

BMO Investments Inc.

Terms and Conditions

Effective date November 5, 2018

(AMENDMENT NO. 1 DATED AUGUST 19, 2019)

Table of Contents

Terms used in this document.....	3
BMO Investments Inc. Terms and Conditions.....	4
PART I:	
Important Information about BMOII and Our Relationship with You	4
The Products and Services we can offer you	4
Investment Suitability	5
Information you provide us	6
Your Investment Objective.....	6
Your Investment Knowledge	7
Your Risk Tolerance.....	7
Your Time Horizon.....	8
Payments for your investment purchases	8
Payment of Interest on Client Cash held in Trust	8
Your Instructions.....	8
Updating Your Account Information.....	9
Content and Frequency of Our Reporting to You	9
Trade Confirmations	9
Account Statements.....	9
Compensation we receive	10
Use of Benchmarks.....	10
Electronic Delivery of Account and Other Documents	10
Electronic Delivery of Statements and Confirmations	10
Electronic Delivery of Documents	11
Fees And Expenses.....	12
Joint & Several Account Agreement	12
BMO Investment Centre Agreement – Telephone And Internet Access	13
Redemption Proceeds and Withholding Tax	13
Loan Information (Risk of Borrowing to Invest).....	14
Continuous Savings Plan Agreement.....	14
Conflict of Interest Matters	16
BMO MatchMaker® Strategic Investment Service	19
Bmo Intuition® Strategic Investment Service (RESP only).....	20
BMO Term Investments And Savings Accounts	21
Term Investments and GICs.....	21
Savings Accounts.....	23

Account Transfer Client Disclosure	23
Transfer Timing.....	23
Transfer Fees	24
Privacy Disclosure & Consent	24
Your Personal Information	24
Sharing Your Personal Information	24
Your Choices	24
Complaint Handling Procedures of BMOII	24
How to File a Complaint with BMOII.....	24
Mutual Fund Dealers Association of Canada – Client Complaint Information Form	26
Compensation.....	26
General	27
Contact Information	29
PART II: Registered Plan Terms and Conditions.....	30
BMO Tax-Free Savings Account Trust Agreement.....	30
BMO Retirement Savings Plan Trust Agreement	40
BMO Retirement Income Fund Trust Agreement.....	50
BMO Education Savings Plan (Individual Plan) Trust Agreement.....	60
BMO Education Savings Plan (Family Plan) Trust Agreement	70
BMO Disability Savings Plan Trust Agreement	80
Important Information about Your Education Savings Plan	92
Registration of Your Education Savings Plan.....	92
Receipt of Grants.....	92
Allocation of Grants.....	93
Designation of Beneficiary.....	93
RRSP and RRIF.....	93
TFSA	94
RDSP	95
BMO Mutual Funds Annual and Semi-Annual Reports Request Form	98
IMPORTANT NOTICE EFFECTIVE August 19, 2019	99

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 BMO Investments Inc., including each Plan described in this Agreement, any replacement account and any new accounts that we open for you in the future.

Agreement refers to this BMO Mutual Funds Account Agreement, the agreements between you and BMO Investments Inc. that govern 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 a transaction with BMOII.

BMCC 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.

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.

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 on a regular basis.

GIC refers to Guaranteed Investment Certificate.

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 and **Agreement** refers to this document.

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 your BMO Mutual Funds account application form(s) contain the relevant terms and conditions that apply to BMOII accounts. These terms and conditions are effective November 5, 2018 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.

If you live in Quebec, you have specifically requested that this Agreement and any related documents be in English. *Les parties aux présentes, si elles sont domiciliées au Québec, exigent expressément que ces conventions et tous les documents s'y rattachant soient rédigés 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. Our network of Financial Services Managers, Financial Planners, Investment & Retirement Planning; Investment Specialists at the BMO Investment Centre; or your assigned Private Banker, are your points of contact. We refer to them here as your "investment professional".

Here, we provide you with certain core information about 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 that are provided to you as a client, such as trade confirmations, account statements, investment and/or retirement plans and assessments, offering and continuous disclosure documents and updates about changes to information that will be provided to you from time to time.

The Products and Services we can offer you

BMOII is a member of the Mutual Fund Dealers Association of Canada ("MFDA"), is regulated by the MFDA, and is registered under provincial and territorial securities laws to sell mutual funds. We also offer other types of investment products such as term investments (like certain guaranteed investment certificates) and certain principal protected notes offered by our affiliates, including Bank of Montreal. Through our Financial Planners, we also offer investment and retirement planning services to clients who request these services and to clients who we identify as potentially benefitting from such services.

It is important to keep in mind that we do not offer legal, accounting or tax advice to you, and you should consult professionals in those areas if you have questions about the impact of your investments on your legal, accounting or tax situation.

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. BMOII Financial Planners are not able to recommend purchases of mutual funds offered by non-affiliated mutual fund companies ("third-party funds"). However, BMOII Financial Planners may, at your express request, transfer and

purchase no load or front-end load series of third-party mutual funds for your Account. BMOII reserves the right to cease offering purchases of third-party funds at any time without notice. Please refer to the “Account Transfer Client Disclosure” section for additional details on third-party fund transfers.

Investment Suitability

Each investment recommendation we provide to you and each order we accept from you for your account is based on the essential facts as provided by you and about you. Such recommendations must be suitable for you, in light of your investment objective, risk tolerance, time horizon and other personal and financial circumstances you identify as recorded in your account.

We will conduct a suitability assessment of your account whenever:

- you place an order to buy and/or sell investments (unless such sale constitutes a full redemption of your account);
- you transfer assets to your account (both newly opened and existing accounts); or
- you record for your account any changes to your stated risk tolerance, time horizon or investment objectives or other matters that have a significant impact on your stated net worth or income.

We will not monitor your account to ensure the ongoing suitability of your investments. Therefore, 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 tolerance, time horizon or other circumstances, or if you wish to change any information about your account that you previously provided to us, you must notify us immediately. We will remind you of this obligation on an annual basis, in writing.

Our suitability assessment will take into consideration all of the investments held in your account and consequently we may find that you may hold some investments that have a risk rating that is higher or lower than the risk tolerance that you have provided to us for the investments in your account. Similarly, we may find that the investments held in your account do not individually or collectively match your stated investment objectives or time horizon. When we assess that your investments are not suitable based on the information you provide to us about you, we will advise you of our assessment, confirm that the information we have about you remains current and accurate, and recommend suitable alternatives.

Information you provide us

Provincial securities laws require that we collect from you and record certain key information about you and each order or account we accept. Some of the terms used in the **Investor Profile** section of our account applications are defined as follows:

Your Investment Objective

Selecting one of the following investment objectives indicates which objective best describes the goal of your account, meaning that the majority of the holdings in the account should help achieve this goal. By indicating which investment objective is intended for your account, you also help us ensure that you have chosen an appropriate investment to achieve your goals and needs.

Investment Objective Category	Description
Security of Capital	Clients 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 clients 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.
Fixed Income	Clients whose investment objective is Fixed Income desire a regular 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 clients 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.
Conservative Balanced	Clients whose investment objective is Conservative Balanced 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 clients are able to tolerate some fluctuations in their investment returns and typically have medium or long-term time horizons.
Balanced	Clients 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 clients are able to tolerate fluctuations in their investment returns and typically have medium or long-term time horizons.
Growth	Clients whose investment objective is 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 clients 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.

Your Investment Knowledge

Your 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 explain mutual funds to you.

Investment Knowledge Category	Description
Nil	You have little or no investment understanding and/or experience.
Fair	You have limited investment experience and exposure to investment products. You understand that in general, equities are riskier than bonds.
Good	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.
Excellent	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.

Your Risk Tolerance

Risk Tolerance is a gauge of a client's willingness and ability to withstand both fluctuations in the value of their investments and volatility in their investment returns. Risk varies from one mutual fund/series to another. A client may be willing to assume some risk proportionate to their desire to obtain higher returns. Generally, a client's risk tolerance will fall into one of the following categories:

Risk Category	Description
Low	If you are a client with a low risk tolerance, then you are risk adverse; willing to accept only a minimal amount of volatility in your account and willing to accept lower investment returns in order to preserve your investment capital. Holdings in this category may include investments such as GICs, money market funds or bond funds.
Low to Medium	If you are a client with a low to medium risk tolerance, then you are willing to accept slightly more volatility, as compared to a client with a low risk tolerance, in return for the prospect of some increased growth. Holdings in this category may include investments such as bond or balanced funds.
Medium	If you are a client with a medium risk tolerance, then you are willing to accept some volatility in your account which may result in periodic declines in the value of your investments as a trade-off for potentially higher long-term growth. Holdings in this category may include investments such as balanced funds or large-cap equity funds.
Medium to High	If you are a client with a medium to high risk tolerance, then you are willing to accept fluctuations in your investment returns and periodic declines in the value of your investments in exchange for the potential of even greater growth in your investments as compared to a client with a medium risk. Holdings in this category may include investments such as small-cap equity funds.
High	If you are a client with a high risk tolerance, then your emphasis is on maximizing your growth potential and as such you are willing to accept large periodic declines in the value of your investments in exchange for maximizing your potential returns. Holdings in this category may include investments such as niche funds in specific market sectors or geographic areas.

Your Time Horizon

Your time horizon indicates the length of time that you are prepared or wish to hold your investment. It also relates to how far in the future your financial goals for your account are. If you are 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. It is your obligation to ensure that you keep your records with us up-to-date and that you promptly notify us if your personal circumstances change or if your stated investment objective, risk tolerance or time horizon change for your account.

Time Horizon Category	Description
Short-term	Less than 2 years
Medium-term	Between 2 and 10 years
Long-term	More than 10 years

Payments for your investment purchases

We do not accept cash for business you conduct with us. Payments for your investments may be by cheque made payable to BMOII. Cheques should not be made payable directly to your investment professional or to Bank of Montreal. As an alternative to paying by cheque, if you have a bank account with Bank of Montreal you may authorize us to debit your bank account in the amount of the purchase price of your investments.

Payment of Interest on Client 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. Client cash held in trust will earn variable interest at a rate of Bank of Montreal's Prime Rate minus 3%. All interest earned on client cash held in trust will be distributed on a pro rata basis to the mutual fund companies of each of the mutual funds to which the trust account pertains for reinvestment.

Effective Jan 1, 2019: Client cash held in trust will no longer earn interest.

Your 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. 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. In the case of joint accounts, we will only execute transactions on your behalf in accordance with the standing authorization instructions in place on your joint account at the time of each trade, which will be binding on all joint accountholders.

Acting on Instructions. You agree that all Instructions accepted and acted upon by BMOII will, in the absence of gross negligence or willful misconduct on the part of BMOII, be considered to be 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 these instructions are accurate or are from you, or if they are not understood. BMOII reserves the right not to accept your 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.

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. You 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, you will be responsible for any withholding taxes that arise and agree to close your Account, if required by us.

Content and Frequency of Our Reporting to You

Trade Confirmations

We will provide you with written confirmation of the mutual fund transactions including 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 issue you 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 that will include certain information about each transaction made for 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 and your personal rate of return ("PROR"). Your account statement may also include your business with certain of our affiliates.

On an annual basis, you will receive an account statement for each account you hold with us that 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, using a money-weighted methodology, for a 1, 3, 5 and 10 year period and since account inception;
- 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, which is calculated using a money-weighted formula, 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.

Compensation we receive

Non-affiliated investment fund managers pay BMOII ongoing trailing commissions for the services and advice we provide you. The amount of the trailing commission depends on the sales charge option you chose when you purchased a fund. You are not directly charged the trailing commission but it will affect you because it reduces the amount of the fund's return to you. Further information about the trailing commissions of your investment fund(s) is included in the prospectus or fund facts document for each fund.

Your investment professional earns an annual salary, and may receive a short-term incentive pay award and/or other rewards and recognitions of nominal value in the normal course of their employment relationship with Bank of Montreal. A portion of the remuneration your investment professional receives from its employer, the Bank of Montreal, may also be based on a percentage of the revenue they generate for their branch and for referring you to an affiliate of the Bank of Montreal. You do not pay your branch or your investment professional directly for any of the products and services we offer you. BMOII pays a fee to the Bank of Montreal to cover the distribution costs of mutual funds through the Bank of Montreal branch network. This fee is included in the management expense ratios disclosed by BMOII.

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 may 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 choose 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 Documents

You may consent to BMOII for providing to you the “Applications for your accounts and any related forms” and “Your agreements and any changes to your agreements” 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. You may access these documents for seven (7) years after associated 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 it was 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.

Fees And Expenses

The following outlines the fees and expenses you could pay to buy, own and sell your funds.

Short-term trading fee. Short-term trading by investors may adversely affect all investors in a fund. To discourage short-term trading, a fund may, at BMOII's sole discretion, charge a short-term trading penalty of up to 2% of the amount that 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.

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 relinquishing institution and you agree that it is your responsibility to pay any such fees.

Registered plan fees. 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.

Other fees and expenses. 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 your 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.

For more specific information, please contact your investment professional.

Joint & Several Account Agreement

Instructions and Payments. You agree that BMOII or BMMC may take instructions to sell, exchange, or otherwise deal with the securities units of BMO Mutual Funds or the GICs in the Account from any one of you, and may pay all proceeds from the redemption of units or GICs or from distributions to any one of you, or your respective attorney or agent. Payment of such amount may be made in reliance upon a receipt signed by any one of you, or your respective attorney or agent, and such payment shall discharge BMOII or BMMC from all liabilities whatsoever with respect to the units and monies so paid.

Any one of you may give instructions to BMOII 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 Objective, Risk Tolerance, ownership of other funds, and Time Horizon, as recorded in the Application and all subsequent Applications, are applicable to all of you and will apply to the Account. You also agree that Annual Income and Net Worth, as recorded in the Application and all subsequent applications, are recorded on a combined basis (that is, as the total Annual Income and Net Worth of all of you).

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 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:

- a) to deal with any BMO Mutual Fund or Bank of Montreal Mortgage Corporation (“BMMC”) GIC 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 Password. You acknowledge that you are responsible for maintaining the confidentiality and security of: (a) your password, 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 password, 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.

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)

Risk of Borrowing to Invest. Here are some risks and factors that you should consider before borrowing to invest:

Is it Right for You?

Borrowing money to invest is risky. You should only consider borrowing 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.

You should **not** borrow 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.

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.

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 you provide notice to terminate the Continuous Savings Plan to BMOII, 10 business days prior via written notice. BMOII, in its sole discretion, reserves the right to cease to offer or terminate any Continuous Savings Plans 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 Bank of Montreal 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 your financial institution or visit 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 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 BMO 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

Conflicts or potential conflicts of interest may occasionally arise in the ordinary course of our business. In the event that a conflict or potential conflict of interest arises, we and our investment professionals will ensure that it is addressed using responsible business judgment influenced only by the interests of our clients. Where conflicts cannot be avoided, we have chosen to manage them. We have policies and procedures in place to manage the conflicts of interest that we believe are sufficient to protect the interests of our clients and fulfill our obligations to our clients. The following are some of the normal conflicts of interest that exist or may arise between us and our clients.

Outside Activities. Our investment professionals are employees of Bank of Montreal and, on behalf of Bank of Montreal, may offer products such as, or services relating to, deposits, mortgages, loans and certain insurance. Such products and services are the responsibility and business of Bank of Montreal and are not related to BMOII. Our investment professionals may in certain circumstances, and where permitted by legislation and our policies and procedures, engage in other activities, including employment and volunteer activities, outside of BMOII and Bank of Montreal.

Relationship between BMOII and Bank of Montreal. We are a wholly-owned indirect subsidiary of **Bank of Montreal**. Bank of Montreal 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, Bank of Montreal is the principal shareholder of the following other firms registered under Canadian 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., Money, Inc. and Pyrford International Limited.

Certain directors and officers of BMOII are also or may become directors and officers of Bank of Montreal and/or one or more of our Affiliate Registrants. We may obtain from or provide to Bank of Montreal 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.

Related Products. We offer mutual funds that we manage, including some that are advised by one or more of our affiliates, and we also offer products that are issued or managed by our affiliates. For example, we offer the BMO Fixed Cash Flow Plus Deposit which is issued by Bank of Montreal.

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 considered to be issuers that are related and/or connected to us. This list is current as of the time of publication. For the latest up-to-date list of related/connected issuers, please refer to www.bmo.com.

- the mutual funds in the **BMO Mutual Funds** group of funds because they are managed and distributed by BMOI;
- the mutual funds in the **BMO Private Portfolios**, because they are managed by BMO Private Investment Counsel Inc.
- the **BMO ETFs** and the **BMO Pooled Funds** because they are managed and administered by BMO Asset Management Inc.
- **DoubleLine Income Solutions Trust** which is managed and administered by BMO Nesbitt Burns Inc., and our affiliate BMO Asset Management Inc. provides certain valuation and accounting services, and BMO Nesbitt Burns Inc. acts as promoter;
- **Global Alpha Worldwide Growth Fund** which is managed and administered by BMO Nesbitt Burns Inc., and our affiliate BMO Asset Management Inc. provides certain valuation and accounting services, and BMO Nesbitt Burns Inc. acts as promoter;
- **Global Water Solutions Fund** which is managed and administered by BMO Nesbitt Burns Inc., and our affiliate BMO Asset Management Inc. provides certain valuation and accounting services, and BMO Nesbitt Burns Inc. acts as promoter;
- **PineBridge Investment Grade Preferred Securities Fund** which is managed and administered by BMO Nesbitt Burns Inc., and our affiliate BMO Asset Management Inc. provides certain valuation and accounting services, and BMO Nesbitt Burns Inc. acts as promoter;
- **Star Yield Managers Trust** which is managed and administered by BMO Nesbitt Burns Inc., and our affiliate BMO Asset Management Inc. provides certain valuation and accounting services, and BMO Nesbitt Burns Inc. acts as promoter;
- **U.S. Housing Recovery Fund** which is managed and administered by BMO Nesbitt Burns Inc., and our affiliate BMO Asset Management Inc. provides certain valuation and accounting services, and BMO Nesbitt Burns Inc. acts as promoter;

Additionally, our affiliates BMO Asset Management Inc., BMO Private Investment Counsel Inc., BMO Asset Management Corp., LGM Investments Limited, Pyrford International Limited, BMO Global Asset Management (Asia) Limited, F&C Management Limited and Moneyg, Inc. are portfolio advisors to certain of these mutual funds and flow-through limited partnerships.

Referral Arrangements. The Bank may enter into referral arrangements with other members of BMO Financial Group (each, a "Receiving Entity"), pursuant to which investment professionals may receive a benefit as part of their overall compensation for business that results from a referral. Clients of BMO Financial Group 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 Receiving Entity under Canadian legislation. For additional information about referrals, please consult your advisor.

BMO Nesbitt Burns Inc.	BMO Nesbitt Burns Financial Services Inc.	BMO InvestorLine Inc.	BMO Private Investment Counsel Inc.
SERVICES RECEIVING ENTITY MAY PROVIDE TO REFERRED CLIENT			
<ul style="list-style-type: none"> • Broker-dealer services • Portfolio management services 	<ul style="list-style-type: none"> • Estate and insurance advisory firm 	<ul style="list-style-type: none"> • Self-directed/ discount brokerage services • brokerage services 	<ul style="list-style-type: none"> • Discretionary portfolio management services • may engage in exempt market trading in relation to the provision of these services
CATEGORIES OF REGISTRATION UNDER CANADIAN SECURITIES LAWS			
<ul style="list-style-type: none"> • Investment dealer in all provinces and territories; member of the Investment Industry Regulatory Organization of Canada (IIROC) • Futures commission merchant • Investment fund manager 	<ul style="list-style-type: none"> • Not a registrant under Canadian securities laws 	<ul style="list-style-type: none"> • Investment dealer in all provinces and territories; member of IIROC 	<ul style="list-style-type: none"> • Portfolio manager • Exempt market dealer • Investment fund manager
ACTIVITIES PERMITTED UNDER CANADIAN SECURITIES LEGISLATION			
<ul style="list-style-type: none"> • Trading • Advising, including discretionary account management and securities investment services 	<ul style="list-style-type: none"> • May not engage in any activities requiring registration under Canadian securities laws 	<ul style="list-style-type: none"> • Trading • Advising, including securities investment services 	<ul style="list-style-type: none"> • Advising, including discretionary account management and securities investment services • Trading securities that are exempt from the prospectus or dealer requirements under Canadian securities laws
ACTIVITIES NOT PERMITTED UNDER CANADIAN SECURITIES LEGISLATION			
N/A	N/A	<ul style="list-style-type: none"> • Investment fund management 	<ul style="list-style-type: none"> • Trading in securities that are not Exempt Securities

BMOII has entered into referral arrangements with Plan Institute (“Plan”) and The Omega Foundation (“OMEGA”) which have resulted in referrals to BMOII for the opening of certain RDSP or RESP accounts, as the case may be. The arrangements and fees

payable are described in the table below. Plan and OMEGA are not licensed under securities legislation to provide investment management services and its representatives may not provide investment management services or advice. All regulated investment management services and advice rendered pursuant to the referral arrangements are provided by a registered representative of BMOII. BMOII is not aware of any conflicts of interest resulting from its referral arrangements with Plan or OMEGA.

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"> investment fund manager in Ontario, Quebec and Newfoundland and Labrador
OMEGA	Canadian registered charity and registered public foundation that operates a program to aid in the financial self-sufficiency of low-income Canadians	RESP	Up to \$70 per referred account			<ul style="list-style-type: none"> mutual fund dealer in all Canadian provinces and territories; member of the Mutual Fund Dealers Association of Canada

BMO MatchMaker® Strategic Investment Service

BMO MatchMaker allows you to match your investment goals and risk tolerance 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 client, 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 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 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 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 Matchmaker 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 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.

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 client, 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 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, 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. 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.

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. If the term of a GIC is longer than 60 months, or is in a currency other than Canadian dollars, the investment is not an insured deposit as defined by the *Canada Deposit Insurance Corporation Act*.

Payments. A payment request regarding any investment is subject to processing time for the payment. All investments are payable in Canadian Dollars. As used herein with respect to the investment, "Proceeds" means the principal amount of the investment together with all interest accrued in respect of the investment.

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 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 in writing no more than 21 days before the maturity date of the investment.

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.

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 prior to the Maturity Date only on the fifteenth (15th) day of each month throughout the first year of investment and on the first and second anniversary of the Issue Date. 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. 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, having the same term and interest payment method as the matured investment, at the then current annual interest rate.

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.

BMO Intuition Savings Portfolio GIC. A BMO Intuition Savings Portfolio GIC is a one-year term BMO Guaranteed Investment Certificate (GIC). The minimum purchase of a GIC within the portfolio is \$250. For contributions made to this portfolio through a Continuous Savings Plan, the GIC portion of the contribution will accumulate in a Savings Account and a one-year term BMO Guaranteed Investment Certificate (GIC) will automatically be purchased once an amount of \$250 or more has been reached.

Savings Accounts

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

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

Interest. RESP Savings Account: 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. TFSA Savings Account: 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. RDSP Savings Account: 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.

Account Transfer Client 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, 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 assets 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 Investment Funds Institute of Canada (IFIC) 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 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 & Consent

Your Personal Information

BMO Financial Group is committed to respecting and protecting the privacy and confidentiality of your Personal Information and wants to help you understand how we collect, use and share it. Please see our Privacy Code for complete details on our commitment to privacy (available at bmo.com/privacy, from any of our branches or by calling 1-877-225-5266 (TTY: 1-866-889-0889)).

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.

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 Personal Information for direct marketing, such as mail, telemarketing or email informing you about products and services we think may be of interest and value to you.

Please see “Contact Us” in our Privacy Code for more details.

Complaint Handling Procedures of BMOII

BMOII has procedures in place to handle any written or verbal complaints received from clients 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 Bank of Montreal 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

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. Clients 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 a copy of the Mutual Fund Dealers Association of Canada's Client Complaint Information Form (follows), which outlines the options available to you to have your complaint examined.

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.

Mutual Fund Dealers Association of Canada – Client Complaint Information Form

Clients 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. MFDA Member dealers have a responsibility to their clients 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 Mutual Fund Dealers Association of Canada (“MFDA”), which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:
 - By completing the on-line complaint form at www.mfda.ca
 - By telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332
 - By e-mail at complaints@mfda.ca (You may wish to consider issues of internet security when sending sensitive information by standard e-mail.)
 - In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9 or by fax at (416) 361-9073

Compensation

The MFDA does not order compensation or restitution to clients of Members. The MFDA 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 clients. 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 in Toronto at (416) 287-2877, or toll free at 1-888-451-4519
 - By e-mail at ombudsman@obsi.ca

- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. 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
 - New Brunswick: www.nbsc-cvmnb.ca
 - Saskatchewan: 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

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, electronic instruction, 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, electronic instruction 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, 43rd 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, including: (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.

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.

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
- in writing at: **BMO Investments Inc.**
1 First Canadian Place
100 King Street West, 43rd Floor
Toronto, Ontario M5X 1A1

We also encourage you to visit your local BMO Bank of Montreal branch to speak with one of our investment professionals. Visit us online at bmo.com/investments to locate a branch near you.

PART II: Registered Plan Terms and Conditions

BMO Tax-Free Savings Account Trust Agreement (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 agreement (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 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 Accountholder in connection with the Account. In their capacity as the bank and mutual fund dealer for the Accountholder 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 may deposit any uninvested cash in the Account into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee). The Trustee will credit interest earned on the cash to the Account at such time as the Trustee, in its sole discretion, may determine. The Trustee may retain all or such portion of the interest as it consider appropriate as a fee for services rendered in respect of the Account.

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. If the Account is found to have been used to carry on a business, the Account Holder will be solely liable for any tax, penalties and interest in respect thereof.
11. **No Use of Indebtedness.** The Trustee 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 the property of the Account. The Account Holder may use his/her interest or, for civil law, right in the Account as security for a loan or other indebtedness, but the Account Holder will not sign any document or authorize any action for the Account in the name of the Trustee or the 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 interest bearing unregistered account and all interest

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 and/or the Agents may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee and/or the Agents from time to time, provided that the Trustee and/or the Agents will give reasonable prior written notice to the Account Holder of a change in the amount of such fees. Such fees may be paid for out of, or recovered from, the property of the Account, to the extent that they are not paid when due by the Account Holder.

The Account Holder acknowledges that Bank of Montreal and BMO Investments Inc. (the "Agents") (or an affiliate) may charge fees, commissions and expenses to the property of the Account in its capacity as the investment advisory firm for the Account Holder.

The Trustee and/or the Agents may charge expenses incurred by the Trustee and/or the Agents in the administration of the Account. Such expenses may be paid out of, or recovered from, the property of the Account, to the extent that they are not paid when due by the Account Holder.

All taxes, penalties, and interest applicable to the Account (for greater certainty this does not include amounts that may be imposed under Part XI.01 of Act on the holder or the issuer of the Account (as defined in the Act)) such as with regard to nonqualified investments, shall be charged to the Account Holder. Such taxes, interest and penalties will be paid for by, or recovered from the Account Holder.

The Trustee may, without instructions from the Account Holder, apply any cash held in the Account for the payment of fees or expenses charged to the Account. Where there is insufficient cash in the Account at any time, the Trustee or the Agents shall make reasonable requests for instructions from the Account Holder regarding which investments of the Account 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 Agents 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 property of the Account 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; 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 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. **No Liability.** Except as otherwise provided in the Act, neither the Trustee nor the Agents is/are responsible for determining whether an investment made under the Account, according to the Account Holder's directions is or remains a qualified investment within the meaning of the Act.

If the Trustee or the Agents is/are liable for:

- i. any tax, interest or penalty that may be imposed on the Trustee in respect of the Account, or
- ii. any other charges levied or imposed by any governmental authority on or relating 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 Agents shall be reimbursed out of the Assets of the Account therefor, or may pay any of these taxes, interest, penalties or charges out of the Assets of the Account.

Except as otherwise provided in the Act, the Trustee and the Agents will not be liable 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 Agents' bad faith, wilful misconduct or gross negligence, the Trustee and the Agents will not be liable for any loss or damage suffered or incurred by the Account, the Account Holder or any beneficiary under the TFSA, 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 Agents 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 Agents 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 legal personal representatives and each beneficiary of this Account will at all times indemnify and save harmless the Trustee and its Agents 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 Agents 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 Agents 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 legal personal representatives and each beneficiary of this Account will indemnify and save harmless the Trustee and its Agents in respect of any loss, damage, or other expense (including legal fees) incurred by the Trustee or the Agents related to such breach.

In all cases where the Trustee or the Agents are entitled to be indemnified, they shall be entitled to cause such indemnity to be paid from the Assets of the Account.

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' 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 Trust: TFSA-S-00043-0216

BMO Retirement Savings Plan Trust Agreement (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 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 Fund expressly stated in this Trust Agreement, the Trustee shall not be required or expected to take any action with regard to an investment without prior instructions from the Planholder.

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

The Trustee will only accept funds in Canadian or U.S. currency. The acceptance of any other foreign currency is at the sole discretion of the Trustee. The Trustee may deposit any uninvested cash in the Plan into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee). The Trustee will credit interest earned on the cash to the Plan at such time as the Trustee, in its sole discretion, may determine. The Trustee may retain all or such portion of the interest as it considers appropriate as a fee for services rendered in respect of the Plan.

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 20XX (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.

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.

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 the Fund, or to issue payment from the Fund, with or without instructions from the Planholder or in contradiction of instructions of the Planholder. The Trustee/Agent retains the ability to restrict trading upon receipt of an order or demand. The Trustee/Agent will not be liable for any decreases in account value during the restriction period. In order for any related restriction to be removed from the Planholder's account, the Planholder must provide proof satisfactory to the Trustee in its sole discretion, that it is no longer applicable. The Trustee may permit any duly authorized party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Plan or related to the Plan and shall similarly be entitled to indemnity out of the Fund for so doing. In the event the assets of the Fund shall be insufficient to indemnify the Trustee fully in any such regard, by establishing the Plan the Planholder agrees to indemnify and hold the Trustee harmless for any such costs, expenses, charges or liabilities.
15. **Ownership and Voting Rights.** The Trustee may hold any investment of the Plan in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. The voting or other ownership rights attached to any investments held in the Plan may be exercised by the Planholder and the Planholder is appointed as the Trustee's agent and attorney for this purpose, to execute and deliver proxies and/or other instruments, in accordance with applicable laws.
16. **Restrictions on Benefits or Loans.** No advantage or loan that is conditional in any way on the existence of the Plan may be extended to the Planholder or to a person with whom the Planholder was not dealing at arm's length, other than in accordance with subsection 207.01(1) of the Act.
17. **Fees, Expenses, Taxes, Interest and Penalties.** The Trustee and/or the Agent 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, provided that the Trustee and/or the Agent shall give reasonable prior written notice to the Planholder of a change in the amount of such fees. Such 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 BMO Investments Inc. (the "Agent") (or an affiliate) may charge fees, commissions and expenses to the Fund in its capacity as the investment advisory firm for the Planholder.

The Trustee and/or the Agent may charge expenses incurred by the Trustee and/or the Agent in the administration of the Plan. Such expenses may be paid out of or recovered from the Fund, to the extent that they are not paid on a timely basis by the Planholder.

All taxes, penalties, and interest applicable to the Plan with regard to non-qualified investments, shall be charged to the Plan. Such taxes, interest and penalties will be paid for out of or recovered from the Fund.

The Trustee may, without instructions from the Planholder, apply any cash held in the Fund for the payment of fees or expenses or taxes, penalties and interest charged to the Plan. Where there is insufficient cash in the Fund at any time, the Trustee or the Agent shall make reasonable requests for instructions from the Planholder regarding which assets of the Fund to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Planholder at the last address provided by the Planholder, the Trustee or the Agent does not receive satisfactory instructions from the Planholder within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the Fund in order to realize sufficient cash to make the payment. 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. **No Liability.** Except as otherwise provided in the Act, neither the Trustee nor the Agent is responsible for determining whether an investment made under the Plan, according to the Planholder's directions is or remains a qualified investment within the meaning of the Act.

If the Trustee or the Agent is liable for:

- i. any tax, interest or penalty that may be imposed on the Trustee in respect of the Plan, or
- ii. any other charges levied or imposed by any governmental authority on or relating 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 out of the assets of the Plan therefor, or may pay any of these taxes, interest, penalties or charges out of the assets of the Plan.

Except as otherwise provided in the Act, the Trustee and the Agent will not be liable 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, wilful misconduct or gross negligence, the Trustee and the Agent will not be liable for any loss or damage suffered or incurred by the Plan, the Planholder or any beneficiary under the Plan, caused by or resulting from:

- A) any loss or diminution of the assets of the Plan,
- B) the purchase, sale or retention of any investment,
- C) payments out of the Plan that are made in accordance herewith, or
- D) acting or declining to act on any instructions given to the Trustee or Agent by the Planholder or an individual purporting to be the Planholder.

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

Except as otherwise prohibited by law, the Planholder, his 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 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, they shall be entitled to cause such indemnity to be paid from the assets of the Plan.

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

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

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

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

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

The Trustee and/or the Agent may charge reasonable expenses incurred in the administration of this process as set out in section 17, hereto.

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

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

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

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

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

BMO Trust - RSP1016

BMO Retirement Income Fund Trust Agreement (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 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 is referred to as the "annuitant" in the Act.

1. **Registration and Purpose.** The Trustee will apply for registration of the Plan under the Act and any applicable provincial legislation relating to retirement income funds. The purpose of the Plan is to make payments from the Plan, in accordance with paragraph 5, to the Planholder and, where it is elected, to the Planholder's spouse or common-law partner after the Planholder's death. For every year after the year in which the Plan is established, a payment at least equal to the minimum amount must be made, until the Plan is fully paid out.
2. **Transfers to the Plan.** The Trustee will accept only transfers of cash and other property acceptable to the Trustee, made by the Planholder or by the Planholder's spouse or common-law partner, from:
 - (a) a registered retirement savings plan or another registered retirement income fund under which the Planholder is the annuitant;
 - (b) a registered 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 and the corresponding provision of any Applicable Tax Legislation;
- (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 may deposit any uninvested cash in the Fund into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee). The Trustee will credit interest earned on the cash to the Fund at such time as the Trustee, in its sole discretion, may determine. The Trustee and/or the Agents may retain all or such portion of the interest as they consider appropriate as a fee for services rendered in respect of the Plan.

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 Fund, 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 Fund for the year in which the transfer is made may be paid to the Planholder in the year, and (b) the fair market value of the Fund.

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

Further, when the minimum payment amount is determined based on the age of the Planholder's spouse, the Planholder is solely responsible for ensuring the new agent is aware of this election.

8. **Non-Qualified and Prohibited Investments.** The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment (as defined under the Act) for a RRIF. However, if the Plan acquires an investment that is a non-qualified investment or a prohibited investment (as defined under the Act) for a RRIF, or if property held in the Plan becomes a non-qualified investment or a prohibited investment for a RRIF, it is the responsibility of the holder to file an Individual Return for Certain Taxes for RRSPs or RRIFs for Tax Year 20__ (Form RC339) [or any other form that is required under the *Income Tax Act (Canada)* and pay the applicable tax under Part XI.01 of the Act.
9. **Advantage Extended.** If an advantage (as defined under the Act) in relation to a RRIF is extended to the Planholder or to a person who does not deal at arm's length with the Planholder, it is the responsibility of the Planholder to file an income tax return and pay the tax under Part XI.01 of the Act; except that if the advantage is extended by the Trustee (or by the 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 plan under the Act or other applicable legislation, 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 and/or the Agents may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee and/or the Agents from time to time, provided that the Trustee and/or the Agents shall give reasonable prior written notice to the Planholder of a change in the amount of such fees. Such 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 Bank of Montreal and BMO Investments Inc. (the "Agents") (or an affiliate) may charge fees, commissions and expenses to the Fund in its capacity as the investment advisory firm for the Planholder.

The Trustee and/or the Agents may charge expenses incurred by the Trustee and/or the Agents in the administration of the Plan. Such expenses may be paid out of or recovered from the Fund, to the extent that they are not paid on a timely basis by the Planholder.

All taxes, penalties, and interest applicable to the Plan (for greater certainty this does not include amounts that may be imposed under Part XI.01 of the Act on the holder or the issuer of the Plan (as defined in the Act)), such as with regard to non-qualified investments, shall be charged to the Planholder. Such taxes, interest and penalties will be paid for or recovered from the Planholder. The Trustee may, without instructions from the Planholder, apply any cash held in the Fund for the payment of fees or expenses charged to the Plan. Where there is insufficient cash in the Fund at any time, 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.

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. **No Liability.** Except as otherwise provided in the Act, neither the Trustee nor the Agents is/are responsible for determining whether an investment made under the Plan, according to the Planholder's directions is or remains a qualified investment within the meaning of the Act.

If the Trustee or the Agents is/are liable for:

- i. any tax, interest or penalty that may be imposed on the Trustee in respect of the Plan, or
- ii. any other charges levied or imposed by any governmental authority on or relating 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 Agents shall be reimbursed out of the Assets of the Plan therefor, or may pay any of these taxes, interest, penalties or charges out of the Assets of the Plan.

Except as otherwise provided in the Act, the Trustee and the Agents will not be liable 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 Agents' bad faith, wilful misconduct or gross negligence, the Trustee and the Agents will not be liable for any loss or damage suffered or incurred by the Plan, the Planholder or any beneficiary under the Plan, caused by or resulting from:

- A) any loss or diminution of the Assets of the Plan,
- B) the purchase, sale or retention of any investment,
- C) payments out of the Plan that are made in accordance herewith, or
- D) acting or declining to act on any instructions given to the Trustee or Agents by the Planholder or an individual purporting to be the Planholder.

For greater certainty, in no event shall either the Trustee or its Agents 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 legal personal representatives and each beneficiary of this Plan will at all times indemnify and save harmless the Trustee and its Agents 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 Agents acting or declining to act upon any instructions given to it by the Planholder and any costs or expenses of the Trustee and the Agents related thereto (including legal fees).

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

In all cases where the Trustee or the Agents are entitled to be indemnified, they shall be entitled to cause such indemnity to be paid from the Assets of the Plan.

18. **Documentation.** Notwithstanding anything to the contrary herein, the Trustee may require such satisfactory instructions, releases, indemnities, tax clearance certificates, death certificates and other documents as the Trustee in its discretion deems appropriate.
19. **Unclaimed Balances.** The property of the Plan may be deemed to be abandoned or unclaimed as per the definitions of any applicable provincial legislation. In addition to any timelines prescribed by legislation, the Trustee may, at its sole discretion, deem an account to be abandoned and any property to be unclaimed.

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

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

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

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

The Trustee and/or the Agents may charge reasonable expenses incurred in the administration of this process as set out in section 15, hereto.

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

20. **Amendment.** The Trustee may from time to time in its discretion amend this Trust Agreement or the application form or any locked-in or other addenda which comprise the Plan by giving 30 days prior notice to the Planholder; provided however that any amendment shall not disqualify the Plan as a retirement income fund acceptable for registration under the Act and any applicable provincial legislation.
21. **Replacement Of Trustee.** The Trustee may resign and be released and discharged from all further duties and liabilities upon 60 days' prior written notice given to the 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.
22. **Notice.** Any notice given by the Trustee to the Planholder regarding the Plan (including this Trust Agreement) shall be sufficiently given if it is delivered to the Planholder personally, or if it is mailed, postage prepaid, to the Planholder at the address set out in the 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.
23. **Binding.** The terms of this Trust Agreement shall be binding upon the beneficiaries, heirs, executors, administrators and assigns of the Planholder and upon the respective successors and assigns of the Trustee and/or the Agents.
24. **Governing Law.** This Trust Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the 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 Trust - RIF1016

BMO Education Savings Plan (Individual Plan) Trust Agreement (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 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").

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"), the Trustee will apply to the Minister for any applicable Grants in respect of the Plan. The Trustee 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 the Trustee applies for any Grants, the Plan must be registered under the Act.

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

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

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

After the Plan has been entered into, another individual or another public primary caregiver can become a subscriber to the Plan (and you cease to be a subscriber) by acquiring a public primary caregiver’s 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.

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 35th 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 35th 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.

Neither the Trustee nor we shall be responsible for determining whether any investment made on your instructions is or remains a qualified investment for an RESP under the Act. This determination shall be your responsibility.

The Trustee may deposit any uninvested cash in the Plan into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee). The Trustee will credit interest earned on the cash to the Plan at such time as the Trustee, in its sole discretion, may determine. The Trustee may retain all or such portion of the interest as the Trustee considers appropriate as a fee for services rendered in respect of the Plan.

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

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

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

You may give the Trustee instructions telling the Trustee which property to sell if the Trustee is required to sell property of the Plan in order to make a payment, refund or transfer out of the Plan. If you do not give the Trustee instructions, the Trustee will sell the property that the Trustee in its sole discretion considers appropriate. Before making a payment, refund or transfer out of the Plan, the Trustee will deduct, as required, any costs, fees or charges related to the sale of property, any amount required to be withheld under the Applicable Tax Legislation and any taxes, interest or penalties that are or may become payable by the Plan. Once the Trustee has made a payment out of the Plan in accordance with this section, the Trustee will have no liability or duty to you for the property of the Plan which was sold.

10. **Educational Assistance Payments.** An "Educational Assistance Payment" means any amount, other than a refund of payments, paid out of the Plan to or for an individual 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 \$5,000 (unless a greater amount is approved in writing by the Minister designated for the purposes of the Canada Education Savings Act).

A "specified educational program" means a program at a post-secondary school level of not less than three consecutive weeks duration that requires each student 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 \$2,500 (unless a greater amount is approved in writing by the Minister designated for the purpose of the *Canada Education Savings Act*).

A "post-secondary educational institution" means 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 the Trustee.
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 the Trustee instructions stating which subscriber is to receive each Accumulated Income Payment.

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

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

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

Accumulated Income Payments may be made at any time if, on our written application, the Minister of National Revenue waives the conditions in clause 146.1(2)(d.1)(iii)(A) of the Act, as described in paragraph (a) above, where a Beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a qualifying educational program at a post-secondary educational institution.

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

14. **Transfer to another RESP.** You may give the Trustee 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 35th year following the year in which the Plan was entered into. If property is transferred to the Plan from another RESP and the other RESP was entered into before the Plan, then the Termination Date cannot be later than the last day of the 35th year following the year in which the other RESP was entered into. However, if section 6.1 applies to the Plan, the latest Termination Date is the last day of the 40th 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.** We and the Trustee are entitled to any reasonable fees and other charges established by us or the Trustee from time to time for our respective services under the Plan. We and the Trustee may change our fees and other charges in the future, as long as we or the Trustee give you reasonable written notice. All fees and other charges payable to us or to the Trustee under this paragraph will be charged against and deducted from the property of the Plan, unless you pay them outside the Plan. The Trustee may sell any property of the Plan that the Trustee in its absolute discretion considers appropriate to realize any fees and other charges payable to us or to the Trustee under this paragraph.

21. **Our Liability and the Trustee's Liability.** Neither we nor the Trustee in its personal capacity are liable for: (1) any taxes, interest or penalties imposed in respect of the Plan under the CES Act or the CES regulations; or (2) any costs or disbursements reasonably incurred by us or the Trustee in performing duties under this agreement or the Applicable Tax Legislation. The Trustee may reimburse itself for or pay any such amounts out of the capital or the income of the Plan or partly out of the capital and partly out of the income of the Plan, as the Trustee decides. We may do the same and you hereby authorize the Trustee to reimburse us accordingly. You and your legal personal representative(s) and any Beneficiary will at all times indemnify us and the Trustee, and our respective directors, officers, employees or authorized representatives, for any such amounts imposed or levied on or incurred by us or the Trustee.

The Trustee will not be liable for any loss or damage suffered or incurred by the Plan, by you or by any Beneficiary caused by: (1) any loss or diminution in value of

the property of the Plan; (2) the purchase, sale or retention of any investment by the Plan; (3) payments out of the Plan made according to this agreement; or (4) acting or declining to act on any instructions given to us by you or by an individual purporting to be you (or the person designated by you under section 19); unless the loss or damage was caused by the Trustee's bad faith, willful misconduct or gross negligence. We will not be liable for any such loss or damage unless it was caused by our bad faith, willful misconduct or gross negligence. You and your legal personal representative(s) and each Beneficiary will at all times indemnify us and the Trustee, and our respective directors, officers, employees or authorized representatives, for any such loss or damage (other than those for which we, the Trustee or they are liable under this paragraph) incurred by the Plan.

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 Education Savings Plan (Family Plan) Trust Agreement (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 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.
 3. **Grants.** Upon your request in the form required by the Minister of Employment and Social Development Canada (the "Minister"), the Trustee will apply to the Minister for any applicable Grants in respect of the Plan. The Trustee 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 the Trustee applies for any Grants, the Plan must be registered

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

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

After the Plan has been entered into, another individual or another public primary caregiver can become a Subscriber to the Plan (and you cease to be a Subscriber) by acquiring a public primary caregiver’s 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.

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 31st 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.

Neither the Trustee nor we shall be responsible for determining whether any investment made on your instructions is or remains a qualified investment for an RESP under the Act. This determination shall be your responsibility.

The Trustee may deposit any uninvested cash in the Plan into an interest-bearing account at the Bank of Montreal (or another financial institution selected by the Trustee). The Trustee will credit interest earned on the cash to the Plan at such time as the Trustee, in its sole discretion, may determine. The Trustee may retain all or such portion of the interest as the Trustee considers appropriate as a fee for services rendered in respect of the Plan.

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

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

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

You may give the Trustee instructions telling the Trustee which property to sell if the Trustee is required to sell property of the Plan in order to make a payment, refund or transfer out of the Plan. If you do not give the Trustee instructions, the Trustee will sell the property that the Trustee in its sole discretion considers appropriate. Before making a payment, refund or transfer out of the Plan, the Trustee will deduct, as required, any costs, fees or charges related to the sale of property, any amount required to be withheld under the Applicable Tax Legislation and any taxes, interest or penalties that are or may become payable by the Plan. Once the Trustee has made a payment out of the Plan in accordance with this section, the Trustee will have no liability or duty to you for the property of the Plan which was sold.

10. **Educational Assistance Payments.** An "Educational Assistance Payment" means any amount, other than a refund of payments, paid out of the Plan to or for an individual 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 \$5,000. (unless a greater amount is approved in writing by the Minister designated for the purposes of the *Canada Education Savings Act*).

A “specified educational program” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires each student 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 \$2,500 (unless a greater amount is approved in writing by the Minister designated for the purpose of the *Canada Education Savings Act*).

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

- a. 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;
- 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 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 the Trustee.

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 the Trustee instructions stating which Subscriber is to receive each Accumulated Income Payment.

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

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

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

Accumulated Income Payments may be made at any time if, on our written application, the Minister of National Revenue waives the conditions in clause 146.1(2)(d.1)(iii)(A) of the Act, as described in paragraph (a) above, where a beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the beneficiary from enrolling in a qualifying educational program at a post-secondary educational institution.

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

14. **Transfer to another RESP.** You may give the Trustee 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 35th year following the year in which the Plan was entered into. If property is transferred to the Plan from another RESP and the other RESP was entered into before the Plan, then the Termination Date cannot be later than the last day of the 35th year following the year in which the other RESP was entered into. If you do not designate a Termination Date, the Termination Date will be the latest date possible.

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

16. **If the Last Surviving Subscriber Dies.** If you are the last surviving Subscriber and you die before the Termination Date, your legal personal representative(s) may continue to administer the Plan on your behalf. However, if the legal personal representative(s) give(s) us instructions, in accordance with section 4, to make another person or your estate the Subscriber, then the legal personal representative(s) will cease to administer the Plan on your behalf.
17. **Maintaining Your Account.** We will maintain an account to record: (1) contributions and transfers made to the Plan; (2) the 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.** We and the Trustee are entitled to any reasonable fees and other charges established by us or the Trustee from time to time for our respective services under the Plan. We and the Trustee may change our fees and other charges in the future, as long as we or the Trustee give you reasonable written notice. All fees and other charges payable to us or to the Trustee under this paragraph will be charged against and deducted from the property of the Plan, unless you pay them outside the Plan. The Trustee may sell any property of the Plan that the Trustee in its absolute discretion considers appropriate to realize any fees and other charges payable to us or to the Trustee under this paragraph.

21. **Our Liability and the Trustee's Liability.** Neither we nor the Trustee in its personal capacity are liable for: (1) any taxes, interest or penalties imposed in respect of the Plan under the CES Act or the CES regulations; or (2) any costs or disbursements reasonably incurred by us or the Trustee in performing duties under this agreement or the Applicable Tax Legislation. The Trustee may reimburse itself for or pay any such amounts out of the capital or the income of the Plan or partly out of the capital and partly out of the income of the Plan, as the Trustee decides. We may do the same and you hereby authorize the Trustee to reimburse us accordingly. You and your legal personal representative(s) and any beneficiary will at all times indemnify us and the Trustee, and our respective directors, officers, employees or authorized representatives, for any such amounts imposed or levied on or incurred by us or the Trustee.

The Trustee will not be liable for any loss or damage suffered or incurred by the Plan, by you or by any beneficiary caused by: (1) any loss or diminution in value of the property of the Plan; (2) the purchase, sale or retention of any investment by the Plan; (3) payments out of the Plan made according to this agreement; or (4) acting or declining to act on any instructions given to us by you or by an individual

purporting to be you (or the person designated by you under section 19); unless the loss or damage was caused by the Trustee's bad faith, wilful misconduct or gross negligence. We will not be liable for any such loss or damage unless it was caused by our bad faith, wilful misconduct or gross negligence. You and your legal personal representative(s) and each beneficiary will at all times indemnify us and the Trustee, and our respective directors, officers, employees or authorized representatives, for any such loss or damage (other than those for which we, the Trustee or they are liable under this paragraph) incurred by the Plan. You acknowledge and consent to the Trustee's appointment of us as its agent to perform any of the Trustee's duties as the Trustee may determine. The Trustee will remain responsible for holding the property of the Plan in safekeeping.

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 an agreement concerning Grants with the Minister. If we do not appoint a Replacement Trustee within 60 days after we have received notice of the Trustee's resignation or given notice to the Trustee of its removal, the Trustee may appoint a Replacement Trustee. On the date the Trustee's resignation or removal becomes effective, the Trustee will sign and deliver to the Replacement Trustee all conveyances, transfers and further assurances that may be necessary or desirable to give effect to the appointment of the Replacement Trustee.
24. **Binding.** The Plan will be binding upon your heirs, executors, administrators and upon our successors and assigns.
25. **Governing Law.** 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 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, Lifetime Disability Assistance Payments and Disability Assistance Payments shall be 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 January 2019, 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, at the time the arrangement is entered into, is not a Qualifying Person in relation to the Beneficiary but is a holder of another arrangement that is a registered disability savings plan of the Beneficiary, 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 where the arrangement is entered into in a taxation year in respect of which the Beneficiary is eligible for the disability tax credit.

“**DTC-Election**” means an election made by the Holder to keep the Plan open when the Beneficiary is not a DTC-Eligible Individual. A DTC-Election is valid until the earlier of the beginning of the first calendar year that the Beneficiary again becomes a DTC-Eligible Individual and the end of the fifth calendar year of continuous DTC-ineligibility.

“**DTC Eligible Individual**” means an individual who would be eligible for the disability tax credit 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));
- (b) 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.

“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” in relation to a Beneficiary of a disability savings plan, at any time, means an individual who, at that time is

- a. a legal parent of the Beneficiary; or
- b. a spouse or common-law partner of the Beneficiary who is not living separate and apart from the Beneficiary by reason of a breakdown of their marriage or common-law partnership.

“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 2019;
- 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 of Employment and Social Development Canada.

“Specified RDSP Payment” means a payment that is made to the Plan after June 2011 that is designated, in prescribed form, by the Holder 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.

“Specified Year” means the particular calendar year in which a medical doctor licensed to practise under the laws of a province (or of the place where the Beneficiary resides) certifies in writing that the Beneficiary’s state of health is such that, in his or her professional opinion, the Beneficiary is not likely to survive more than five years and, if the Plan is a Specified Disability Savings Plan, each subsequent calendar year, or, in any other case, each of the five calendar years following the particular calendar year. For greater certainty, a Specified Year does not include any calendar year 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.

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 legal parent of the Beneficiary) 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 Holder of the Plan if the Beneficiary notifies the Issuer that they wish to become the Holder and either the Issuer, 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 Holder 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 issuer of their appointment, at which time the entity will replace the Qualifying Family Member as Holder.

If there is a dispute over a Qualifying Family Member's status as Holder, 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 Holder.

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 him/her 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.

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 plan 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, payments from Designated Provincial Programs or payments 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 definition of Qualifying Person in its capacity as holder of the plan).

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 Account.

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 Account). 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 RDSP 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:
 - a. the payment of Disability Assistance Payments to a Beneficiary of the Plan;
 - b. 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
 - c. 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**.

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, the total amount of Disability Assistance Payments made in the year from the Plan will 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 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 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.
- c. If the Beneficiary has reached 59 years of age before the particular calendar year, the total of all Disability Assistance Payments made from the Plan in the year will not be less than the Legislated Maximum Formula Result. If the property in the Plan Trust is insufficient to make available the required amount, a lesser amount may be paid.

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 plan with all information in their possession 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 and the transfer will be completed without delay.

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 plan in the year if the transfer had not occurred exceeds;
- b. the total amount of Disability Assistance Payments made from the prior plan in the year.

Transfers of cash and other property acceptable to the Trustee may be made to the Plan by the Planholder. Acceptable transfers include, transfers from other RDSPs, 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 his or her 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. if the Plan remains open because of a DTC election, the first calendar year under which the DTC election ceases to be valid, and in any other case, the first calendar year throughout which the Beneficiary has no severe and prolonged impairment as described in paragraph 118.3(1)(a.1) of the ITA. The Plan must be terminated by the end of the calendar year following the earlier of:
 - (i) the calendar year in which the Beneficiary dies; and
 - (ii) if the Plan remains open because of a DTC election, the first calendar year under which the DTC election ceases to be valid, and in any other case, the first calendar year throughout which the Beneficiary has no severe and prolonged impairment as described in paragraph 118.3(1)(a.1) of the ITA.

13. **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.

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.

14. **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 this 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 a-e under the definition of Qualifying Person, above, 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 Income Tax Act (Canada) (ITA).
- b. collect and use any information provided by the holder 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 an Accountholder of the Plan may become liable to pay tax under Part XI of the ITA in connection with the Plan.

15. **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 Account 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.

16. **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.
17. **Fees, Expenses, Taxes, Interest and Penalties.** The Trustee and/or the Agent 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, provided

that the Trustee and/or the Agent will give reasonable prior written notice to the Accountholder of a change in the amount of such fees. Such fees may be paid for out of, or recovered from, the property of the Plan Trust, to the extent that they are not paid when due by the Accountholder.

The Accountholder acknowledges that BMO Investments Inc. may charge fees, commissions and expenses to the property of the Plan Trust in its capacity as the mutual fund dealer for the Accountholder.

The Trustee and/or the Agent may charge expenses incurred by the Trustee and/or the Agent in the administration of the Plan and the Plan Trust. Such expenses may be paid out of, or recovered from, the property of the Plan Trust, to the extent that they are not paid on a timely basis by the Accountholder.

All taxes, penalties, and interest applicable to the Plan, the Trustee, or the Plan Trust (but not, for greater certainty, applicable to the Accountholder) shall be charged to the Accountholder. Such taxes, interest and penalties will be paid by the Accountholder. Provided however that the Trustee and/or the Agent may not charge or recover fees or expenses to the extent that it would result in the fair market value of the property of the Plan Trust being less than the Assistance Holdback Amount.

Subject to the paragraph above, the Trustee may, without instructions from the Accountholder, apply any cash held in the Plan Trust for the payment of fees or expenses charged to the Plan or the Plan Trust. 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.

18. **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.
19. **Limitation Of Liability And Indemnity.** Neither the Trustee nor the Agent shall be liable to the Accountholder or the Beneficiary (or to the spouse or common-law partner of the Accountholder or Beneficiary, or any beneficiary or legal personal representative of the Accountholder or Beneficiary) for any loss to or diminution of the property of the Plan Trust or for any other losses, expenses, taxes, interest and

penalties, damages, claims or demands resulting from any of their acts or omissions, or for acting in accordance with instructions or failing to act in the absence of instructions, except to the extent that it is caused by their negligence, wilful misconduct or lack of good faith.

The Trustee and the Agent shall be entitled to be indemnified out of the property of the Plan Trust for all costs, expenses, charges or liabilities of whatever nature or kind which may in any way arise out of or be connected with this Trust Agreement or the Plan or Plan Trust except to the extent that such costs, expenses, taxes, interest or penalties, charges or liabilities are directly caused by gross negligence, wilful misconduct, lack of good faith or breach of Applicable Legislation on the part of the Trustee or the Agent. In the event the property of the Plan Trust shall be insufficient to indemnify the Trustee and the Agent fully in any such regard, by establishing the Plan the Accountholder agrees to indemnify and hold the Trustee and the Agent harmless for any such costs, expenses, charges or liabilities.

If, after reasonable inquiry, the Trustee of a disability savings plan is of the opinion that an individual's contractual competence to enter into a disability savings plan is in doubt, no action lies against the Trustee and/or the Agent for entering into a plan, under which the individual is the Beneficiary, with a Qualifying Family Member who is a Qualifying Person solely because of paragraph (c) of the definition of "Qualifying Person", above.

If a dispute arises as a result of the Trustee's acceptance of a Qualifying Family Member who is a Qualified Person solely because of paragraph (c) of the definition of "Qualified Person", above, as an Accountholder of the Plan, from the time the dispute arises until the time that the dispute is resolved or an entity becomes the holder of the Plan under subsection 146.4(1.5) or 146.4(1.6) of the ITA, the Accountholder of the Plan shall use their best efforts to avoid any reduction in the fair market value of the property held by the plan trust, having regard to the reasonable needs of the Beneficiary under the Plan.

20. **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 Account 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.
21. **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.

22. **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.

23. **Notice.** 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 or 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.

24. **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.

25. **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.

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 (BCTESP) and/or Saskatchewan Advantage Grant for Education Savings (SAGES) and/or Québec education savings incentive (QESI) application(s) must be completed in order to be eligible to receive grants.

Note: Saskatchewan Advantage Grant for Education Savings (SAGES) – The Government of Saskatchewan announced a temporary suspension of SAGES payments into RESPs effective January 01, 2018. SAGES will not be paid during the suspension period on contributions made to an RESP after December 31, 2017. The Government of Saskatchewan may possibly remove the temporary suspension of SAGES and resume this incentive in the future.

- Any payment and redemption of provincial incentive (SAGES/BCTESP/QESI) is predicated on the legitimacy of the beneficiary’s residency of the applicable province at the time of this plans application. It’s the beneficiary’s obligation to repay to the Minister any portion of attributable provincial incentive (SAGES/BCTESP/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 (parents, spouses and common-law partners) to be the Holder of RDSP for adults who might not be able to enter into contracts. This temporary measure is scheduled to expire at the end of 2018. The 2018 federal budget proposes to extend this temporary measure until the end of 2023. If a Qualifying Family Member becomes a Holder of an RDSP before the end of 2023, they can remain Holder of that plan after 2023. This provision may become effective after receiving the Royal Assent.

**BMO INVESTMENTS INC. TERMS AND CONDITIONS
(AMENDMENT NO. 1 DATED AUGUST 19, 2019)**

IMPORTANT NOTICE EFFECTIVE August 19, 2019

BMO Cashable RateRiser GICs purchased after *August 18, 2019* are redeemable at any time. There are no changes to the pre-encashment conditions of BMO Cashable RateRiser GICs purchased prior to *August 19, 2019*, which are redeemable on the 15th day of each month in the 1st year of investment and on each anniversary date.

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