- c. the Beneficiary, if the Beneficiary has rights under the Plan to make decisions concerning the Plan, unless the Beneficiary’s only right is to request that Disability Assistance Payments be made as detailed in section 10(b).

“**Applicable Legislation**” means the *Income Tax Act* (the “**ITA**”), the *Canada Disability Savings Act* (the “**CDSA**”) and their Regulations that govern this Plan, the property in this Plan, and the parties involved in this arrangement.

“**Assistance Holdback Amount**” has the meaning assigned under the Canada Disability Savings Regulations.

“**Beneficiary**” means the individual designated in the application by the Accountholder(s) to whom Disability Assistance Payments and Lifetime Disability Assistance Payments are paid.

“**Designated Provincial Program**” means a program that is established under the laws of a province and that supports savings in Registered Disability Savings Plans.

“**Disability Assistance Payment**” means any payment from the Plan to the Beneficiary or to the Beneficiary’s estate. For greater certainty, a Disability Assistance Payment may be, but need not be, a Lifetime Disability Assistance Payment.

“**Disability Savings Plan**” of a Beneficiary means an arrangement between the Trustee and one or more of the following:

- a. the Beneficiary;

- b. (i) an entity that, at the time the arrangement is entered into, is a Qualifying Person as described under the definition of "Qualifying Person" in relation to the Beneficiary;
  - (ii) if the arrangement is entered into before 2024, a Qualifying Family Member in relation to the Beneficiary who, at the time the arrangement is entered into, is a Qualifying Person in relation to the Beneficiary;
  - (iii) a Qualifying Family Member in relation to the Beneficiary, who was the holder of the Beneficiary's previous Registered Disability Savings Plan - if the Plan is opened as a result of a transfer from the previous Registered Disability Savings Plan; and
- c. a legal parent of the Beneficiary who is not a Qualifying Person in relation to the Beneficiary at the time the arrangement is entered into but is an account holder of another Registered Disability Savings Plan of the Beneficiary, under which one or more contributions are to be made in trust to the Trustee to be invested, used, or applied by the Trustee for the purpose of making payments to the Beneficiary and that is entered into in a taxation year in respect of which (i) the Beneficiary is a DTC Eligible Individual, or (ii) the Beneficiary is not a DTC Eligible Individual and an amount is to be transferred from a Registered Disability Savings Plan of the Beneficiary to the arrangement in accordance with subsection 146.4(8) of the ITA.

**DTC-Eligible Individual** means an individual who would be eligible for the disability tax credit ("DTC") if subsection 118.3(1) of the ITA were read without reference to paragraph 118.3(1)(c) of the ITA.

**"Eligible Individual"** means a child or grandchild of a deceased annuitant under a registered retirement savings plan or a registered retirement income fund, or of a deceased member of a pooled registered pension plan, a registered pension plan or a specified pension plan, who was financially dependent on the deceased for support, at the time of the deceased's death, by reason of mental or physical infirmity.

**"Eligible Proceeds"** means an amount (other than an amount that was deducted under paragraph 60(l) in computing the Eligible Individual's income) received by an Eligible Individual as a consequence of the death after March 3, 2010 of a parent or grandparent of the Eligible Individual that is

- (a) a refund of premiums (as defined in subsection 146(1));
- (a) an eligible amount under subsection 146.3(6.11); or
- (c) a payment (other than a payment that is part of a series of periodic payments or that relates to an actuarial surplus) out of or under a pooled registered pension plan, a registered pension plan or a specified pension plan.

**"Government Funded Benefits"** means the Canada Disability Savings Grant and/or the Canada Disability Savings Bond.

**"Legislated Maximum Formula Result"** means the result of the formula described in paragraph 146.4(4)(l) of the ITA.

**"Lifetime Disability Assistance Payments"** means Disability Assistance Payments that, after they begin to be paid, are payable at least annually until the earlier of the day on which the Beneficiary dies and the day on which the Plan is terminated.

**"Non-qualified Investment"** means an investment not described in the definition of qualified investment in subsection 164.1(1) of the ITA.

**“Plan”** means this arrangement established hereunder and known as the BMO Disability Savings Plan.

**“Plan Trust”** means the trust governed by the Plan.

**“Qualifying Family Member”** means the Beneficiary’s legal parent or the Beneficiary’s spouse or common-law partner as long as the Beneficiary is not living separate and apart from their spouse or common-law partner because of a marriage or common-law partnership breakdown.

**“Qualifying Person”** means:

If the Beneficiary has not reached the age of majority at or before the time the arrangement is entered into:

1. a legal parent of the Beneficiary;
2. a guardian, tutor, curator or other individual who is legally authorized to act on behalf of the Beneficiary; or
3. a public department, agency, or institution that is legally authorized to act on behalf of the Beneficiary.

If the Beneficiary has reached the age of majority at or before the time the arrangement is entered into but is not contractually competent to enter into the arrangement, Qualifying Person will mean an entity as described in paragraphs 2 or 3 of this definition.

Other than for the purpose of acquiring successor or assignee rights as described in section 4, an individual who is a Qualifying Family Member in relation to the Beneficiary is a Qualifying Person if the following conditions are met:

- a. The Qualifying Family Member opens the Plan for the Beneficiary before January 1, 2024;
- b. At the time the Plan is opened, the Beneficiary is not the Beneficiary of another RDSP;
- c. The Beneficiary attained the age of majority before the Plan was entered into;
- d. No entity that is legally authorized to act on behalf of the Beneficiary exist; and
- e. After reasonable inquiry, the Trustee determines that the Beneficiary is not contractually competent to enter into this Plan with the Trustee.

**“Registered Disability Savings Plan”** means a Disability Savings Plan that satisfies the conditions of section 146.4 of the ITA.

**“Specified Maximum Amount”** means the greater of the legislated maximum formula result and the sum of:

- 10% of the Plan’s fair market value; and
- all periodic payments from locked-in annuity contracts.

The fair market value does not include amounts held in locked-in annuity contracts. Also, if the Plan disposes of a locked-in annuity contract during the calendar year, the periodic payment amount will contain a reasonable estimate of amounts that would have been paid from the annuity into the Plan in that year.

**“Specified Minister”** means the Minister as designated in the CDSA.

**“Specified RDSP Payment”** means a payment that is made to the Plan after June 2011 that is designated, in prescribed form, by the Accountholder and the Beneficiary as a Specified RDSP Payment at the time the payment is made. The payment is an amount that originated from the registered retirement savings

plan, registered retirement income fund, specified pension plan, pooled registered pension plan or registered pension plan of the Beneficiary's deceased parent(s) or grandparent(s).

The amount was paid as a refund of premiums, an eligible amount, or a payment (with exception to a payment that is part of a series of periodic payments or payments that relate to an actuarial surplus) because of the parent(s) or grandparent(s) death and the Beneficiary was financially dependent on the parent or grandparent because of a mental or physical infirmity at the time of their death.

If the Beneficiary is not a DTC Eligible Individual, the payment must not be made later than the end of the fourth taxation year following the first taxation year throughout which the Beneficiary was not a DTC Eligible Individual.

**"Specified Year"** means the particular calendar year in which a medical doctor or a nurse practitioner, who is licensed to practise under the laws of a province (or of the place where the Beneficiary resides), certifies in writing that, in his or her professional opinion, the Beneficiary is not likely to live more than five years. The Specified Year includes each of the following five calendar years after the particular year and will not include any calendar year that is prior to the calendar year in which the certification is provided to the Trustee.

- 2 **Purpose of the Plan.** The Plan will be operated exclusively for the benefit of the Beneficiary under the Plan. The Beneficiary's designation is irrevocable and no right of the Beneficiary to receive payments from the Plan is capable of surrender or assignment.
- 3 **Registration.** The following conditions must be satisfied in order for the Plan to be considered registered:
  - a. before the Plan is entered into, the Trustee must receive written notification from the Minister of National Revenue that provides approval of the specimen plan under which the arrangement is based;
  - b. at or before the time the Plan is entered into, the Trustee must be provided with the name and the social insurance numbers of the Beneficiary and every entity who enters into the Plan with the Trustee (in the case of an entity that is a business, their business number);
  - c. at the time the Plan is entered into, the Beneficiary must be resident in Canada unless the Beneficiary is currently a Beneficiary under another Registered Disability Savings Plan; and
  - d. the Beneficiary must be a DTC Eligible Individual in respect of the taxation year in which the Plan is opened for him/her (an exception will be made if the Beneficiary is not a DTC Eligible Individual and the Plan is opened as a result of a transfer from the Beneficiary's prior RDSP in accordance with section 11).

The Plan will not be considered registered unless the Trustee notifies the Specified Minister of the Plan's existence without delay. The notification must be in prescribed form containing prescribed information.

The Plan will not be considered registered if the Beneficiary of the Plan is also the Beneficiary of another Registered Disability Savings Plan that has not been terminated without delay.

The Beneficiary and/or Accountholder maintain the sole responsibility of determining eligibility for the Disability Tax Credit (DTC).

In the event that the Trustee/Agent receives notice that the Beneficiary is not/no longer DTC eligible, the Trustee will make reasonable efforts to contact the Accountholder/Beneficiary.

**4. Changes In Accountholder.** An entity may only become a successor or assignee of an Accountholder if the entity is:

- a. the Beneficiary;
- b. the Beneficiary's estate;
- c. an Accountholder of the Plan at the time rights are acquired;
- d. a Qualifying Person in relation to the Beneficiary at the time rights under the Plan are acquired; or
- e. a legal parent of the Beneficiary who was previously an Accountholder of the Plan.

An entity may not exercise their rights as a successor or assignee of an Accountholder until the Trustee is advised that the entity has become an Accountholder of the Plan. Before an entity may exercise its rights as a successor or assignee of an Accountholder, the Trustee must be in receipt of the entity's social insurance number or business number, as the case may be.

If an Accountholder (other than a Qualifying Family Member) ceases to be a Qualifying Person, he or she will also cease to be an Accountholder of the Plan.

There must be at least one Accountholder of the Plan at all times and the Beneficiary or the Beneficiary's estate may automatically acquire rights as successor or assignee of an Accountholder in order to comply with this requirement.

A Qualifying Family Member (who is a Qualifying Person solely because of conditions a) to e) under the Qualifying Person definition) will cease to be the Accountholder of the Plan if the Beneficiary notifies the Trustee that they wish to become the Accountholder and either the Trustee, after reasonable enquiry determines the Beneficiary to be contractually competent, or a competent tribunal or other provincial authority has declared the Beneficiary to be contractually competent.

A Qualifying Family Member (who is a Qualifying Person solely because of conditions a) to e) under the Qualifying Person definition) will cease to be the Accountholder of the Plan if an entity described in point 2 or 3 of the Qualifying Person definition is given legal authority to act on behalf of the Beneficiary. The entity will promptly notify the Trustee of their appointment, at which time the entity will replace the Qualifying Family Member as the Accountholder.

If there is a dispute over a Qualifying Family Member's status as Accountholder, the Qualifying Family Member (who is a Qualifying Person solely because of conditions a) to e) under the Qualifying Person definition) must attempt to avoid a reduction in the fair market value of the Plan Trust's property. The Qualifying Family Member must apply this requirement until the dispute is settled or a new entity is named as the Accountholder.

**5. Who may become a Beneficiary of the Plan.** An individual may only be designated as a Beneficiary of the Plan if the individual is resident in Canada when the designation is made, unless he or she was already a Beneficiary under another Registered Disability Savings Plan. The individual must also be a DTC Eligible Individual in respect of the taxation year in which the Plan is opened for them before designation as a Beneficiary of the Plan can take place.

An individual is not considered a Beneficiary of the Plan until the Accountholder designates the Beneficiary on the application by providing the Beneficiary's full name, address, social insurance number, gender, and date of birth.

**6. Contributions.** Only the Accountholder may make contributions to the Plan unless the Accountholder has given written consent to allow another entity to make contributions into the Plan.

Contributions may not be made into the Plan if the Beneficiary is not a DTC Eligible Individual in respect of the taxation year in which the contribution is made, unless the contribution is a Specified RDSP Payment in respect of the Beneficiary, or the Beneficiary died before that time.

A contribution may not be made into the Plan if:

- a. the Beneficiary is not resident in Canada at that time;
- b. the Beneficiary turns 59 years of age before the calendar year that includes that time; or
- c. the total of the contribution and all other contributions made (other than as a transfer in accordance with section 11) at or before that time to the Plan or to any other RDSP of the Beneficiary would exceed \$200,000.

Contributions may not be made into the Plan if the Beneficiary died before that time.

A contribution does not include Government Funded Benefits, amounts from Designated Provincial Program or from programs similar to Designated Provincial Programs that are funded, directly or indirectly, by a province (other than an amount paid by an entity described in paragraph 3 of the Qualifying Person definition, or an amount transferred to the Plan in accordance with section 11).

Other than for the purposes of this section and for the purposes of section 10, a Specified RDSP Payment and an accumulated income payment from a registered education savings plan are not considered contributions to the Plan. These payments are not considered advantages in relation to the Plan (they are not considered a benefit or a loan that is conditional in any way on the existence of the Plan).

Any dishonoured cheques or other amounts that cannot be processed will not be considered to be a contribution to the Plan.

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

BMO Investments Inc. will be the mutual fund dealer for the Accountholder in connection with the Plan. In its capacity as the mutual fund dealer for the Accountholder in connection with the Plan, BMO Investments Inc. will be governed by the laws, rules and regulations applicable to mutual fund dealers.

Neither the Trustee nor the Agent shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation regarding trustee investment duties and powers) to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with

regard to any investment of the property of the Plan Trust, except as otherwise expressly provided in this Trust Agreement. Other than its duties with respect to the Plan or its property as expressly stated in this Trust Agreement, the Trustee shall not be required or expected to take any action with regard to an investment without prior instructions from the Accountholder.

Neither the Trustee nor the Agent shall be responsible for determining whether any investment made on instructions is or remains a qualified investment for a Registered Disability Savings Plan under the ITA however, the Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the Registered Disability Savings Plan holds a non-qualified investment.

**8. Recordkeeping for the Account.** The Trustee will record all contributions and transfers made to the Plan Trust, all investment transactions and investment earnings, gains and losses and all distributions and transfers made from the Plan Trust. The Agent will prepare periodic statements of account of the Plan Trust in accordance with the rules, regulations and practices applicable to mutual fund dealers.

**9. Payments from the Plan.** No payments will be made from the Plan other than:

- the payment of Disability Assistance Payments to a Beneficiary of the Plan;
- the transfer of an amount to another trust that irrevocably holds property under a Registered Disability Savings Plan of the Beneficiary, as detailed in section 11; and
- repayments of amounts under the CDSA and its Regulations or a Designated Provincial Program.

A Disability Assistance Payment may not be made from the Plan if the fair market value of the property held by the Plan Trust, immediately after the payment is made, would be less than the Assistance Holdback Amount in relation to the Plan.

Where there is insufficient cash in the Plan Trust at any time, the Trustee or the Agent shall make reasonable requests for instructions from the Accountholder regarding which investments of the Plan Trust to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Accountholder at the last address provided by the Accountholder, the Trustee or the Agent do not receive instructions satisfactory to it from the Accountholder within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the property of the Plan Trust in order to realize sufficient cash to make the payment. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the property at the time.

Lifetime Disability Assistance Payments will begin no later than the end of the calendar year in which the Beneficiary turns 60 years of age. In such a case where the Plan is established after the Beneficiary turns 60 years of age, Lifetime Disability Assistance Payments will begin in the calendar year immediately following the calendar year in which the Plan is established.

If the Beneficiary reached 59 years of age before the current year, the total amount of all payments that are made from the Plan in the year must be at least equal to the **Legislated Maximum Formula Result**. If the property in this Plan Trust is insufficient to make available the required amount, a lesser amount may be paid.

Lifetime Disability Assistance Payments for a calendar year are limited to the amount determined by the **Legislated Maximum Formula Result**.

10. **Disability Assistance Payments.** If the total amount of all Government Funded Benefits paid into this and any other Registered Disability Savings Plan of the Beneficiary before the beginning of the calendar year exceeds the total amount of contributions paid into this and any other Registered Disability Savings Plan of the Beneficiary before the beginning of the calendar year, then the following conditions must be adhered to:
  - a. If the calendar year is not a Specified Year for the Plan and the conditions in clauses 146.4(4)(p)(ii)(A) and (B) of the ITA are not met in the calendar year, the total amount of Disability Assistance Payments made in the year from the Plan shall not exceed the Specified Maximum Amount. When calculating the total amount, a transfer as detailed in section 11 is to be disregarded if payments are made in lieu of those that should have been made under the prior Registered Disability Savings Plan of the Beneficiary as described in paragraph 146.4(8)(d) of the ITA. A transfer as detailed in section 11 is to be disregarded if the transfer is made in lieu of a payment that would have been permitted to be made from the other Registered Disability Savings Plan in the calendar year if the transfer had not occurred.
  - b. If the Beneficiary has reached 27 years of age but not 59 years of age before the particular calendar year, the Beneficiary may direct that one or more Disability Assistance Payments be made from the Plan in the year provided that the total of all Disability Assistance Payments made from the Plan in the year do not exceed the amount imposed by the constraints of paragraph a. of this section. These payments may not be made from the Plan if the fair market value of the property held by the Plan Trust, immediately after the payment is made, would be less than the Assistance Holdback Amount in relation to the Plan.
11. **Transfers.** At the direction of the Accountholder(s) of the Plan, the Trustee may transfer (out) all property held by the Plan Trust directly into another Registered Disability Savings Plan of the Beneficiary. The Trustee will provide the issuer of the new Registered Disability Savings Plan with all information in their possession (that was not previously provided to the Specified Minister) that is necessary for the new issuer to comply with the requirements of the Applicable Legislation. The Trustee will terminate the Plan immediately following the transfer into the new Registered Disability Savings Plan.

In addition to any other Disability Assistance Payments that are required to be paid to the Beneficiary in the year, if the Beneficiary is transferring an amount from another Registered Disability Savings Plan and the Beneficiary attained the age of 59 years before the calendar year in which the transfer occurs, the Plan will make one or more Disability Assistance Payments to the Beneficiary whose total will be equal to the amount by which:
  - a. the total amount of Disability Assistance Payments that would have been made from the prior Registered Disability Savings Plan in the year if the transfer had not occurred exceeds;
  - b. the total amount of Disability Assistance Payments made from the prior Registered Disability Savings Plan in the year.

Transfers of cash and other property acceptable to the Trustee may be made to the Plan by the Accountholder. Acceptable transfers include, transfers from other Registered Disability Savings Plans, transfers of amounts received as a beneficiary of an RESP, RSP, an RPP or a RIF. The assets of the Plan (in the aggregate, the "Fund") shall consist of such contributions and transfers, together with any income or gains earned or realized, and shall be held, invested and applied in accordance with this Trust Agreement.

12. **Termination Of The Plan.** After taking into consideration the Assistance Holdback Amount and any repayments of amounts under the CDSA and its Regulations or a Designated Provincial Program, any remaining amount in the Plan will be paid to the Beneficiary or to the Beneficiary's estate. This amount will be paid by the end of the calendar year following the earlier of:
  - a. the calendar year in which the Beneficiary dies; and
  - b. the first calendar year in which the following conditions are met: (A) the Accountholder of the Plan has requested that the Trustee terminate the Plan; and (B) throughout the year, the Beneficiary has no severe and prolonged impairments with the effects described in paragraph 118.3(1)(a.1) of the ITA.
13. **Transitional Rule.** If, after March 18, 2019 and before 2021, a Registered Disability Savings Plan would otherwise be required to be terminated because of subparagraph 146.4(4)(p)(ii) of the ITA or any terms of the Plan provided because of that subparagraph, then notwithstanding that subparagraph or those terms, the Plan is not required to be terminated before 2021 in either of the following circumstances:
  - a. the Beneficiary of the Plan has no severe and prolonged impairments with the effects described in paragraph 118.3(1)(a.1) of the ITA, or
  - b. an election was made under subsection 146.4(4.1) of the ITA, as it read immediately before 2021, and the election ceases to be valid after March 18, 2019 and before 2021 because of paragraph 146.4(4.2)(b) of the ITA, as it read immediately before 2021.
14. **Non-Compliance of the Plan.** If either the Trustee, the Accountholder, or the Beneficiary of the Plan fails to comply with the requirements in respect of Registered Disability Savings Plans as set out in the Applicable Legislation or if the Plan is not administered in accordance with its terms, the Plan will be considered non-compliant and will cease to be a Registered Disability Savings Plan at that time. The Minister of National Revenue may consider deferring or waiving the deregistration of the Plan.

At the time the Plan ceases to be registered, a Disability Assistance Payment will be deemed to have been made from the Plan to the Beneficiary or, if the Beneficiary is deceased, to their estate, that is equal to the amount by which the fair market value of the property held by the Plan Trust exceeds the Assistance Holdback Amount.

If the Plan ceases to be registered because a Disability Assistance Payment is made that results in the fair market value of the property in the Plan being less than the Assistance Holdback Amount, an additional Disability Assistance Payment will also be deemed to be made from the Plan to the Beneficiary at that time which is equal to:

- (i) the amount by which the lesser of the Assistance Holdback Amount in relation to the Plan and the fair market value of the property held by the Plan Trust at the time of payment exceeds;

(ii) the fair market value of the property held by the Plan Trust immediately after the payment.

The non-taxable portion of this payment will be deemed to be nil.

If the requirements of the Applicable Legislation are not met, the Plan will cease to be a Registered Disability Savings Plan unless the Minister of National Revenue waives such requirements.

**15. Obligations of the Trustee.** The Trustee will forward notification of any change in Accountholder under the Plan to the Specified Minister in prescribed form containing prescribed information on or before the day that is 60 days after the later of:

- (i) the day on which the Trustee is advised of the change in Accountholder; and
- (ii) the day on which the Trustee is provided with the social insurance number or business number of the new Accountholder.

The Minister of National Revenue must approve amendments to the specimen plan under which the Plan is based before the Trustee can amend the Plan terms and conditions. If the Trustee discovers that the Plan is or will likely become noncompliant, the Trustee will notify both the Minister of National Revenue and the Specified Minister of this fact within 30 days after the Trustee becomes aware of possible or factual non-compliance.

If the Trustee enters into the Plan with a Qualifying Family Member (who is a Qualifying Person solely because of conditions a) to e) under the Qualifying Person definition), the Trustee will be required to:

- a. so notify the Beneficiary under the Plan without delay in writing and include in the notification information setting out the circumstances in which the Accountholder of the Plan may be replaced under section 146.4(1.5) or 146.4(1.6) of the ITA.
- b. collect and use any information provided by the Accountholder that is relevant to the administration and operation of the Plan.

If the Trustee fails to comply with these obligations, the Trustee is liable to penalties as set out in subsection 162(7) of the ITA.

The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment.

The Trustee will not be held liable for entering into the Plan with a Qualifying Family Member if at the time the Plan was entered into, the Trustee had made a reasonable enquiry into the Beneficiary's contractual competence and it was the Trustee's opinion that the Beneficiary's contractual competence was in doubt.

**16. Third Party Orders or Demands – and Indemnity.** The Trustee and/or the Agent shall be entitled to be indemnified by the Accountholder in respect of any costs, expenses, charges or liabilities whatsoever that may arise out of the Trustee's and/or the Agent's good faith compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee and/or the Agent a duty to take or refrain from taking any action concerning the Plan or part or all of the property of the Plan Trust, or to issue payment from the Plan Trust, with or without instructions from the Accountholder or in contradiction of instructions of the Accountholder. The Trustee and/or the Agent may permit any duly authorized person to have access to and the right to examine and make copies

of any records, documents, paper and books involving any transaction of the Plan or Plan Trust or related to them and shall similarly be entitled to indemnity out of the property of the Plan Trust for so doing. In the event the property of the Plan Trust shall be insufficient to indemnify the Trustee and/or the Agent fully in any such regard, by establishing the Plan the Accountholder agrees to indemnify and hold the Trustee and/or the Agent harmless for any such costs, expenses, charges or liabilities.

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

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

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

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

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

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

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

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

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

20. **Limitation Of Liability And Indemnity.** Except for charges, taxes or penalties for which the Trustee is liable and that cannot be charged against or deducted from the Fund in accordance with the ITA, if the Trustee or the Agent is liable for:

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

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

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

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

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

For greater certainty, in no event shall either the Trustee or its Agent have any liability to the Accountholder (or to the spouse or common-law partner of the Accountholder, or any beneficiary or legal personal representative of the

Accountholder) for any special, indirect, reliance, incidental, punitive, consequential, economic or commercial loss or damage of any kind whatsoever (whether foreseeable or not), suffered or incurred by the Accountholder or any beneficiary under the arrangement (including without limitation, loss of profits or revenue, failure to realize expected savings or other economic losses and costs), howsoever arising, resulting or caused.

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

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

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

21. **Amendment.** Subject to section 15, the Trustee may from time to time in its discretion amend this Trust Agreement or the included application which comprise the Plan by giving 30 days prior notice to the Accountholder; provided however that any amendment shall not disqualify the Plan as a Registered Disability Saving Plan acceptable for registration under the ITA or any applicable provincial legislation; and provided further that any amendment to ensure the Plan continues to comply with the ITA may take effect on a date prior to the date notice is given.
22. **Replacement Of Trustee.** The Trustee may resign upon 60 days' prior written notice given to the Agent (or such shorter notice as the Agent may accept). The Agent may terminate the Trustee as trustee upon 60 days prior written notice given to the Trustee (or such shorter notice as the Trustee may accept). Upon the resignation or termination of the Trustee, the Trustee shall be released and discharged from all duties and liabilities under this Trust Agreement. Where the Trustee resigns or is terminated, the Agent shall appoint a successor trustee who is permitted to be the issuer of a Registered Disability Savings Plan under the ITA. The Agent shall give the Accountholder written notice of the successor trustee within 30 days of the appointment.
23. **Failing To Attain/Losing Registered Status.** The Accountholder is solely responsible for ensuring that the information provided to the Trustee/Agent upon account opening is consistent with the information on file with the Canada Revenue Agency. The Accountholder is solely responsible for contacting the Canada Revenue Agency to rectify any inconsistencies in this information.

In the event that an account fails to attain registered status, or loses its registered status, the Trustee may treat the account in accordance with Section 13 Non-Compliance of the Plan, above.

24. **Notice.** The Accountholder or Beneficiary may give the Trustee instructions verbally, electronically, by personal delivery, by facsimile or by mail, postage pre-paid, addressed to The Trustee or the Agent or any other address that the Trustee may designate, and shall be deemed to have been received, if mailed, on the third business day after mailing or, if sent electronically or by facsimile transmission, on the day sent. The Trustee may give the Accountholder or Beneficiary any notice, statement or receipt by personal delivery or mail, postage prepaid, at the address provided by the Accountholder on the Application. If the Accountholder or Beneficiary notified the Trustee or the Agent about a new address for the Accountholder or Beneficiary, any notice, statement or receipt from the Trustee or the Agent will be considered to have been given to the Accountholder or Beneficiary at the time of personal delivery, or if mailed, on the third business day after mailing.
25. **Binding.** The terms of this Trust Agreement shall be binding upon the survivor, beneficiaries, heirs, executors and administrators of the Accountholder and upon the respective successors and assigns of the Trustee and the Agent. This Agreement may be assigned by the Trustee at any time to a person who is permitted to be the issuer of a Registered Disability Savings Plan under the ITA; however the Accountholder may not assign this Trust Agreement.
26. **Governing Law.** This Trust Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Agent (or an affiliate) is located where the Plan is maintained. If any provision of legislation referred to in this Agreement is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.

# BMO First Home Savings Account Declaration of Trust

(Identification No. 35270016)

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

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

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

Qualifying arrangements established under this Declaration of Trust will not come into effect until after March 31, 2023.

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

- 1. Eligibility.** At the time the Account is entered into, the holder named in the included application must be a “**Qualified Individual**” which is an individual who (i) is at least 18 years of age, and (ii) did not, at any prior time in the calendar year or in the preceding four calendar years, inhabit as a principal place of residence a Qualifying Home (or what would be a Qualifying Home if it were located in Canada) that was owned, whether jointly with another person or otherwise, by the holder or a person who is the spouse or common-law partner of the holder at such time. A “**Qualifying Home**” is either a housing unit located in Canada or a share of the capital stock of a cooperative housing corporation, the holder of which is entitled to possession of a housing unit located in Canada. The statement by the holder named in the included application as to the holder’s date of birth and status with respect to a Qualifying Home (or what would be a Qualifying Home if it were located in Canada) shall constitute a certification by such holder and an undertaking to furnish such further evidence as may be required by the Trustee.
- 2. Registration.** The Trustee will file with the Minister of National Revenue an election to register the qualifying arrangement as a “first home savings account” under the Act (“**FHSA**”) in the prescribed form and manner under the Social Insurance Number of the holder named in the included application. The Trustee will make any corresponding filing as required by applicable provincial or territorial tax legislation. The holder is solely responsible for ensuring that the information provided to the Trustee in the included application is consistent with the information on file with the Canada Revenue Agency and is solely responsible for contacting the Canada Revenue Agency to rectify any inconsistencies.

3. **Exclusive Benefit of the Accountholder.** The Account shall be maintained for the exclusive benefit of the Accountholder (determined without regard to any right of a person to receive a payment out of or under the Account only on or after the death of the Accountholder).
4. **Contributions.** Contributions of cash and other property acceptable to the Trustee may be made to the Account by the Accountholder. No person other than the Accountholder may make a contribution to the Account. Any dishonoured cheque or other amount that cannot be processed or is otherwise not accepted by the Trustee will not be considered to be a contribution to the Account. The property of the Account (in the aggregate, the “**Fund**”) shall consist of such contributions, together with any income or gains earned or realized, and shall be held in trust by the Trustee and used, invested or otherwise applied in accordance with this Declaration of Trust.
5. **Contribution Receipts.** The Trustee shall provide the Accountholder with contribution receipts as required under the Act.
6. **Excess Contributions.** It is the sole responsibility of the Accountholder to determine whether contributions made to the Account are tax-deductible and do not exceed the maximum amount permitted under the Act. The Trustee shall, on the instructions of the Accountholder, refund an amount to the Accountholder where the amount is paid to reduce the amount of tax otherwise payable under Part XI.01 of the Act by the Accountholder.
7. **Investments.** The Fund shall be invested and reinvested by the Trustee exclusively on the instructions of the Accountholder and only in such investments as may be made available for the Account from time to time by the Agent or the Trustee. The Fund may be invested in investments which require delegation, such as mutual funds.

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

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

The Accountholder shall not sign any document or authorize any action for the Account in the name of the Trustee or the Agent without first having obtained authorization in writing from the Trustee.

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

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

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

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

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

10. **No Carrying on Business.** The Accountholder agrees not to provide any instructions or series of instructions that could cause the Account to carry on a business for the purposes of the Act. For greater certainty, the Accountholder acknowledges that this includes, but is not limited to, using the Account for "day trading" or other high volume trading that may constitute carrying on a business under the Act.

11. **No Borrowing.** The trust is prohibited from borrowing money or any other property. The Accountholder acknowledges that this includes a borrowing that results from purchasing assets using the proceeds of sale of Account assets prior to the settlement of such sale and the Accountholder shall not provide any instructions that would have such result. The Accountholder will be liable for any tax, penalties and interest arising in respect of any indebtedness arising in connection with the Account.

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

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

(i) the amount is received because of the Accountholder's written request to the Trustee in prescribed form which sets out the location of a Qualifying Home that the Accountholder has either begun to use as a principal place of residence or intends to begin using as a principal place of residence not later than one year after its acquisition by the Accountholder;

- (ii) the Accountholder is a resident of Canada for the purposes of the Act throughout the period that (x) begins at the time the amount is received, and (y) ends at the earlier of the time that the Accountholder acquires the Qualifying Home or dies;
- (iii) in the period that (x) begins at the beginning of the fourth preceding calendar year that ended before the amount is received, and (y) ends on the 31st day before the amount is received, the Accountholder does not own, whether jointly with another person or otherwise,
  - i. a housing unit that is inhabited by the Accountholder as the Accountholder's principal place of residence at that time, or
  - ii. a share of the capital stock of a cooperative housing corporation which was acquired for the purpose of acquiring a right to possess a housing unit owned by the corporation and that unit is inhabited by the Accountholder as the Accountholder's principal place of residence at that time;
- (iv) the Accountholder entered into an agreement in writing before the amount is received for the acquisition or construction of the Qualifying Home before October 1 of the calendar year following the year in which the amount is received; and
- (v) the individual did not acquire the Qualifying Home more than 30 days before the amount is received.

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

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

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

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

15. **Death of Accountholder** (*applies to Provinces & Territories where it is permissible to designate a successor accountholder or beneficiary under a FHSA otherwise than by Will*). The holder named in the included application (in this section 15, the “**Initial Accountholder**”) may appoint the spouse or common-law partner of the Initial Accountholder to become the holder of the Account (in this section 15, the “**Successor Accountholder**”) in the event of the death of the Initial Accountholder and provided that the individual so appointed is a Qualified Individual (as set forth in Section 1 of this Declaration of Trust) at the date of death of the Initial Accountholder. Such appointment shall be made using a form provided by the Agent, and shall be effective on the death of the Initial Accountholder provided that the individual who is appointed survives the Initial Accountholder and is a Qualified Individual. The Accountholder may change or revoke such appointment using a form provided by the Agent.

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

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

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

16. **Death of Accountholder (applies to Quebec and any other Province or Territory where it is permissible to designate a successor accountholder or beneficiary under a FHSA only by Will)**. If the holder named in the included application (in this section 16, the "**Initial Accountholder**") wishes to (x) appoint the spouse or common-law partner of the Initial Accountholder to become the holder of the Account (in this section 16, the "**Successor Accountholder**") in the event of the death of the Initial Accountholder and provided that the individual so appointed is a Qualified Individual (as set forth in Section 1 of this Declaration of Trust) at the date of death of the Initial Accountholder, and/or (y) name a beneficiary (or beneficiaries), the Accountholder shall do so in a will or other written document that meets the requirements of applicable law.

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

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

(ii) If paragraph (i) does not apply, the Trustee shall distribute the property of the Account to the legal personal representative(s) of the Initial Accountholder. The Trustee and the Agent will be fully discharged by such payment or transfer. The Trustee shall withhold from any payment or transfer such taxes as required to be withheld by applicable law.

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

If the Trustee determines that it is advisable or desirable to pay the Fund into court, the Trustee shall be entitled to be indemnified out of the Fund for its costs and expenses, including legal costs, of so doing.

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

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

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

If the Account ceases to be an FHSA, the arrangement will nevertheless continue as a trust for the benefit of the Accountholder governed by this Declaration of Trust and the included application, except that no further contributions or transfers may be made to the Account under section 4 and no transfers or distributions may be made under sections 13 or 14. The trust ends, and this Declaration of Trust terminates, at the time when all the property of the Account has been disbursed, whether as a distribution to the Accountholder, spouse, common-law partner, beneficiary and/or legal personal representative of the Accountholder or paid or charged on account of fees, commissions, expenses, taxes penalties and interest; provided, however, that the obligations of the Accountholder under sections 19, 24 and 29 shall continue.

19. **Transfer Prior to Maximum Participation Period.** If the Accountholder does not provide the Trustee, at least 90 days prior to the end of the "maximum participation period" (as defined in the Act, as it may be altered or amended from time to time), with a direction as to how to deal with any property remaining in the Account, the Trustee may in its discretion consider the Accountholder to be deemed to have directed the Trustee to (a) if the maximum participation period is not ending because of the Accountholder's attainment of 70 years of age, transfer all or a portion of such property to an RRSP opened and registered by the Agent in the Accountholder's name, or (b) if the maximum participation period is ending because of the Accountholder's attainment of 70 years of age, transfer all or a portion of such property to a RRIF opened and registered by the Agent in the Accountholder's name, in each case at any time prior to the end of the maximum participation period. Following a transfer of all of the property remaining in the Account pursuant to this Section 19, the Trustee may in its discretion close the Account.

The Trustee may in its discretion liquidate all or any part of the Fund before making any transfer pursuant to this Section 19. Any such liquidation shall be made at such prices as the Trustee shall in its discretion determine to be the fair market value of the asset at the time; in the case of assets which are illiquid or which have no readily ascertainable market value, the Trustee may in its discretion sell the assets to the Agent for the Agent's own account, at such price as the Trustee considers fair and proper. The Accountholder will be responsible for any fees, penalties or loss of value that may occur as a result of the liquidation of all or any part of the Fund.

Upon the transfer of all or a part of the Fund to an RRSP or RRIF as contemplated under this Section 19, the Accountholder shall be (a) deemed not to have designated any beneficiary upon the Accountholder's death, and (b) bound by the terms and conditions of the Client Account Agreement as if the Accountholder had directed such transfer and signed such Client Account Agreement.

Any transfer in accordance with this Section 19 is subject to the withholding of any applicable tax and the deduction of all fees, expenses, commissions and other charges. The Accountholder is solely responsible for any tax implications that may arise as a result of a transfer pursuant to this Section 19, including as a result of the Accountholder having an "excess FHSA amount" (as defined in the Act, as it may be altered or amended from time to time).

For greater certainty, the Limitation of Liability and Indemnity in Section 29 of this Declaration of Trust shall apply to any transfer pursuant to this Section 19 and shall extend to any taxes or other amounts required to be withheld or deducted in respect of the transfer (including any penalties or interest imposed for failure to withhold or deduct such amounts). The Trustee and Agent shall be entitled to cause any indemnity (whether arising in respect of a transfer pursuant to this Section 19 or otherwise in respect of the Account or Accountholder) to be paid out of an RRSP or RRIF to which any property is transferred pursuant to this Section 19.

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

If the Account cannot be registered under the Act, or if it ceases to be a FHSAs, the Trustee may, in its sole discretion, transfer the property held in the Fund to a new (non-registered) account opened on the Accountholder's behalf or to a non-registered account which the Accountholder already has in place. The Trustee shall be entitled to place a hold on some or all of the assets in the new or existing account until the documentation required in accordance with section 28 is received and may use such funds to satisfy the indemnities set out in sections 21 and 29 hereof.

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

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

21. **Third Party Orders or Demands.** The Trustee shall be entitled to be indemnified out of the Fund in respect of any costs, expenses, charges or liabilities whatsoever that may arise out of the Trustee's good faith compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee a duty to take or refrain from taking any action concerning the Account or part or all of its property, or to issue payment from the Fund, with or without instructions from the Accountholder or in contradiction of instructions of the Accountholder. The Trustee retains the ability to restrict trading upon receipt of an order or demand. The Trustee will not be liable for any decreases in account value during the restriction period. In order for any related restriction to be removed from the Account, the Accountholder must provide proof satisfactory to the Trustee in its sole discretion, that it is no longer applicable. The Trustee may permit any duly authorized party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Account or related to the Account and shall similarly be entitled to indemnity out of the Fund for so doing. If the assets of the Fund shall be insufficient to indemnify the Trustee fully in any such regard, by establishing the Account the Accountholder agrees to indemnify and hold the Trustee harmless for any such costs, expenses, charges or liabilities.
22. **Ownership and Voting Rights.** The Trustee may hold any property of the Fund in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. The voting or other ownership rights attached to any property of the Fund may be exercised by the Accountholder and the Accountholder is appointed as the Trustee's agent and attorney for this purpose, to execute and deliver proxies and/or other instruments, in accordance with applicable laws.
23. **Advantages.** If an advantage (as defined under the Act) in relation to the Account is extended to, or is received or receivable by, the Accountholder, the Fund or a person who does not deal at arm's length with the Accountholder for the purposes of the Act, it is the responsibility of the Accountholder to file a tax return and pay the tax under Part XI.01 of the Act; except that, if the advantage is extended by the

Trustee or by a person with whom the Trustee is not dealing at arm's length, it is the responsibility of the Trustee to file a tax return and pay the applicable tax under Part XI.01 of the Act.

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

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

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

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

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

25. **Instructions.** The Trustee and the Agent shall be entitled to rely upon instructions received from the Accountholder or from any person designated in writing, in accordance with applicable laws, by the Accountholder to give instructions on behalf of the Accountholder or from any person purporting to be the Accountholder or such designated person, as if they were from the Accountholder. The Trustee or the Agent may, without incurring any liability to the Accountholder or any other person, decline

to act upon any instruction if the instruction is not given in a timely manner, is not in writing where the Trustee or Agent requires it, is not in a form or format which the Trustee or Agent requires, or in the opinion of the Trustee or Agent is not complete; or if either of them has any doubt that the instruction has been properly authorized or accurately transmitted.

26. **Amendment.** The Trustee may from time to time in its discretion amend this Declaration of Trust or the included application which comprise the Account; provided, however that any amendment shall not disqualify the Account as a FHSA acceptable for registration under the Act and any applicable provincial legislation. The Trustee shall notify the Accountholder within 30 days after any such amendment become effective.
27. **Replacement of Trustee.** The Trustee may resign and be released and discharged from all further duties and liabilities under this Declaration of Trust upon 60 days' prior written notice given to the Agent (or such shorter notice as the Agent may accept). The Agent may terminate the Trustee as trustee, and the Trustee will be released from all further duties and liabilities under the Declaration of Trust, upon 60 days' prior written notice given to the Trustee (or such shorter notice as the Trustee may accept). Upon the resignation or termination of the Trustee, the Agent shall appoint a successor trustee, provided that the successor trustee is acceptable under the Act. The Agent shall give the Accountholder written notice of the successor trustee within 30 days of the appointment.
28. **Documentation.** Notwithstanding anything to the contrary herein, the Trustee may require such satisfactory instructions, releases, indemnities, tax clearance certificates, death certificates and other documents as the Trustee in its discretion deems appropriate.
29. **Limitation of Liability and Indemnity.** Except for charges, taxes or penalties for which the Trustee is personally liable and that cannot be charged against or deducted from the Fund in accordance with the Act, if the Trustee or the Agent is liable for:
  - a) any tax, interest or penalty that may be imposed on the Trustee in respect of the Account, or
  - b) any other charges levied or imposed by any governmental authority on or related to the Account as a result of the purchase, sale or retention of any investment including, without limitation thereof, non-qualified investments within the meaning of the Act,the Trustee or Agent shall be reimbursed or may pay any of these taxes, interest, penalties or charges out of the Fund.  
The Trustee and the Agent will not be liable (including for greater certainty under any common law or equitable principles) for any cost incurred in the performance of their duties as set out herein or in the performance of their duties under the Act.  
Unless caused by the Trustee's or the Agent's bad faith, willful misconduct or negligence, the Trustee and the Agent will not be liable for any loss or damage suffered or incurred by the Account, the Accountholder or any beneficiary under the Account, caused by or resulting from:
  - a) Any loss or diminution of the Fund;
  - b) The purchase, sale or retention of any investment;

- c) Payments out of the Account that are made in accordance herewith; or
- d) Acting or declining to act on any instructions given to the Trustee or Agent by the Accountholder or an individual purporting to be the Accountholder.

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

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

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

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

30. **Notice.** Any notice given by the Trustee to the Accountholder regarding the Account (including this Declaration of Trust) shall be sufficiently given if it is delivered to the Accountholder personally, or if it is mailed, postage prepaid, to the Accountholder at the address set out in the included application or the last address provided by the Accountholder. If mailed, any such notice shall be deemed to have been delivered by the tenth business day following the day of mailing.
31. **Binding.** The terms of this Declaration of Trust shall be binding upon the Accountholder, the spouse or common-law partner of the Accountholder, the beneficiaries, heirs, executors and administrators of the Accountholder and upon the respective successors and assigns of the Trustee and the Agents.
32. **Governing Law.** This Declaration of Trust shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Agent (or an affiliate) is located where the Account is maintained. If any provision of legislation referred to in this Declaration of Trust is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.

**33. English Language.** It is the express wish of the parties that this Declaration of Trust and all related documents, including notices and other communications, be drawn up in the English language only. Il est la volonté expresse des parties que la présente déclaration de fiducie et tous les documents s'y rattachant, y compris les avis et les autres communications, soient rédigés et signés en anglais seulement.

# **BMO Mutual Funds Group Retirement Savings Plan Declaration of Trust**

(Specimen Plan No. RSP 527-003)

We, BMO TRUST COMPANY, are a trust company incorporated under the laws of Canada. You are the **"Accountholder"** named in the application (the **"Application"**) in this declaration.

We will act as your trustee for the BMO Mutual Funds Group Retirement Savings Plan (the **"Plan"**) on the terms and conditions set out below:

1. **Registration.** We will apply to register the Plan under the *Income Tax Act* (Canada) as amended from time to time (the **"Act"**) and any applicable income tax legislation of a province of Canada as amended from time to time (collectively, the **"Applicable Tax Legislation"**). Under the Act, you are referred to as the **"annuitant"** of the Plan.
2. **Eligibility.** The Accountholder must be an employee or the spouse/common-law partner of the employer named in the Application to participate in the Plan.
3. **Purpose of the plan.** The purpose of the Plan is to provide retirement income to you beginning on the date (the **"Maturity Date"**) you designate in writing. The Maturity Date will not be later than the end of the calendar year in which you become 71 years of age or any other age permitted by the Applicable Tax Legislation.
4. **Contributions.** Contributions to the Plan which are made by you, or where applicable, your spouse or common-law partner (within the meaning of the Act) according to this declaration and the Applicable Tax Legislation will be called the **"Contributions."**

Contributions may also be made on your behalf or on behalf of your spouse or common-law partner by any employer named in the Application (the **"Employer"**).

No Contributions may be made after the Maturity Date.

We will hold the Contributions and any income or gains from them (the **"Plan's Assets"**, or in aggregate, the **"Fund"**) in trust, on the terms and conditions set out in this declaration of trust.

5. **Investing contributions.** Contributions may be cash, and, subject to our consent, securities or other property. We will invest and reinvest Contributions according to your instructions, in investments which are made available for investment by the Plan. On your instructions, we may invest in mutual funds or pooled funds. We will not be restricted by laws which limit investments trustees can make.

We will invest any cash contributed to the Plan according to your instructions. If we do not have instructions from you, we may, in our sole discretion, deposit any uninvested cash in the Plan into an interest-bearing account with Bank of Montreal (or another financial institution selected by us) and we will retain all interest earned on the cash.

Where your Contributions are in the form of an investment in a **"MatchMaker Strategic Investment Service"** portfolio, BMO Investments Inc. will maintain the predetermined weighting of the Plan's Assets through periodic re-allocations (within the account). Confirmations for the transactions associated with these periodic re-allocations will not be distributed to you but will be reported on your statement.

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

**6. Statement of your account.** We will maintain an account in your name to record:

- a. Contributions;
- b. purchases and sales of investments we hold for you in the Plan;
- c. any income or loss earned or incurred by the Plan; and
- d. payments from the Plan.

On a quarterly basis, we will send a statement of your account to you.

**7. Receipts for contributions.** As required under the Applicable Tax Legislation, we will send you or, where applicable, your spouse or common-law partner, receipts for income tax purposes showing Contributions we have received.

**8. Your responsibilities.** It is your and, where applicable, your spouse's or common-law partner's sole responsibility to:

- a. ensure that amounts contributed to the Plan do not exceed the maximum amounts permitted under the Applicable Tax Legislation;
- b. determine the taxation years, if any, in which Contributions are deductible for tax purposes.

The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment.

**9. Refunding excess amount.** You or, where applicable, your spouse or common-law partner may send us written instructions to refund an amount to reduce any tax relating to overcontributions to the taxpayer under Part X.1 of the Act, where Contributions and other amounts exceed the limits permitted.

**10. Withdrawing funds or assets from the plan.** Subject to any reasonable requirements we impose, you may give us instructions, at any time before the Maturity Date, requesting the withdrawal of all or a portion of the Plan's Assets or that we sell all or a portion of the Plan's Assets and pay you an amount equal to the proceeds of the sale. We will first deduct any sale costs and other related fees or charges and any taxes (including any interest and penalties) that are or may become payable or have to be withheld under the Applicable Tax Legislation.

We will send you any reporting statements for the withdrawal that are required under the Applicable Tax Legislation.

**11. Transferring to another plan.** Subject to any reasonable requirements we impose, you may give us instructions to transfer all or a portion of the Plan's Assets or to sell all or a portion of the Plan's Assets and transfer the proceeds of sale to a registered retirement savings plan or a registered retirement income fund (both within the meaning of the Act) under which you are the annuitant or a registered pension plan (within the meaning of the Act) for your benefit. In the event that you seek to transfer some, but not all, of the assets of the Plan, we reserve the right to require that all assets or certain assets other than those you request be transferred.

We will first deduct any sale costs and other related fees or charges and any taxes (including any interest and penalties) that are or may become payable or have to be withheld under the Applicable Tax Legislation.

12. **Transferring from another plan.** Amounts may be transferred to the Plan from registered pension plans, other registered retirement savings plans and any other sources permitted from time to time under the Applicable Tax Legislation and other applicable law. For a transfer under this paragraph, the terms and conditions of the Plan will be subject to any additional terms and conditions that may be required to complete the transfer according to applicable law. These additional terms and conditions will form part of the terms and conditions of the Plan effective from the time the relevant amounts are transferred to the Plan. Subject to the requirements of the Applicable Tax Legislation, if there is any inconsistency between the terms of the Plan contained in this declaration and any additional terms and conditions which may become applicable as a result of a transfer under this paragraph, those additional terms and conditions will govern the manner in which the transferred amounts are dealt with.

You acknowledge and expressly agree to be bound by the additional terms and conditions which may apply to the Plan from time to time under applicable laws in connection with any transfer under this paragraph.

13. **Purchase of retirement income at maturity date.** The Plan will mature on the Maturity Date. At least 90 days before the Maturity Date (or any lesser number of days that we, in our sole discretion, permit), you must provide us with instructions to:
  - a. sell the Plan's Assets and use the proceeds of the sale, less any sale costs and other related fees or charges, to provide a "**Retirement Income**" (as that term is defined in subsection 146(1) of the Act) for you starting on the Maturity Date;
  - b. transfer the Plan's Assets, less any related fees or charges, on or before the Maturity Date to a registered retirement income fund (within the meaning of the Act) according to paragraph 10 of this declaration; or
  - c. withdraw the Plan's Assets or sell the Plan's Assets and pay you an amount equal to the proceeds of the sale, according to paragraph 9 of this declaration.

If we do not receive instructions from you by the Maturity Date, then on the Maturity Date we will sell the Plan's Assets for you and hold the proceeds, less any sale costs and other related fees or charges, pending instructions in an interest-bearing deposit account established with us or Bank of Montreal.

A Retirement Income means an annuity, starting on the Maturity Date, payable to you or to you and your spouse or common-law partner after your death, in equal annual or more frequent periodic payments until such time as there is a payment in full or partial commutation of the retirement income and, where that commutation is partial, equal annual or more frequent periodic payments thereafter. In the event of your death, the total of periodic payments under an annuity in a year cannot exceed the total of payments under the annuity in a year prior to your death. If you instruct us to provide a Retirement Income on the Maturity Date, you must also instruct us on the form of Retirement Income, in accordance with section 146 of the Act, you would like to receive. Any Retirement Income acquired by you shall provide for commutation if such Retirement Income would otherwise become payable to a person other than you or your spouse or common-law partner.

The Retirement Income may not be assigned in whole or in part.

14. **Proof of age.** The statement of your birth date on the Application for the Plan is:

- your certification of your age; and
- your undertaking to provide any additional evidence we require to prove your age for the purpose of determining the Maturity Date and providing a Retirement Income.

15. **Designating a beneficiary under the plan.** You may designate one or more beneficiaries to receive the Plan's Assets or the proceeds from the sale of the Plan's Assets on your death. You may make, change or revoke a beneficiary designation by completing, dating and signing the form we provide (or any other form, including a will, we consider effective for this purpose) and delivering the form to us.

16. **Death before maturity date.** If you die before the Maturity Date then, as long as we have received evidence of your death, a release which is satisfactory to us and any other information or instructions we reasonably require, we will transfer the Plan's Assets or sell the Plan's Assets and pay the proceeds of the sale to the designated beneficiary. We will be fully discharged upon making such payment to your beneficiary, even though your beneficiary designation may be invalid as a testamentary instrument. If you have not designated a beneficiary or your designated beneficiary has predeceased you, we will transfer the Plan's Assets or pay the proceeds to your estate. We will deduct any sale costs and other related fees or charges and any taxes (including any interest and penalties) that are or may become payable or have to be withheld under the Applicable Tax Legislation. Any transfer of securities under this paragraph will be subject to applicable laws, the completion of documentation required for the transfer and any other reasonable requirements we may impose.

17. **Division of assets on marriage breakdown.** You may give us instructions to transfer all or a portion of the Plan's Assets or sell all or a portion of the Plan's Assets and transfer the proceeds of sale to a registered retirement savings plan or a registered retirement income fund (both within the meaning of the Act) under which your spouse or common-law partner or former spouse or common-law partner, from whom you are living separate and apart, is the annuitant, and the transfer is made under a decree, order or judgement of a competent tribunal, or a written separation agreement relating to a division of property between you and your spouse or common-law partner or former spouse or common-law partner to settle rights arising out of, or on the breakdown of, your marriage or common-law partnership. We will first deduct any sale costs and other related fees or charges and any taxes (including any interest and penalties) that are or may become payable or have to be withheld under the Applicable Tax Legislation.

18. **Ownership and voting rights.** The Plan's Assets will be held in our name, our nominee's name, bearer form or any other name that we determine. The voting rights attached to the securities held under the Plan and credited to your account may be exercised by you and for this purpose, you are hereby appointed as our agent and attorney to execute and deliver proxies and/or other instruments mailed by us to you according to applicable laws.

19. **Restrictions on advantages.** No advantage (as defined in section 207.01 of the Act) in relation to the Plan may be extended to, or be received or receivable by, the Accountholder, the Fund or any other person with whom the Accountholder does not deal at arm's length. The tax on an advantage is payable by the Annuitant, except in cases where the advantage has been extended by the Issuer.

20. **Amendments.** We may amend the terms of the Plan, in our sole discretion as long as:

- a. we obtain approval from the authorities administering the Applicable Tax Legislation, if required; and
- b. the amendment does not disqualify the Plan as a registered retirement savings plan within the meaning of the Applicable Tax Legislation or it is being made to satisfy a requirement of the Applicable Tax Legislation.

We will give you thirty days' written notice of any amendment, provided that any amendment made to ensure that the Plan continues to comply with the Applicable Tax Legislation may take effect on a date that is prior to the date on which notice is given.

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

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

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

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

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

22. **Delegation.** We are ultimately responsible for administering the Plan according to the Applicable Tax Legislation and the terms and conditions of this declaration. Without limiting our responsibility, you authorize us to and we may delegate to any corporation that is affiliated or associated with us (collectively, the “**Agent**”), as our agent, the administration of the Plan including the performance of one or more of the following tasks:

- a. receiving Contributions;
- b. investing and reinvesting assets held in the Plan according to the terms of this declaration;
- c. holding the Plan’s Assets in safekeeping;
- d. maintaining your account as required under this declaration;
- e. providing you with statements and receipts as required under this declaration;
- f. determining the form of any instructions to be provided by you, including, without limitation, instructions regarding the selection of Retirement Income and the investment, reinvestment and sale of the Plan’s Assets;
- g. receiving and implementing instructions from you;
- h. preparing any forms required by the Applicable Tax Legislation;
- i. administering any additional terms and conditions referred to in paragraph 11; and
- j. any other tasks that must be performed to administer the Plan and which we specify in writing to the Agent.

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

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

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

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

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

For greater certainty, in no event shall either the Trustee or its Agent have any liability to the Accountholder (or to the spouse or common-law partner of the Accountholder, or any beneficiary or legal personal representative of the Accountholder) for any special, indirect, reliance, incidental, punitive, consequential, economic or commercial loss or damage of any kind whatsoever (whether

foreseeable or not), suffered or incurred by the Accountholder or any beneficiary under the arrangement (including without limitation, loss of profits or revenue, failure to realize expected savings or other economic losses and costs), howsoever arising, resulting or caused.

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

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

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

24. **Replacing trustee.** We may resign from our position as trustee under the Plan by providing 90 days written notice to the Employer or any shorter period that is acceptable to the Employer. The Employer may remove us from our position as trustee under the Plan by providing 90 days written notice to us or any shorter period that is acceptable to us. Our resignation or removal will be effective on the date the Employer replaces us with another trustee (the "**Replacement Trustee**"). The Replacement Trustee will be a corporation resident in Canada and authorized under the laws of the Province of Canada indicated by your address in the Application to carry out the duties and responsibilities as trustee under the Plan. If the Employer does not appoint a Replacement Trustee within 100 days after the Employer has received notice of our resignation or given us notice of our removal, we may appoint a Replacement Trustee.
25. **Instructions and notices.** You may give us instructions verbally, electronically, by personal delivery, by facsimile or by mail, postage pre-paid, addressed to us or the Agent or any other address that we designate, and shall be deemed to have been received, if mailed, on the third business day after mailing or, if sent electronically or by facsimile transmission, on the day sent. We may give you any notice, statement or receipt by personal delivery of mail, postage prepaid, at the address you gave on your Application. If you notified us or the Agent about your new address, any notice, statement or receipt from us or the Agent will be considered to have been given to you at the time of personal delivery, or if mailed, on the third business day after mailing.

26. **Reliance on instructions.** We or the Agent are entitled to rely on instructions we receive from you, any person you designate in writing and any person purporting to be you or a person designated by you. We or the Agent may decline to act on any verbal or electronically transmitted instruction if we or the Agent have any doubt that the instruction has been properly authorized or accurately transmitted.
27. **Governing law.** The terms of the Plan will be construed, administered and enforced according to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.
28. **Binding.** The terms of this Declaration of Trust will be binding on your heirs, executors, administrators and permitted assigns and our successors and assigns.
29. **Successor trustee.** Any corporation into which we may merge or with which we may amalgamate, or any corporation resulting from any merger or amalgamation to which we may be a party, or any corporation to which all or substantially all our trust business may be transferred, shall be our successor as trustee hereunder, without the execution or filing of any instrument or the performance of any further act, provided that we shall provide you with written notice identifying the successor trustee.

# Important Information about Your Education Savings Plan

## Registration of Your Education Savings Plan

- In order for your plan to be registered and tax sheltered, the account information MUST PASS SIR (Social Insurance Registry) Validation and match exactly what is on the beneficiary's Social Insurance Card
- SIR Validation requires accurate collection of the following mandatory information:
  - Subscriber and Joint Subscriber: First Name, Last Name, SIN for both
  - Beneficiary: First Name, Last Name, SIN, Date of Birth, Gender
- If any of this information does NOT match SIR your plan will NOT be registered and therefore NOT tax sheltered and income earned will be taxable to the Subscriber

## Receipt of Grants

- In order for this plan to receive grants, the account information MUST PASS ESDC (Employment and Social Development Canada) Validation
- ESDC Validation requires accurate collection of the following mandatory information:
  - Subscriber and Joint Subscriber: First Name, Last Name and SIN for both
  - Beneficiary: First Name, Last Name, SIN, Date of Birth, Gender
- If any of this information does NOT match ESDC, your plan will NOT receive grants.
- In addition to the Application, the applicable Canada Education Savings Grant (CESG) and/or Canada Learning Bond (CLB) and/or British Columbia Training and Education Savings Grant (BCTESG) and/or Québec education savings incentive (QESI) application(s) must be completed in order to be eligible to receive grants.
- Any payment and redemption of provincial incentive (BCTESG/QESI) is predicated on the legitimacy of the beneficiary's residency of the applicable province at the time of this plan's application. It's the beneficiary's obligation to repay to the Minister any portion of attributable provincial incentive (BCTESG/QESI) to which the beneficiary was not entitled as a result of inaccurate residency.
- ALL INFORMATION DETAILED IN THE ACCOUNT APPLICATION MUST BE COMPLETED FULLY AND ACCURATELY TO RECEIVE GRANT.
- THE LIFETIME CONTRIBUTION LIMIT PER BENEFICIARY IS \$50,000 FOR ALL RESP PLANS HELD.

## Allocation of Grants

- All Grant monies will be allocated proportionally according to the current fair market value of each investment held within the plan at time of payment, or the pre-determined asset mix of the selected BMO Intuition RESP Portfolio. If the market value of the plan is zero at time of payment, all Grant monies will be allocated to a Savings Account.

## Designation of Beneficiary

### RRSP and RRIF

If you do not make a designation, or if the designated beneficiary dies before you and you have not designated another beneficiary, the Plan's assets will be payable to your estate. If you wish to revoke or change the beneficiary designation, or make a designation where one has not been made before, you should do so on an Account

Amendment Form or other written document. You must sign and date the form or other document, and deliver it to BMO Investments Inc.

**Caution.** Your designation of a beneficiary for this plan will not be revoked or changed automatically as a result of any future marriage or common-law relationship or breakdown of marriage or common-law relationship. It will be your responsibility to revoke or change the designation, if you wish.

**For Quebec.** Where the law of Quebec applies, a beneficiary designation cannot be given effect. Effect can only be given to a beneficiary designation made in a will or other written document that meets the requirements of a testamentary disposition under the law of Quebec.

**Minor Child.** Where the beneficiary is a minor child, it is the responsibility of the Accountholder to ensure that a trustee and/or a guardian of the minor child's property has been validly appointed under applicable provincial law.

**Power of Attorney.** A beneficiary designation made, changed or revoked by a person acting under a power of attorney is generally not valid under applicable provincial law and may not be given effect.

**Locked-in Plans.** A surviving spouse is automatically the primary beneficiary and takes priority over any other designated beneficiary. See the locked-in addendum for more detail.

**Non-resident surviving spouse.** If a non-resident surviving spouse does not have or cannot obtain a SIN, he/she will not be allowed to make a tax-free transfer to an RRSP or a RRIF.

## TFSA

A TFSA Accountholder may appoint his/her spouse or common-law partner as the Successor Accountholder, or may designate a beneficiary (or beneficiaries), or may do both.

If the TFSA Accountholder appoints his/her spouse or common-law partner as Successor Accountholder, then upon the death of the Accountholder, the spouse or common-law partner will acquire all of the rights under the TFSA and the TFSA will continue in the spouse or common-law partner's name. The appointment will not, however, take effect if the person who was appointed is no longer the TFSA Accountholder's spouse or common-law partner at the time of death or if he/she has died before the Accountholder.

If the TFSA Accountholder does not appoint a Successor Accountholder and designates a beneficiary (or beneficiaries), then upon the death of the Accountholder the proceeds of the TFSA will be paid out to the beneficiary (or beneficiaries), and the TFSA will be closed.

If the TFSA Accountholder both appoints his/her spouse or common-law partner as Successor Accountholder and designates a beneficiary (or beneficiaries), then the appointment of Successor Accountholder will take precedence. The spouse or common-law partner who was appointed will become the Successor Accountholder, even though a beneficiary was also designated.

If the TFSA Accountholder neither appoints a Successor Accountholder nor designates a beneficiary, then upon the death of the Accountholder the proceeds of the TFSA will be

paid to the legal representative(s) or estate of the Accountholder. The proceeds of the TFSA will also be paid to the legal representative(s) or estate if, at the time of death, the appointment of a Successor Accountholder is not effective (because the person who was appointed is no longer the TFSA Accountholder's spouse or common-law partner or has died), and all designated beneficiaries have died.

**Caution:** The appointment of a Successor Accountholder will become ineffective upon divorce or the breakdown of the common-law relationship.

However, a new appointment will not be made automatically as a result of a new marriage or common-law relationship. Also, the designation of a beneficiary will not be revoked or changed automatically as a result of a future marriage or common-law relationship or the breakdown of a marriage or common-law relationship. It is the TFSA Accountholder's responsibility in these circumstances to make a new appointment and/or revoke or change a designation, if he/she wishes. If the appointment of a Successor Accountholder takes effect (upon the death of the TFSA Accountholder), the Successor Accountholder may then revoke or change the designation of beneficiaries.

**Law of Quebec.** Due to differences under the law of Quebec, where Quebec law applies neither an appointment of a Successor Accountholder nor a beneficiary designation can be made or given effect. Such an appointment or designation should be made in a will or other written document that meets the requirements for a testamentary disposition under Quebec law.

**Minor Child.** Where the beneficiary is a minor child, it is the responsibility of the Accountholder to ensure that a trustee and/or a guardian of the minor child's property has been validly appointed under applicable provincial law.

**Power of Attorney.** A beneficiary designation made, changed or revoked by a person acting under a power of attorney is generally not valid under applicable provincial law and may not be given effect.

## **RDSP**

**Caution:** It is important to re-apply for Canada Disability Savings Grant and/or Canada Disability Savings Bond after RDSP beneficiary has turned 18.

Beginning in the calendar year the beneficiary turns 19 until the end of the calendar year the beneficiary turns 49, the beneficiary's family income is based on his or her income plus his or her spouse's income. This remains true whether or not the adult beneficiary is a dependant of a parent/guardian.

In order to ensure the beneficiary's eligibility for the maximum grant amount can be verified, beneficiaries must contact the BMO Investment Centre at 1-800-665-7700 to complete the required application forms. The beneficiaries must also file personal income tax returns from the year in which they turn 17, and continue to file for all future taxation years, regardless as to whether or not they have income to report.

**Please note:** Currently, the Income Tax Act includes a temporary measure that permits certain family members (legal parent, brother, sister, spouse or common-law partner) to be the Holder of RDSP for adults who might not be able to enter into contracts. A qualifying family member who meets the definition of qualifying person can enter into a disability savings plan arrangement with an RDSP issuer before January 1, 2027.

**BMO MUTUAL FUNDS ANNUAL AND SEMI-ANNUAL REPORTS REQUEST FORM**

## Dear Valued Investor

As part of our commitment to "We're here to help™", we are committed to providing you with timely and useful information about your investments. This is primarily achieved through our quarterly statements, which include specific information related to your holdings of BMO Mutual Funds.

In addition to your quarterly statements, you are entitled to receive a printed copy of the annual and semi-annual financial statements, as well as the annual and semi-annual management reports of fund performance (MRFPs) for the BMO Mutual Funds that you own. The annual and semi-annual financial statements are fund-specific documents that contain the financial statements for the fund. The annual and semi-annual MRFPs are fund-specific documents that provide an overview of the position and financial results for the fund, including a management discussion of fund performance; financial highlights; past performance and a summary of portfolio holdings.

If you would like to receive a printed copy of the annual and/or semi-annual financial statements and/or MRFPs by mail in the future for the BMO Mutual Funds that you own, please complete and return at your earliest convenience the attached BMO Mutual Funds Annual and Semi-Annual Reports Request Form (Request Form) by fax or by mail. **If we do not receive a completed Request Form from you, we will assume you do not wish to receive any of these documents.**

Please note that at any time you may view or download the most recently filed copy of a BMO Mutual Fund's annual and semi-annual financial statements and/or MRFPS from our website at [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) or from SEDAR's website at [www.sedar.com](http://www.sedar.com). You can also request a copy of these documents at any time by contacting us by toll-free telephone at **1-800-665-7700**.

Should you have any questions or wish to change your delivery instructions, please do not hesitate to call Client Services toll-free at **1-800-665-7700**.

Thank you for your investment in BMO Mutual Funds.

Please mark the box(es) next to the document(s) you would like to receive in the future for the BMO Mutual Funds that you own and return this form at your earliest convenience by fax or by mail. We will continue to follow these delivery instructions and mail you a copy of the requested document(s) to the address on file for your account number until you contact us to change them.

Please complete the information on this form and return it by fax at **1-866-597-7928** or **514-877-1466** or by mail to:

**Bank of Montreal  
Investment Services  
129 rue St-Jacques Ouest, 7<sup>e</sup> étage  
Montréal, Québec, H2Y 1L6**

Name \_\_\_\_\_  
Please print

**YES, I WOULD LIKE to receive a printed copy of the document(s) indicated**

Annual Financial Statements       Annual Management Report of Fund Performance

Commissions, trailing commissions (if any), management fees and expenses all may be associated with mutual fund investments. Please read the prospectus and fund facts or ETF facts before investing. Mutual funds are not guaranteed, their values change frequently and past performance is not a guarantee of future results.

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