

Client Agreements

Personal Accounts
Effective September 6, 2011

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SECTION ONE

BMO InvestorLine Account Agreements

SECTION ONE: Part A

General Terms, Conditions and Definitions Applicable to BMO InvestorLine Account Agreements

A. DEFINITIONS

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

"ABM Electronic Bill Payment" means making bill payments at an Instabank machine without inserting a bill stub;

"ABM Paper Bill Payment" means making bill payments at an Instabank machine by inserting a bill stub;

"Account" or "BMO InvestorLine Account" means a BMO InvestorLine Account with AccountLink Service, the operation of which is further described in the Client Trading Agreement;

"Account Application" means the BMO InvestorLine Account Application which is delivered with this booklet;

"Account History Inquiry" means a customer request for a list of recent transactions;

"Applicable Rules and Regulations" means the constitutions, by-laws, rules, rulings, regulations, customs and usages of the exchanges or markets (including any successor marketplaces) and their clearinghouses, if any, where Transactions in Securities are undertaken and to all laws, regulations and orders of any applicable governmental or regulatory authorities;

"Assisted-service" means debit transactions or account history inquiries completed with the assistance of a staff member in a branch or through Direct Banking, or ABM paper bill payments;

"Bank" means Bank of Montreal;

"Bank Account" has the meaning ascribed to it in Part A of the Client Trading Agreement;

"Bank Loan" at any time means the amount of indebtedness of the Client to the Bank under the Line of Credit at that time including all accrued and unpaid interest thereon and any indebtedness incurred in excess of the credit limit established for such Line of Credit at that time;

"BMO InvestorLine" means BMO InvestorLine Inc., a wholly owned indirect subsidiary of the Bank;

"BMO InvestorLine Account Agreements" mean the BMO InvestorLine client agreements contained in Section One of this Booklet and include: (i) the Client Agreement for Trading, Margin and Self-Directed RSP Accounts set forth at Part "B" of this Section One; (ii) the Options Trading Agreement set forth at Part "C" of this Section One; (iii) the Trading Authorization and Power of Attorney Agreement set forth at Part "D" of this Section One; and (iv) the BMO InvestorLine Internet and Automated Telephone Trading Agreement set forth at Part "E" of this Section One;

"BMO InvestorLine's Bank Loan Liability" has the meaning set out in Section 6 of Part C of the Client Trading Agreement;

"BMO InvestorLine's Bank Loan Payment" means any payment by BMO InvestorLine to the Bank in respect of the BMO InvestorLine's Bank Loan Liability;

"BMO NBI" means BMO Nesbitt Burns Inc. an indirect subsidiary of the Bank;

"Cardholder Agreement" means the Bank of Montreal FirstBanking Automated Securities Agreement;

"Client" means the applicant or co-applicant applying to open an Account with BMO InvestorLine and the Bank who executes the Account Application;

"Collateral" has the meaning ascribed to it in Section 10 of Part C of the Client Trading Agreement;

"Client Trading Agreement" means the Client Agreement for Trading, Margin and Self-Directed RSP Accounts set forth at Part B of this Section 1;

"Customer Activity" means a customer initiated transaction on their account, such as a transfer, deposit or withdrawal. An account is designated as inactive if there is no Customer Activity on the account for a period of one year;

"Debit Transaction(s)" means debit transaction(s) on Personal Account(s) conducted by any means of account access, including cheques, and all withdrawals of funds, bill payments, debit card purchases, transfers of funds, and pre-authorized bill payments/debits;

"Direct Banking" means BMO Bank of Montreal's Direct Banking Service which allows customers to manage their finances by telephone and/or online;

"Direct Payment (Debit Card) Purchase" means any purchase made with funds debited directly from your account(s) using your FirstBank Card and INTERAC® Direct Payment services or Maestro® service;

"Everyday Banking Plan(s) or Plan(s)" means a group of services packaged together for one fixed monthly fee;

"FirstBank Card®" has the meaning ascribed to it in Part A of the Client Trading Agreement;

"Indebtedness to the Bank" at any time means the amount of the Bank Loan at that time and the amount of any other indebtedness of the Client to the Bank in connection with the Bank Account or otherwise at that time;

"Indebtedness to BMO InvestorLine" has the meaning set out in Section 6 of Part C of the Client Trading Agreement;

"Investment Account" has the meaning ascribed to it in Part A of the Client Trading Agreement;

"Lead Account" means the Personal Account you have designated, from which your monthly Plan fees and excess fees are to be debited;

"Line of Credit" has the meaning ascribed to it in Part A of the Client Trading Agreement;

"Monthly Transaction Limit(s)" means the maximum number of debit transactions and account history inquiries (excluding online account history inquiries) included within an Everyday Banking Plan;

"Obligations to BMO InvestorLine" means all present and future, direct and indirect indebtedness, liability and obligations of the Client to BMO InvestorLine for any reason whatsoever, including without limitation: the Indebtedness to BMO InvestorLine; any amount which BMO InvestorLine in its absolute discretion may pay to a third party on behalf of the Client to settle a purchase of Securities by the Client; all commissions, transaction charges, fees and other charges and taxes payable by the Client hereunder; and any other obligations of the Client to BMO InvestorLine in connection with the Account or otherwise;

"Personal Account(s) or Account(s)" refers to any personal chequing account or savings account you may have with BMO Bank of Montreal;

"Plan Fee Waiver(s)" means the elimination of a Plan's monthly fee by maintaining a specific balance at all times during the month in a Primary Chequing account (which has been designated as the "Lead Account"). Debit transactions exceeding the monthly transaction limit are NOT covered by the Plan fee waiver;

"Pre-Authorized Debit(s)" means automatic transfers for bill payments/debits from a Personal Account, authorized by you and arranged to take place at a specified time(s);

"Prime Rate" means (i) in respect of obligations of the Client to either BMO InvestorLine or the Bank which are denominated in Canadian dollars, the reference rates of interest per annum established by the Bank from time to time for Canadian dollar loans to borrowers and designated as its Prime Rate for such loans, and (ii) in respect of obligations of the Client to either BMO InvestorLine or the Bank which are denominated in U.S. dollars, the reference rates of interest per annum established by the Bank from time to time for U.S. dollar loans to borrowers and designated as its Prime Rate for such loans;

"Securities" includes, without limitation, shares, bonds, debentures, notes, warrants, rights, options, special warrants, installments receipts, deposit receipts, subscription receipts and all other instruments commonly referred to as a "security";

"Self-serve includes" a) debit transactions by cheque, b) debit transaction (excluding ABM paper bill payments) or account history inquiry using electronic means of account access only, including Instabank machines, and other permitted automated banking machines, debit card purchases, Direct Banking (other than those assisted by a Direct Banking Manager), preauthorized bill payments/debits, and similar electronic channels which we enable you to use; and

"Transactions" includes, without limitation the purchase or sale of, or otherwise dealing in Securities, whether or not on margin and whether or not as a short sale.

B. GENERAL TERMS AND CONDITIONS

The following general terms and conditions are applicable to and are deemed to form a part of each of the BMO InvestorLine Account Agreements.

1. Governing Law

The BMO InvestorLine Account Agreements shall be governed by and construed and enforced in accordance with the laws of the jurisdiction in Canada where the BMO InvestorLine office that services the Account is located and the federal laws of Canada applicable therein.

2. First Use

The first use by the Client of the Account shall be deemed to occur at the time at which the Account is opened.

3. Foreign Currency Adjustments

- i) Conversion of any foreign currency funds when necessary, shall take place on the trade date at rates established or determined by BMO InvestorLine.
- ii) As BMO InvestorLine offers Canadian and US currency denominated registered accounts (excluding Registered Education Savings Plans), any non US foreign currency deposited into a registered account, including dividends, interest and proceeds from the sale of foreign securities, will be converted into Canadian funds or US funds depending on the side of the account the security is held, and BMO InvestorLine (or parties related to us) may earn revenue from the foreign currency conversion.
- iii) Currency Conversion and Debit Balances
Where the Client has both a Canadian dollar denominated account and a US dollar denominated account, then:
 - a) if trading results in a debit balance in a Canadian dollar denominated account, then BMO InvestorLine may in its discretion automatically convert currency in the Client's US dollar denominated account and transfer the converted funds to the foreign currency denominated account to cover the debit balance; and
 - b) if trading results in a debit balance in a US dollar denominated account, then BMO InvestorLine may in its discretion automatically convert currency in the Client's Canadian dollar denominated account and transfer the converted funds to the foreign currency denominated account to cover the debit balance.

Such automatic conversions will occur from time to time in the discretion of BMO InvestorLine, depending on the amount of the debit balance. Where the amount of a debit balance is de minimus, conversions may occur annually; where a debit balance is greater than a de minimus amount, such conversions may happen daily. If the Client wishes to cover a debit balance in an account before an automatic currency conversion occurs, the Client should contact BMO InvestorLine at 1 888-776-6886. Where the amount of debit balance is significant, BMO InvestorLine will contact the Client to determine how the debit balance will be covered. BMO InvestorLine acts as agent in currency conversion transactions. We and parties related to us apply discretionary conversion rates and may earn revenue from foreign currency conversions.

4. Successors and Assigns

The BMO InvestorLine Account Agreements shall be binding upon the heirs, administrators, executors, liquidators, successors and assigns of the Client, and each of them if more than one. The Client may not assign the BMO InvestorLine Account Agreements without the prior express written approval of BMO InvestorLine.

BMO InvestorLine or the Bank may assign the BMO InvestorLine Account Agreements and their respective rights and obligations to any affiliate of either of them respectively upon prior notice to the Client and to any regulatory authority having jurisdiction with respect to such assignment.

5. Severability and Enforceability

If any provision or condition of the BMO InvestorLine Account Agreements is held to be invalid or unenforceable, such invalidity or unenforceability shall apply only to such provision or condition. The validity of the remainder of the BMO InvestorLine Account Agreements shall not be affected and the BMO InvestorLine Account Agreements shall be carried out as if such invalid or unenforceable provision was not contained therein.

6. Use of Headings

The headings used in the BMO InvestorLine Account Agreements are for convenience of reference only and shall not in any way affect their interpretation unless the context otherwise requires. Words in the singular include the plural and vice versa and words in one gender include all genders.

7. Notices to Client

Any notice or communication by BMO InvestorLine or the Bank to the Client may be given by prepaid mail, telegraph, facsimile transmission or telex to any address of record of the Client with BMO InvestorLine or the Bank or may be delivered personally (including by commercial courier) to any such address of record, and shall be deemed to have been received, if mailed, on the third business day after mailing or, if sent by telegraph, facsimile transmission,

or telex, on the day sent, or if delivered, when delivered. If there is more than one Client, notice may be given to any one or more of them and any notice so given shall bind all of the Clients. Nothing in this Section shall be interpreted as requiring BMO InvestorLine or the Bank to give any notice to the Client which is not otherwise required to be given.

8. Capacity

The Client:

- if a corporation, represents that it has the power and capacity to enter into the BMO InvestorLine Account Agreements and to effect the transactions contemplated therein and that the execution and delivery of the BMO InvestorLine Account Agreements have been duly authorized by all necessary corporate action on the part of the Client;
- if a partnership, trust or another form of organization, represents that it has the power and capacity to enter into the BMO InvestorLine Account Agreements and to effect the transactions contemplated therein and that the execution and delivery of the BMO InvestorLine Account Agreements have been duly authorized by all necessary action on the part of the Client;
- if an individual, represents that he or she has reached the age of majority and has the power and capacity to enter into the BMO InvestorLine Account Agreements and perform his or her obligations thereunder.

9. Other Agreements

The BMO InvestorLine Account Agreements shall be construed in conjunction with any other agreements between BMO InvestorLine and/or the Bank and the Client in connection with the Account, provided that in the event of any conflict or inconsistency between the BMO InvestorLine Account Agreements and any such other agreement(s), to the extent necessary, the terms and provisions of the BMO InvestorLine Account Agreements shall supersede the terms and provisions of such other agreement(s), whether or not referred to therein. Subject to the foregoing, the provisions of the BMO InvestorLine Account Agreements shall in no way limit or restrict any other rights which BMO InvestorLine or the Bank may have under any other agreement or agreements with the Client. Except as otherwise provided in the BMO InvestorLine Account Agreements, none of the terms and conditions of the BMO InvestorLine Account Agreements may be waived or changed without agreement in writing signed by the Client, BMO InvestorLine and the Bank. If any Applicable Rules and Regulations are enacted, made, amended or otherwise changed with the result that any term or condition of the BMO InvestorLine Account Agreements is, in whole or in part, invalid or contrary to such Applicable Rules and Regulations, then such term or condition will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Rules and Regulations. Any term or condition of the BMO InvestorLine Account Agreements which, notwithstanding any such variation, is invalid shall not invalidate the remaining terms.

10. Account Identification

BMO InvestorLine will provide the Client with an account number card which shall be used as a means of identifying the Client when placing orders. The Client agrees to be responsible for keeping the card safely and for all orders placed using that number until BMO InvestorLine has been notified that the card has been lost or stolen.

11. Further Assurances

The Client shall do all acts or things and shall execute and deliver all documents or instruments as are necessary or desirable to give effect to the provisions of the BMO InvestorLine Account Agreements, including, without limitation, to give effect to all Transactions in Securities for the Investment Account executed by BMO InvestorLine pursuant to the BMO InvestorLine Account Agreements and to permit BMO InvestorLine to debit the Bank Account as provided for in the BMO InvestorLine Account Agreements.

12. Notification of Changes

The Client will advise BMO InvestorLine of any material changes in his or her account, such as change in address, financial situation, employment status or investment experience. In addition, the Client agrees to advise BMO InvestorLine of any restrictions in Securities trading now applicable to the Client and will advise BMO InvestorLine of any changes in such restrictions which may become applicable to the Client. The Client will immediately advise BMO InvestorLine if the Client acquires a controlling interest in or otherwise becomes an insider of any public company (a reporting issuer) and if there is any material change in the information the Client has provided to BMO InvestorLine on the Account Application. The Client, if not an employee of BMO InvestorLine, agrees to disclose and provide proper authorization in accordance with industry practice, if the Client is a partner, director or employee of a member, member firm or member corporation of any stock exchange or a non-member broker or investment dealer.

13. Client's Securities

BMO InvestorLine may hold the Client's Securities which are evidenced by security certificates or other written documentation at its head office or at any of its branches or at any other location (including any agent of BMO InvestorLine) where it is customary for BMO InvestorLine to keep Securities and BMO InvestorLine's responsibilities to the Client for so holding the Client's Securities shall be limited to the same degree of care exercised by BMO InvestorLine or its agent in the custody of its own Securities. Certificates for Securities of the same issue and for the same aggregate amounts may be delivered to the Client in lieu of those originally deposited by the Client or those in which the Client acquired an interest after the date hereof. BMO InvestorLine's responsibilities for holding Securities for the Client for safekeeping will be limited to the same degree of care exercised by BMO InvestorLine in the custody of its own Securities and not more. BMO InvestorLine will not be liable as a guarantor for any loss.

14. No Advice

The Client acknowledges that BMO InvestorLine will provide no investment advice in connection with the Investment Account and that all Transactions in Securities for the Investment Account shall be subject to the Applicable Rules and Regulations.

15. Amendment and Termination

No provision of the BMO InvestorLine Account Agreements can be amended or waived except in writing by an officer of BMO InvestorLine.

Either of the Bank or BMO InvestorLine may terminate the BMO InvestorLine Account Agreements at any time with or without notice to the Client. In any such event, the BMO InvestorLine Account Agreements shall terminate provided that the rights and obligations of each party thereto accrued as at the time of termination shall continue in full force and effect.

The BMO InvestorLine Account Agreements shall continue in force until their termination by the Client as acknowledged by an officer of BMO InvestorLine or by BMO InvestorLine or the Bank.

16. Death of Client

On the death of the Client, subject to the provisions of Part C of the Client Trading Agreement, the Bank and BMO InvestorLine will remit or transfer any Securities or funds in the Investment Account and any funds in the Bank Account to the deceased's legal representative, upon production of the appropriate legal documentation, including a notarized copy of a probated will (not applicable in Quebec).

17. For Residents of Quebec Only

In Quebec the expression "jointly and severally" means "solidarily".

The Client, if a married woman, represents that she is not a "married woman not separate as to property" under the laws of the Province of Quebec (if she is, her husband must also sign the applicable BMO InvestorLine Account Agreements).

18. For Residents of Saskatchewan Only

BMO InvestorLine has attorned to the jurisdiction of the Saskatchewan Securities Commission and the courts of Saskatchewan.

BMO InvestorLine's Saskatchewan agent for service is: Balfour, Moss, Milliken and Kyle, Bank of Montreal Building, Suite 700-2103 11th Ave., Regina, Saskatchewan S4P 4G1 Attn: Fred MacBeth.

There may be difficulty in enforcing any legal rights against BMO InvestorLine because it is resident outside of Saskatchewan and all or a substantial portion of its assets are situated outside Saskatchewan.

19. Telephone Calls

Should the Client place orders for Securities by telephone, such telephone conversations with BMO InvestorLine shall be recorded to assure accuracy of orders. BMO InvestorLine and the Bank may, at their discretion, act in all matters on instructions given or purporting to be given by or on behalf of the Client by telegram, cablegram, radiogram or other electronic transmission, and neither BMO InvestorLine nor the Bank shall incur any liability by reason of acting or not acting on any error in such instructions.

20. Extraordinary Events

Neither BMO InvestorLine nor the Bank shall be liable for any loss however caused, whether directly or indirectly, by government restrictions, by exchange or market rulings, the suspension of trading, wars, strikes or by reason of any other fact which shall not have been caused by the gross negligence of BMO InvestorLine or the Bank or any agent or employees of BMO InvestorLine or the Bank.

21. English Language

It is the express wish of the parties that the BMO InvestorLine Account Agreements and all related documents, notices and other communications be in English. Les parties aux présentes ont expressément exigé que la présente convention, tous les documents qui y sont afférents et tous les avis et autres communications entre les parties soient rédigés en langue anglaise.

SECTION ONE: Part B

Client Agreement for Trading, Margin and Self-Directed RSP Accounts

A. INTRODUCTION

The Account has two components, namely an investment account or accounts with BMO InvestorLine (individually and collectively the "Investment Account") and a Canadian dollar, and if requested, a U.S. dollar bank account(s) with the Bank (individually and collectively, the "Bank Account").

The Bank, if requested by the Client, may also grant to the Client a line of credit (the "Line of Credit") by way of an overdraft facility linked to the Bank Account. The Line of Credit may be drawn on only in accordance with the terms of this Agreement. Any amounts advanced pursuant to the Line of Credit are repayable to the Bank on demand. In connection with the Account, the Client shall be entitled to receive a Bank of Montreal AccountLink Service Card (the "FirstBank Card") on terms agreed to by the Bank and the Client in the Cardholder Agreement.

The provisions of this Agreement referring to "Line of Credit," and "overdraft limit" only apply to a Client who has selected and been granted a Line of Credit.

In consideration of BMO InvestorLine and the Bank agreeing to open, operate and maintain an Account in the name of the Client and of other good and valuable consideration, the parties agree that the following terms and conditions shall apply to and govern the Account.

B. THE ACCOUNT

1. Settlement and Charges

The Client shall make full and timely settlement with BMO InvestorLine for each Transaction in Securities for the Investment Account, including, without limitation, depositing the requisite amount in the Account to settle the Transaction. If upon purchase or sale of any Security, BMO InvestorLine is unable to settle the Transaction by reason of the failure of the Client to make payment or deliver Securities in acceptable delivery form, the Client authorizes BMO InvestorLine to take the steps necessary to complete the Transaction in which event the Client will reimburse BMO InvestorLine for all costs, losses or liabilities incurred by BMO InvestorLine in connection therewith. The Client will pay to BMO InvestorLine all commissions, other transaction charges and any applicable taxes payable by the Client which BMO InvestorLine is required to collect in respect of each Transaction (including any Transaction pursuant to Section 11). Such commissions and other transaction charges shall be at BMO InvestorLine's customary rates in the circumstances or as negotiated between BMO InvestorLine and the Client from time to time. The Client authorizes BMO InvestorLine to effect the settlement of Transactions in the Investment Account using monies available in the Bank Account or drawn from the Line of Credit.

If at the time of a sale order, the Client does not hold the subject securities in the Account, the Client must satisfy BMO InvestorLine that the Client will be making delivery of the securities in negotiable form on or before the settlement date. Otherwise, if the Client does not hold the securities in the Account or is not making delivery in to BMO InvestorLine of the Securities to the Account on or before the settlement date, the Client must immediately advise BMO InvestorLine. BMO InvestorLine must be able to borrow the Securities for the Client in order to accept the order and make delivery of the sold securities on the settlement date. In this situation the order will be marked as a short sale. A borrowing fee may apply and the Client may be required to replace the borrowed securities on demand and without notice. The borrowing fee is set based on market availability, may vary significantly and is subject to change on a daily basis. The client agrees to pay the prevailing borrowing fee and waives notice of any and all changes in such borrowing fee. In addition to the commission, interest of other fees applicable to the transaction, BMO InvestorLine. (or parties related to same) may earn revenue from borrowing or lending securities to cover short positions. In the event that a short sale is not declared and securities are not delivered on settlement date, as expected, and BMO InvestorLine is required to deliver securities to settle the transaction, then the Client shall bear all costs related to BMO Nesbitt Burns acquiring shares for that purpose.

2. Operation of the Account

BMO InvestorLine has the right to determine in its discretion whether or not any order for Transactions in Securities for the BMO InvestorLine Account is acceptable and whether to execute such order. Subject to the provisions of Part C, BMO InvestorLine will promptly credit to the Bank Account any dividends, interest and capital distributions on or in respect of Securities held in the BMO InvestorLine Account, which are paid by cheque, cash, electronic transfer or other immediately available funds, and any monies (net of all

commissions and the fees, charges and taxes referred to in Section 23 of Part C) received as proceeds from Transactions in Securities held in the BMO InvestorLine Account. The Client acknowledges that the relationship between the Client and BMO InvestorLine and Bank of Montreal with respect to the Bank Account is one of debtor and creditor only. Neither BMO InvestorLine nor the Bank shall be responsible to the Client for any failure of either of them to credit, or any delay by either of them in crediting, any amount to the Bank Account. BMO InvestorLine will promptly debit to the Bank Account any commissions, fees, charges and taxes and other amounts owed by the Client to BMO InvestorLine from time to time, including any interest thereon.

The Client acknowledges that BMO InvestorLine may notify the Bank at any time and from time to time to place a "hold funds" order against the Bank Account in respect of the amount of any purchase transactions, short sales, uncleared deposits and any such commissions, fees, charges and taxes, and the Client agrees that the Bank may act on any such notification. BMO InvestorLine will maintain a record of receipts and deliveries of Securities and the Client's resulting positions in the BMO InvestorLine Account and of credits and debits to the Bank Account initiated by BMO InvestorLine.

As BMO InvestorLine offers Canadian and US currency denominated registered accounts (excluding Registered Education Savings Plans), any non US foreign currency deposited into a registered account, including dividends, interest and proceeds from the sale of foreign securities, will be converted into Canadian funds or US funds depending on the side of the account the security is held, and BMO InvestorLine (or parties related to us) may earn revenue from the foreign currency conversion.

3. BMO InvestorLine Client Service Telephone Lines

The Client shall be entitled to use the BMO InvestorLine client service telephone lines in connection with the Account. To access service through the BMO InvestorLine telephone lines, the Client acknowledges BMO InvestorLine shall require the Client to provide the Client's BMO InvestorLine Account Number and the Client's password, as a means of identifying the Client.

4. Free Credit Balances

Any free credit balances held by BMO InvestorLine from time to time in the Investment Account to the Client's credit need not be segregated and may be used by BMO InvestorLine in the ordinary conduct of its business. BMO InvestorLine may earn revenue from the use of such credit balances. The Client acknowledges that the relationship of the Client and BMO InvestorLine with respect to such monies is one of debtor and creditor only. Neither BMO InvestorLine nor the Bank shall be responsible to the Client for any failure of either of them to credit, or any delay by either of them in crediting any amount to the Bank Account as contemplated by Section 2.

5. Good Delivery

Except for any declared short sale, the Client will not order any sale or other disposition of any Securities not owned by the Client or of which the Client will be unable to make delivery in acceptable delivery form on or before the applicable settlement date for that Transaction all in accordance with the applicable rules and regulations. Whenever the Client orders a short sale, the Client will declare it as a short sale.

c. Security and Remedies

6. BMO InvestorLine's Bank Loan Liability; Indebtedness to BMO InvestorLine

- (a) The Client acknowledges that the Line of Credit which may be granted by the Bank to the Client will be granted only on the condition that BMO InvestorLine will be liable to the Bank for payment of the Bank Loan. Accordingly, BMO InvestorLine, at the request of the Client, hereby agrees that it will be liable to the Bank for payment of the Bank Loan and all accrued and unpaid interest thereon and that such indebtedness is due and owing by BMO InvestorLine to the Bank at all times (such liability of BMO InvestorLine to the Bank is herein called the "BMO InvestorLine's Bank Loan Liability").
- (b) BMO InvestorLine may make payments to the Bank on account of the BMO InvestorLine's Bank Loan Liability at any time without the consent of or notice to the Client.
- (c) The Client acknowledges and agrees that it is liable to and indebted to BMO InvestorLine for the amount of the BMO InvestorLine's Bank Loan Liability whether or not payments have been made in respect thereof by BMO InvestorLine to the Bank (such liability and indebtedness of the Client to BMO InvestorLine is herein called the "Indebtedness to BMO InvestorLine").
- (d) The Client acknowledges and agrees that the Indebtedness to BMO InvestorLine is due and owing by the Client to BMO InvestorLine on demand.
- (e) BMO InvestorLine, the Bank and the Client acknowledge that the respective

liabilities of BMO InvestorLine and the Client to the Bank in respect of the Bank Loan are several and not joint.

7. Payment of Indebtedness

- (a) The Client will promptly pay, when due, any Indebtedness to BMO InvestorLine and any Indebtedness to the Bank together, in each case, with applicable interest. Without limiting the generality of the foregoing, the Client shall repay forthwith to BMO InvestorLine the amount of any BMO InvestorLine's Bank Loan Payments. The Client acknowledges that any Indebtedness to BMO InvestorLine and any Indebtedness to the Bank is payable on demand.
- (b) For greater certainty:
- Any repayment or reimbursement to the Bank of any Indebtedness to the Bank (other than a repayment or reimbursement by or on behalf of BMO InvestorLine) shall concurrently reduce the Indebtedness to BMO InvestorLine by the amount of such repayment or reimbursement; and
 - Any repayment or reimbursement to BMO InvestorLine of any Indebtedness to BMO InvestorLine (other than a repayment or reimbursement by or on behalf of the Bank) including any monies or net proceeds applied to eliminate or reduce such indebtedness pursuant to Section 11, shall concurrently reduce the Indebtedness to the Bank by the amount of such repayment or reimbursement.

The purpose of this Subsection 7(a) and Subsection 7(b) is to ensure that the Client does not have to pay twice what in substance is the same indebtedness.

- (c) If (i) BMO InvestorLine makes a general assignment for the benefit of its creditors or becomes bankrupt under the Bankruptcy and Insolvency Act (Canada); (ii) a receiver, receiver and manager or any other officer with similar powers is appointed for BMO InvestorLine (collectively, a "Receiver"); or (iii) any proceedings respecting BMO InvestorLine are commenced under the Companies' Creditors Arrangements Act (Canada) or under the Winding-Up and Restructuring Act (Canada), then and thereafter, the Bank shall not be entitled to seek repayment of the Bank Loan and any interest thereon from the Client. This restriction shall in no way restrict or limit the rights and remedies of BMO InvestorLine, or any duly appointed Receiver, against the Client in respect of any Obligations to BMO InvestorLine.

8. Interest

The Client shall pay interest on any Obligations to BMO InvestorLine except that no interest shall be charged on any BMO InvestorLine's Bank Loan Liability (as the interest component of such obligation forms part of the definition of "BMO InvestorLine Bank Loan Liability"). Such interest shall be calculated on the average outstanding monthly amount of such obligation and shall be compounded monthly. The interest rate applicable to such obligations shall be the annual interest rate designated from time to time by BMO InvestorLine to be charged on debit balances in accounts with BMO InvestorLine. The Client waives the right to receive prior notice of all changes in such annual rates.

9. Grant of Security Interest to BMO InvestorLine

- (a) For the purposes of this Agreement, the term "Collateral" shall mean:
- any Securities in which the Client has an interest which either come into the possession of BMO InvestorLine or its agents or which BMO InvestorLine is shown on the records of any clearing or similar agency as being the owner of or having an interest in, whether before or after the date hereof and whether in the Investment Account or not;
 - any dividends, interest, and capital distributions on or in respect of the Securities described in item (i) above and any proceeds derived directly or indirectly from any sale or other disposition of or dealing with such Securities, including any payment representing indemnity or compensation for loss of or damage to such Securities and including proceeds of proceeds; and
 - any cash, including any free credit balances, which may now or hereafter be in any of the Client's accounts with BMO InvestorLine whether held in the Investment Account or in any other account in which the Client has an interest.
- (b) The Client acknowledges and agrees that BMO InvestorLine has a general stockbroker's lien on the Collateral as continuing security for the payment of any Obligations to BMO InvestorLine, whether or not any amount owing relates to the Collateral and the Client hereby grants to BMO InvestorLine such a lien in respect of the Collateral and consents to BMO InvestorLine claiming such a lien. The Client acknowledges that, in the common law provinces and territories of Canada, such lien is a lien given by a rule of law and is not subject to the terms of any provincial or territorial personal property security statutes except as specifically provided by such statutes. To the extent, but only to the extent necessary to create, maintain and enforce such general stockbroker's lien and not so as to derogate from such stockbroker's lien, the Client pledges the Collateral to BMO InvestorLine as security for the Obligations to BMO InvestorLine.

- (c) For the Province of Quebec only, the Client hereby hypothecates and pledges the Collateral to BMO InvestorLine for the amount of One Hundred Million Dollars, with interest from the date hereof at the Prime Rate plus 1% per annum. BMO InvestorLine may sell or take the Collateral in payment without giving prior notice or observing any time limits prescribed in respect of such taking in payment or such sales in the Civil Code of Quebec. The said stated amount of the hypothec and pledge and said rate of interest is inserted to comply with requirements of the Civil Code of Quebec and represents the maximum amount for which the Collateral is hypothecated and pledged. It does not represent the amount of the indebtedness and liabilities of the Client secured by the hypothec and pledge from time to time nor the amount of any credit available to the Client by the Bank or by BMO InvestorLine.

The foregoing is in addition to and shall not operate as a novation with respect to any other security or charge held by BMO InvestorLine and/or the Bank with respect to such Collateral.

10. Use of Collateral

So long as any Obligations to BMO InvestorLine exist, the Client authorizes BMO InvestorLine, without notice, to use at any time and from time to time the Collateral in the conduct of BMO InvestorLine's business, including the right to:

- (i) combine any of the Collateral with the property of BMO InvestorLine or other clients or both; (ii) pledge to the Bank or any other third party, any of the Collateral as security for BMO InvestorLine's own indebtedness; (iii) loan any of the Collateral to BMO InvestorLine for its own purposes; or (iv) use any of the Collateral for making delivery against a sale, whether a short sale or otherwise and whether such sale is for the Investment Account, any other account of the Client with BMO InvestorLine or for the account of any other client of BMO InvestorLine.

11. Events of Default

- (a) Each of the following events or circumstances shall constitute an event of default (an "Event of Default") under this Agreement:
- if the Client fails to pay the Bank Loan when due;
 - if the Client fails to pay to BMO InvestorLine any Obligations to BMO InvestorLine when due;
 - if BMO InvestorLine at any time deems the security for any Obligations to BMO InvestorLine to be insufficient for its protection;
 - if on or before any settlement date, the Client fails to provide to BMO InvestorLine any required Securities or certificates in an acceptable delivery form;
 - if the Client fails to comply with any other requirement in favour of BMO InvestorLine or the Bank contained in this Agreement or in any other agreement between the Client and BMO InvestorLine (including its subsidiaries and affiliates) or the Client and the Bank; or
 - if the Client dies, becomes bankrupt or insolvent or if any of the Collateral becomes subject to execution, attachment or other process.
- (b) If an Event of Default occurs, then, in addition to any other right or remedy to which BMO InvestorLine is entitled, BMO InvestorLine may at any time and from time to time without notice or demand to the Client:
- apply any monies held to the credit of the Client in the Bank Account, any monies forming part of the Collateral or any monies held to the credit of the Client in the Investment Account or in any other account of the Client with BMO InvestorLine or any account with BMO InvestorLine in which the Client may have an interest, to eliminate or reduce any Obligations to BMO InvestorLine;
 - sell, contract to sell, or otherwise dispose of or deal with any or all of the Collateral held by BMO InvestorLine for the Client in any account and apply the net proceeds therefrom to eliminate or reduce any Obligations to BMO InvestorLine;
 - exercise any rights in addition to the foregoing which exist as incidents to the general stockbroker's lien described in Section 9;
 - buy-in or borrow any Securities necessary to cover short sales or any other sales made on the Client's behalf in respect of which delivery of certificates in an acceptable delivery form has not been made;
 - cancel any outstanding orders; and/or
 - close the Account.
- (c) Any sales or purchases of all or any part of the Collateral by BMO InvestorLine upon the occurrence of an Event of Default may be made in any manner whatsoever, including, with respect to any Securities which form part of the Collateral, through the facilities of any stock exchange where any such Security is listed, in any over-the-counter market, by public auction, by tender

or by private agreement, and at such time or times and on such terms and conditions and in such manner as BMO InvestorLine in its sole discretion deems advisable.

- (d) If demand is made or notice given to the Client by BMO InvestorLine, it shall not constitute a waiver of any of BMO InvestorLine's rights to act hereunder without demand or notice.
- (e) Any and all expenses (including any legal fees and disbursements on a solicitor and his own client scale) of necessity or reasonably incurred by BMO InvestorLine in connection with exercising any right pursuant to this Section 11 shall form part of the Obligations to BMO InvestorLine.
- (f) The Client shall remain liable to BMO InvestorLine for any Obligations to BMO InvestorLine which remain outstanding following the exercise by BMO InvestorLine of any or all of the foregoing rights.
- (g) The Client acknowledges that the rights which BMO InvestorLine is entitled to exercise pursuant to this Agreement are reasonable and necessary for its protection having regard to the nature of securities markets, including, in particular, their volatility. The Client expressly and irrevocably waives every formality, including without limitation, any demands and notices, prescribed by law in connection with any such sale or disposition to the extent they may be waived under applicable law. The fact that BMO InvestorLine is liable to the Bank in respect of the BMO InvestorLine's Bank Loan Liability shall not affect its rights as a creditor of the Client.

12. Application of Proceeds and Payments

Any proceeds realized by BMO InvestorLine pursuant to the exercise of any remedy set forth in Section 11 and any repayments or reimbursements to BMO InvestorLine on account of any Obligations to BMO InvestorLine shall be applied as follows:

- firstly, to reduce the Indebtedness to BMO InvestorLine and, any interest thereon, and any repayment or reimbursement so applied, other than a repayment or reimbursement by or on behalf of the Bank, shall reduce the Indebtedness to the Bank by the same amount;
- secondly, against any other Obligations to BMO InvestorLine; and
- thirdly, to the Client unless otherwise required by applicable law.

The Client shall remain liable for, and shall forthwith pay, without duplication, and subject always to Section 7, the balance of any Obligations to BMO InvestorLine and the balance of any Indebtedness to the Bank, which remain outstanding after the application of such proceeds, together with interest thereon.

13. Alternative Course of Action

Whenever this Agreement entitles BMO InvestorLine to undertake alternative courses of action, BMO InvestorLine shall be entitled to choose any, none or all of such alternative courses of action in its sole discretion. All of the rights and remedies of BMO InvestorLine described in this Agreement are cumulative, may be exercised separately, successively, concurrently or in combination and shall be in addition to and not in substitution for any other rights or remedies which BMO InvestorLine has pursuant to any other agreement or at law, by statute or in equity, provided that BMO InvestorLine shall not be bound to exercise any of such rights or remedies. BMO InvestorLine shall not be required to exercise any right prior to exercising any other right. The failure to exercise any or all of such rights or the granting of any indulgence shall not in any way limit, restrict or prevent BMO InvestorLine from exercising such rights at any subsequent time and shall not limit, reduce or discharge any Obligations to BMO InvestorLine or any part thereof.

14. Transfers to Other Accounts

BMO InvestorLine may at any time and from time to time apply any of the Collateral, any monies referenced at Paragraph 11(b)(i), any Securities in the Bank Account or any proceeds from the sale or other disposition of any such Collateral or Securities, to pay or cover, or as security for, any obligations to BMO InvestorLine or any obligations of the Client in respect of any other account with BMO InvestorLine howsoever and whenever incurred, whether such account is for only one Client, a joint account or is an account guaranteed by the Client.

D. BANK ACCOUNT AND LINE OF CREDIT

15. General Terms

- (a) The Bank Account shall be governed by this Agreement including the general conditions of operation set forth in Section 16.
- (b) The Bank may debit the Bank Account with amounts credited to the Bank Account for which the Bank is not otherwise reimbursed.
- (c) The Bank may debit the Bank Account with all amounts collectible by the Bank as taxes on the supply of its products and services.

- (d) The Bank may credit the Bank Account with any direct credit and shall not be responsible for (i) the kind or amount of such credit (ii) any delay in or failure to make such credit or (iii) the delivery (timely or otherwise) of any notice of change of a direct deposit instruction to any payer under the same.
- (e) When cheques are deposited, sufficient time must be allowed for the Bank to ensure that they are cleared before the amounts are withdrawn.
- (f) The Client acknowledges and agrees that the conditions of operation of the Bank Account as set forth in Section 16 may be amended by the Bank from time to time and the Client agrees to be bound by such changes.

16. Conditions of Operation

The operation of the Bank Account shall be subject to the following terms and conditions:

- (a) Cheques may be issued on the Bank Account. Any requests by or on behalf of the Client to certify such cheques may not be accepted by the Bank but the Bank will offer an alternative remittance instrument (such as a draft) in such cases.
- (b) Withdrawals may be made by the Client at any branch of the Bank by a request in writing accompanied by the Client's FirstBank Card. The Bank reserves the right to refuse any withdrawal request when not accompanied by the Client's FirstBank Card.
- (c) Interest on any credit balances in the Bank Account will be paid by the Bank at such rates and upon such terms as the Bank may from time to time establish. The rates and terms are available at all BMO InvestorLine and Bank branches.
- (d) The Bank may request seven days' notice of any withdrawal.
- (e) The Client may use the Bank Account for investment purposes only and shall not use the Bank Account for any business operating transactions or any other purpose. It is understood that the Bank may, but shall not be under any obligation to, monitor the Client's compliance with this provision.
- (f) The Client waives in favour of the Bank presentment, notice of dishonour and protest of all bills of exchange, promissory notes, cheques, orders for payment of money, securities, coupons or notes (all or any of which are hereinafter collectively or separately referred to as "Instruments" or an "Instrument" as the case may be) drawn, made, accepted or endorsed by the Client and now or hereafter delivered to the Bank at any of its branches or agencies for any purpose. The Client shall remain liable to the Bank as if presentment, notice of dishonour and protest had been duly made or given, provided that the Bank may note or protest any Instrument because of any endorsement other than that of the Client or for any other reason if the Bank, in its discretion, considers it in the best interest of the Client or the Bank. The Bank will not, in any circumstances, be responsible or liable for failure or omission to note or protest any Instrument.
- (g) The Bank may use the services of any bank or agent as it may deem advisable in connection with any banking business of the Client. Such bank is deemed to be the agent of the Client, and the Bank will not, in any circumstances, be responsible or liable to the Client by reason of any act or omission of such bank or agent, however caused, in the performance of such service or by reason of the loss, theft, destruction or delayed delivery of any Instrument while in transit to or from, or in the possession of such bank or agent.
- (h) The Bank is authorized to charge the Bank Account of the Client with the following:
 - i) the amount of any Instrument payable by the Client at any branch or agency of the Bank;
 - ii) the amount of any Instrument cashed or negotiated by the Bank for the Client or credited to the Bank Account for which payment is not received by the Bank and with the amount of any other indebtedness or liability of the Client to the Bank and with any expenses incurred by the Bank in connection with paying a dishonoured or unpaid Instrument. Notwithstanding such charging, all rights and remedies of the Bank against the parties are preserved. No charging of unpaid Instruments shall be deemed to be payment of such Instruments;
 - iii) the amount of any Instrument received by the Bank for the Bank Account of the Client by way of deposit, discount, collection or otherwise if it is lost or stolen or otherwise disappears from any cause whatsoever other than negligence on the part of the Bank; and
 - iv) all amounts collectible by the Bank as taxes on the supply, sale or other provision of its products or services.
- (i) The Client will draw encoded cheques only on the account for which the cheques are encoded. The Bank will not be liable in any circumstances for any loss or damage arising from the wrongful acceptance of a cheque, or wrongful refusal by the Bank to honour a cheque, drawn by the Client on

an account other than the account for which the cheque is encoded.

- (j) A statement of the account will be rendered monthly together with vouchers where applicable for amounts charged to the Bank Account. The Client will advise the Bank promptly if such statement has not been received within ten days of the date upon which it is normally received.
- (k) Upon receipt of the aforesaid statement of account, the Client will check the debit and credit entries, examine the cheques and vouchers and notify the Bank in writing of any errors, irregularities or omissions. This notice will be provided to the Bank within 15 days of the mailing of the statement to the Client or if not mailed, within 15 days of the delivery of the statement to the Client or access to the statement being made available to the Client. At the expiration of the 15 day period (except as to any alleged errors, irregularities or omissions outlined in the said notice) it shall be deemed to be conclusively settled between the Bank and the Client that:
 - i) all transactions described in the statement are properly reflected (subject to the right of the Bank either during or after the 15 day period to charge back items for which payment has not been received);
 - ii) the statement and the balance shown thereon are correct;
 - iii) the said vouchers are properly charged to the Client's account; and
 - iv) the Client is not entitled to be credited with any sum not credited in the statement.

In addition, it shall be conclusively settled as between the Bank and the Client that the Bank is not liable for any loss or claim arising from the breach by the Client or any third party of any fiduciary duty or trust in respect of the sums or dealings noted in the said statements.

- (l) The Client agrees to maintain procedures and controls to detect and prevent thefts of Instruments or losses due to fraud or forgery involving Instruments. The Client further agrees that BMO InvestorLine and the Bank shall have no responsibility or liability whatsoever for any loss due to a forged or unauthorized signature unless: (i) the forged or unauthorized signature was made by a person who was at no time the Client's agent or employee; (ii) the loss was unavoidable despite the Client having taken all feasible steps to prevent loss arising from forgery or unauthorized signatures; (iii) the loss was unavoidable despite the Client having in place the procedures and controls to supervise and monitor the agents and employees of the Client; and (iv) the loss was caused solely by the negligence or wilful misconduct of the Bank or BMO InvestorLine as the case may be. The Client will diligently supervise and monitor the conduct and work of any agent or employee having any role in the preparation of the Client's Instruments and in the Client's bank statement reconciliation or other banking functions.
- (m) If there should be insufficient funds in the Bank Account to pay an Instrument or to pay any charges which the Bank is authorized to charge under the above terms and conditions, then the expression "Bank Account" shall mean any other account which the Client may have at any branch or agency of the Bank and the Bank is authorized to charge such account with the amount of such Instrument or charges.

17. Stop Payment of Cheques

Should the Client be permitted to give a stop payment instruction otherwise than on the Bank's usual form used for such purpose, with respect to any cheque issued on the Bank Account, the Client hereby agrees to hold the Bank and BMO InvestorLine harmless for the amount of each such cheque, as well as for all expenses and costs incurred by the Bank and BMO InvestorLine through refusal to pay the cheque. The Client also agrees that the Bank shall be under no obligation to inquire as to any discrepancy between particulars provided by the Client respecting the cheque and any particulars of any cheque presented for payment, and the Client hereby waives and holds the Bank and BMO InvestorLine harmless from any claim relating to any such discrepancy. The Client hereby further waives and holds the Bank and BMO InvestorLine harmless from any claim relating to payment of any cheque contrary to any such stop payment instruction, unless such payment is made by reason of wilful misconduct or gross negligence on the part of the Bank.

18. Line of Credit

The Bank may, in its sole discretion, grant the Line of Credit to the Client. The Line of Credit is an overdraft facility linked to the Bank Account and is accessed by overdrawing the Bank Account. The credit limit (the "Credit Limit") under the Line of Credit will be initially established by and may thereafter be amended by BMO InvestorLine as agent on behalf of the Bank. The Line of Credit will be administered by BMO InvestorLine as agent on behalf of the Bank as if it were a margin facility granted by BMO InvestorLine subject to the Applicable Rules and Regulations. The Client may access the Line of Credit up to the Credit Limit at the time access is sought to be effected. In addition, any debit made by

BMO InvestorLine or the Bank to the Bank Account pursuant to this Agreement may access the Line of Credit. The Bank has no right to use the Line of Credit to pay off any other obligations the client may owe the Bank. The Bank will charge and the Client shall pay interest on any Indebtedness to the Bank at such annual rate or rates and upon such terms as the Bank may from time to time establish. The Client acknowledges receipt of the annual rate or rates of interest applicable at the time of the execution of this Agreement. The rates and terms in effect at any given time are available at all branches of the Bank.

19. Debits to Bank Account

BMO InvestorLine may, in its sole discretion, instruct the Bank at any time and from time to time to debit the Bank Account to reimburse BMO InvestorLine for any amounts owed by the Client to BMO InvestorLine from time to time, including, without limitation, advances made by BMO InvestorLine to, or payments made by BMO InvestorLine on behalf of, the Client, all commissions and transaction charges, and for all fees and charges referred to in Section 23. The amount of such debit shall forthwith be transferred by the Bank to BMO InvestorLine and shall be used by BMO InvestorLine to reimburse itself. The Client hereby agrees to and authorizes any debits and transfers made by BMO InvestorLine and/or the Bank pursuant to this Agreement including any debits and transfers undertaken pursuant to Section 18, pursuant to this Section 19 or pursuant to Section 14, and irrevocably appoints BMO InvestorLine as the attorney of the Client to take all such action and to execute all such documents as may be necessary or advisable to effect any such debits and transfers.

20. Administration of Line of Credit

Either the Bank or BMO InvestorLine, as agent on behalf of the Bank, may without notice to the Client, at any time and from time to time:

- (a) demand payment of the Bank Loan;
- (b) reduce or cancel any Line of Credit made available to the Client or terminate the provision of any additional advances by the Bank to the Client under the Line of Credit; or
- (c) require the Client to provide further security for the Obligations to BMO InvestorLine in addition to what is required by the Applicable Rules and Regulations.

The Client will provide BMO InvestorLine with any security which is requested by BMO InvestorLine from time to time in respect of any Obligation to BMO InvestorLine and, subject to Section 7, will forthwith pay any Indebtedness to BMO InvestorLine and Indebtedness to the Bank, which becomes due as a result of any reduction or cancellation of the Line of Credit or otherwise.

21. FirstBank Card

By accepting one or more FirstBank Card(s) from the Bank, through use or retention, the Client agrees to assume responsibility for such FirstBank Card(s) in the manner set forth in the Cardholder Agreement and agrees to use its FirstBank Card(s) in accordance with the terms and conditions of the Cardholder Agreement, as amended or replaced from time to time.

E. GENERAL

22. Joint Account

- (a) If more than one person executes the Account Application, then each of the Bank Account and the Investment Account shall be a joint account and shall be subject to the terms of this Section 22. In such event, each Client jointly and severally agrees with the Bank and BMO InvestorLine and with each other that all monies and Securities from time to time deposited to the Bank Account or the Investment Account, interest accruing thereon and dividends and other distributions made in respect thereof, may, subject to the terms of this Agreement, be withdrawn by any Client and each Client hereby irrevocably authorizes the Bank or BMO InvestorLine, as the case may be, to accept from time to time as a sufficient acquittance for any amounts or Securities or other property withdrawn from the Bank Account or the Investment Account, any receipt, cheque or other Instrument signed by any

one or more of the Clients, without any further signature or consent of any other Client. In the absence of conflicting instructions, BMO InvestorLine and the Bank may act upon any instructions or actions of the Clients acting individually or collectively, without instituting any further investigations into the propriety of such instructions or actions or the authority of the Client or Clients to give such instructions or to take such actions. Any Client acting alone shall have full power and authority to consent to amendments to, or to modify or waive any of the terms or provisions of, this Agreement relating to the Account.

- (b) Subject to (a) above, each Client shall have full power and authority, acting individually or collectively, without notice to any other Client, as if such Client were the only person interested in the Account, to operate the Investment

Account and the Bank Account on behalf of the other Clients, including the authorization and execution of Transactions for the Securities in the Investment Account.

- (c) The Bank is hereby authorized to credit the Bank Account with (i) all monies paid to the Bank at the branch of account or at any other branch of the Bank, for the credit of any one or more of the Clients and (ii) the proceeds of any orders or promises for the payment of money, of bonds, debentures, coupons, or other Securities, signed by or drawn by or payable to or the property of, or received by the Bank at the branch of account or at any other branch of the Bank for the credit of any one or more of the Clients and to endorse any of such Instruments on behalf of any one or more of the Clients and the Bank is relieved from all liability for so doing.
- (d) Each Client shall be jointly and severally liable to BMO InvestorLine with respect to all Obligations to BMO InvestorLine of the Client and shall be jointly and severally liable to the Bank in respect of all Indebtedness to the Bank.
- (e) The death of one or more of the Clients shall in no way affect the right of the survivors, or any one of them, to withdraw all monies, Securities or other property deposited in the Bank Account or the Investment Account. (The provisions set forth at this item (e) are not applicable to Accounts governed by the laws of the Province of Quebec.)
- (f) If any term or provision of this Section 22 is inconsistent with or in conflict with the terms or provisions of any other agreement between the Clients and BMO InvestorLine, including any joint account agreement, the provisions of this Section 22 shall supersede such other terms and provisions except that this Section 22 shall in no way limit or restrict any other rights which BMO InvestorLine may have under any other agreement or agreements with any of the Clients.

23. Leverage Risk Disclosure Statements

Using borrowed money to finance the purchase of securities involves greater risk than using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

24. Fees and Charges

The Client shall pay all amounts owing, including interest, to BMO InvestorLine or the Bank with respect to the Account, including without limitation, account administration charges, transaction charges, service charges, safekeeping fees, registration charges and legal fees and disbursements with respect to the exercise by BMO InvestorLine or the Bank of any right or remedy hereunder, and any taxes payable by the Client arising in connection with any of the foregoing. The Bank or BMO InvestorLine may debit the Bank Account with any such amounts owing in accordance with Section 19 hereof (including through accessing the Line of Credit in accordance with Section 18 hereof).

25 Account Statements

Subject to Subsection 16(l) every confirmation, statement or other communication sent by BMO InvestorLine or the Bank to the Client shall be deemed to have been acknowledged as correct, approved and consented to by the Client unless BMO InvestorLine and the Bank shall have received written notice to the contrary within fifteen days after it is sent to the Client.

26. Use of Personal Information

BMO InvestorLine and the Bank shall have the right to establish files on the Client and the object of such files will be the collection of information relating to the Client's investments and dealings at BMO InvestorLine and the Bank. BMO InvestorLine and the Bank shall use such information for the purpose of serving the Client and to meet the requirements under the Applicable Rules and Regulations. Within BMO InvestorLine and the Bank, the following categories of persons shall have the right of access to the Client's information: Call centre employees, members of the Operations department and members of the Compliance and Legal departments. Furthermore, the Client's files will be kept on the premises of the branch where the Client's Account is being held. The Client will be entitled to access and rectify the information maintained in his or her file by contacting BMO InvestorLine.

SECTION ONE: Part C

Options Trading Agreement

In consideration of BMO InvestorLine acting as agent for the Client in connection with the purchase, sale or execution of exchange traded put or call options ("Options") traded on stock or option exchanges, the Client agrees to be bound by the following terms and conditions in addition to the other terms and conditions of the BMO InvestorLine Agreements.

1. Applicable Rules

- (a) Transactions in Options will be subject to the Applicable Rules and Regulations. In addition, each Transaction will be subject to BMO InvestorLine's rules, regulations and policies. The Client acknowledges that such rules, regulations and policies may be enacted, amended or repealed which may effect outstanding positions.
- (b) Without limiting the generality of the foregoing, the Applicable Rules and Regulations and the internal rules, regulations and policies of BMO InvestorLine described in paragraph (a) above may provide for position limits, exercise limits, margin requirements and requirements for cash-only trades during certain periods, such as the last 10 business days prior to expiry of an Option. The Client will comply with all such rules, limits and requirements which are now in effect or which from time to time may hereafter be passed or adopted. Without limiting the generality of the foregoing, the Client shall not exercise a long position in any Options contract if the Client, acting alone or in concert with others, directly or indirectly, have or will have exercised within any 5 consecutive trading business days, aggregate long positions in excess of the applicable position/exercise limits.

2. Effectives of Agreement

This Agreement will be effective and binding upon the Client and BMO InvestorLine for Options trading only after approval of BMO InvestorLine's Designated Registered Options Principal ("DROP") or its Designated Alternative ("AROP") and/or the granting of any margin facility from the time at which BMO InvestorLine first acts upon the Client's instructions.

3. Notification of BMO InvestorLine

The Client will inform BMO InvestorLine of any Option contract transaction the Client enters into with any other broker, dealer or other entity prior to or concurrently with such transaction. The Client hereby indemnifies BMO InvestorLine for any loss or liability it suffers as the result of the Client's failure to notify it of such transactions.

4. Rights of BMO InvestorLine

BMO InvestorLine will have sole discretion to determine whether or not to accept any order from the Client for a trade in an Option. The Client acknowledges that BMO InvestorLine has no duty or obligation to exercise an Option belonging to the Client without his or her specific instructions to that effect. BMO InvestorLine may execute orders for the Client acting as principal on the other side of a transaction or as part of larger transactions for the Client and others and may act for other clients on the other side of a transaction as BMO InvestorLine may deem advisable, subject, however to the rules of the applicable exchange. The Client consents and agrees to ratify any transactions in his or her account in which BMO InvestorLine acts as a market maker or principal in the purchase or sale of Options. It is also understood that any charge to the Client expressed as a commission for any purchase or sale of Options, where BMO InvestorLine acts as a market maker or principal shall be deemed a sum payable increasing the cost to the Client of such transactions.

5. Execution of Orders

BMO InvestorLine's office through which the Client will instruct BMO InvestorLine as to Option transactions will be open during local business hours but an order may be executed at any time.

6. Instructions and Absence of Instructions

The Client will instruct BMO InvestorLine on a timely basis and in any event in such time that BMO InvestorLine may complete such instructions as to the sale, close out or exercise of any position or as to any other action to be taken in connection with any Option, and in any event no later than 4:00 P.M. EST on Friday if exercised that day. BMO InvestorLine may take any action with respect to an Option that it in its sole discretion determines should be taken if the Client fails to give it timely instructions.

7. Allocation of Exercise Notices

BMO InvestorLine will allocate exercise and assignments of exercise notices received by it to accounts of its clients on a random basis, in accordance with its procedures unless the Client is notified otherwise by prior written notice.

8. Liability of BMO InvestorLine

BMO InvestorLine will not be liable to the Client for errors or omissions in connection with or in the handling of orders relating to the purchase, sale, execution or expiration of an Option or any matter related thereto, unless caused by BMO InvestorLine's gross negligence or wilful misconduct.

9. Maintenance of Margin

The Client will at all times maintain such margin as BMO InvestorLine may from time to time require upon or in the Client's account and will promptly meet all margin calls.

10. Collateral

While any Securities held or carried in any of the Client's Options trading accounts are retained by BMO InvestorLine as security in accordance with the Client Trading Agreement, such Securities shall form part of the Collateral which may be dealt with by BMO InvestorLine in the manner specific in the Client Trading Agreement.

11. Actions on Insolvency or Death

In case of any insolvency, death or attachment of any property, BMO InvestorLine may, with respect to any open positions, take such steps as BMO InvestorLine considers necessary to protect it against loss.

12. Buy-ins

Whenever BMO InvestorLine deems it necessary or advisable for its protection to sell any Securities in its possession or to buy-in any Securities of which the Investment Account may be short, or to buy or sell short Options for the Client's account and risk, such sale or purchase may be made in its sole discretion without advertising the same and without prior notice, demand, tender or call to the Client.

13. Correction of Errors

BMO InvestorLine shall be entitled to correct any error in filling an order to buy or sell an Option at market by filling such order at the market price in effect at the time such order should have been filled.

14. Waiver and Modification

None of the provisions of the Options Trading Agreement shall under any circumstances be deemed to have been waived, modified or otherwise affected except to the extent that some waiver, modification or affect is set forth in writing and signed on BMO InvestorLine's behalf by its DROP or AROP. Failure of BMO InvestorLine to exercise any of its rights in any one or more instances shall not be deemed a waiver of any such rights for the future.

15. Acknowledgement

The Client acknowledges that he/she has received, read and understood this Agreement and the Disclosure Statement for Recognized Market Options at Part F of Section Four of this booklet, and is aware of the nature of the risks involved in both the purchase and the writing of Options, whether or not undertaken in combination with the purchase or sale of other Options or Securities. The Client also acknowledges that he/she understand the rights and obligations associated with put and call option contracts and is financially able to assume such risks and to sustain any losses resulting from Option trading.

SECTION ONE: Part D

Trading Authorization and Power of Attorney

A. GRANT OF TRADING AUTHORIZATION

The Client hereby agrees that in the event that he or she has granted trading authorization over the Account to any person to act as agent for the Client (the "Agent") in order to undertake Transactions for the Account by completing the Trading Authorization Form which forms part of the Account Application, the Agent will be authorized to act for the Client in the same manner and with the same force and effect as if the Client had taken such action itself. The Client authorizes BMO InvestorLine to accept the Agent's instructions regarding Transactions for the Account in every respect, and the Client will be deemed to have approved of any such Transactions. Transactions will be made according to the terms and conditions of the BMO InvestorLine Account Agreements and the Client will be fully liable for them. The Client agrees to indemnify BMO InvestorLine and hold BMO InvestorLine harmless from and to pay BMO InvestorLine promptly on demand for any losses or if there is any money due on the Account resulting from the Agent's actions.

This trading authorization and the Client's promise to pay BMO InvestorLine for any losses are in addition to any rights BMO InvestorLine may have under other agreements between BMO InvestorLine and the Client, including, without limitation, under the BMO InvestorLine Agreements and are not meant to limit or restrict BMO InvestorLine's rights in any way.

Scope of Power

BMO InvestorLine and the Client acknowledge and agree that the grant of trading authorization to the Agent does not entitle the Agent to do any of the following:

- i) receive or transfer cash or Securities from the Account;
- ii) receive account correspondence;
- iii) sign agreements on behalf of the Client;

- iv) open other accounts with BMO InvestorLine on behalf of the Client; or
- v) agree to changes in the terms and conditions attaching to the Account.

BMO InvestorLine will not notify the Client if the Agent performs any of the above actions since it is the Client's responsibility to monitor the actions of its agent. BMO InvestorLine is not required to send the Client any statements, notices, or demands concerning such actions.

B. GRANT OF POWER OF ATTORNEY

The Client hereby agrees that in the event that he or she has granted a power of attorney over the Investment Account to any person (the "Attorney") by completing the Power of Attorney which forms part of the Account Application. The Attorney will have the power and authority to do the following on behalf of the Client in respect of the Investment Account:

- undertake Transactions for the Investment Account;
- receive and deliver cash or Securities to the Client for the Investment Account;
- receive transaction statements and approve and confirm them;
- receive all notices and demands of any kind addressed to or intended for the Client from the Investment Account; and
- agree to changes to the terms and conditions attaching to the Investment Account.

BMO InvestorLine will not notify the Client if the Attorney performs any of the above actions, since they will have the same effect as though undertaken by the Client. BMO InvestorLine is not required to send the Client any statements, notices or demands concerning such actions. By appointing the Attorney, the Client is approving all actions taken by the Attorney in respect of the Investment Account.

The Client authorizes BMO InvestorLine to accept the Attorney's instructions in every respect and the Client will be deemed to have approved of any such instructions. Transactions will be made according to the terms of the BMO InvestorLine Account Agreements and the Client will be fully liable for them. The Client agrees to indemnify BMO InvestorLine and hold BMO InvestorLine harmless from and to pay BMO InvestorLine promptly on demand for any losses or if there is any money due on the Investment Account resulting from the Attorney's actions.

The Power of Attorney and the Client's promise to pay BMO InvestorLine for any losses are in addition to any rights BMO InvestorLine may have under other agreements between BMO InvestorLine and the Client, including, without limitation, under the BMO InvestorLine Account Agreements and are not meant to limit or restrict BMO InvestorLine's rights in any way.

Scope of Power

BMO InvestorLine and the Client acknowledge and agree that the grant of Power of Attorney to the Attorney does not entitle the Attorney to:

- issue or deliver cash or Securities to others from the Investment Account.

BMO InvestorLine will not notify the client if the Attorney performs the above-noted action since it is the Client's obligation to monitor the activities of its Attorney. BMO InvestorLine is not required to send the client any statements, notices or demands concerning such actions.

C. TERMINATING THE APPOINTMENT

The Client agrees that the appointment by the Client of the Agent pursuant to Section A or the appointment of the Attorney pursuant to Section B (collectively, the "Appointment") is binding upon the Client and the Client's heirs, executors, administrators, successors and assigns. BMO InvestorLine will continue to deal with the Agent or the Attorney, as the case may be, until the Appointment is terminated in the manner described below:

- (a) **Written Notice:** The Client may revoke the Appointment by giving a signed, written notice addressed and delivered to the BMO InvestorLine office where the Account is kept.
- (b) **Proof of death or incapacity:** The Appointment will end when BMO InvestorLine has received written proof of the Client's death or incapacity or, in the case of a joint account, the death or incapacity of one of the Clients (for example, when BMO InvestorLine receives a copy of the death certificate or doctor's certificate). For greater certainty, if the Investment Account is a joint account, written proof of the death or incapacity of one of the Clients will have the effect of ending this Appointment.

The Appointment will terminate when BMO InvestorLine actually receives the Client's written notice described in (a) above or the written proof of death or incapacity described at (b) above, or upon receipt by BMO InvestorLine of an overriding grant of trading authority or Power of Attorney.

SECTION ONE: Part E

BMO InvestorLine Internet and Automated Telephone Trading Agreement

IN CONSIDERATION of BMO InvestorLine providing the Client with BMO InvestorLine Internet Trading/Automated Telephone Trading Services, the Client and BMO InvestorLine, on its own behalf, and as trustee for its directors, officers, employees and agents agree as follows:

1. Definition of terms – In this Agreement:

- (a) "Access Device" means any device, such as a telephone, cellular phone, portable phone, personal computer, intelligent terminal or similar device, that the Client uses to access the Services.
- (b) "Password" means the personal password selected by the Client for access to the Services using the Access Device.
- (c) "Information" has the meaning set out in Section 6 below.
- (d) "Services" means the BMO InvestorLine Internet Trading and Automated Telephone Trading services and the information, documents, software and content thereof.
- (e) "Trade Request" means any request that BMO InvestorLine undertake a Transaction for or on behalf of the Investment Account that is created and transmitted to the BMO InvestorLine trading desk using the Services.

2. Use of Password

- (a) The Client agrees not to disclose the Password to any person and keep it separate from instructions about the Services. The Client agrees to be responsible for all costs and charges, including fees and trade settlement costs, incurred through use of the Password. If the Client becomes aware of any unauthorized use of the Password or if the Password is lost or stolen, the Client will notify BMO InvestorLine immediately by telephoning 1 800 387-7800.

The Client shall avoid selecting an obvious Password, such as a street address, date of birth or telephone number. The Client shall change the Password on a regular basis to reduce the potential for unauthorized use.

- (b) Once the Client has entered the Password into the Access Device, the Client agrees not to leave the Access Device unattended until all Trade Requests are completed and the Client has terminated the Services connection through the Access Device.

3. Trade Request Processing

The Client hereby authorizes BMO InvestorLine to accept, transact and execute any Trade Request for the Account and agrees to be solely responsible for the accuracy of any instruction communicated to BMO InvestorLine using the Services. The Client agrees that all Trade Requests will only be processed, if in BMO InvestorLine's sole discretion, the Client's Account is in good order, the Client has sufficient funds or buying power to complete the Transaction contemplated by the Trade Request. In certain circumstances, BMO InvestorLine may request additional confirmation of a Trade Request before execution of the Trade Request. The Client agrees to provide to BMO InvestorLine a current telephone number at which the Client may be reached to discuss any Trade Request. This telephone number shall be kept up to date with BMO InvestorLine. The Client may telephone BMO InvestorLine at any time to determine the status of prior Trade Requests entered using an Access Device.

4. Subsequent Changes to Trade Requests

The Client may enter a subsequent change to a previously sent Trade Request by telephone or via the Internet and only if the original Trade Request has not yet been executed. BMO InvestorLine agrees to act with respect to such subsequent change requests only on a best-efforts basis.

5. Liability Limitations

- (a) BMO InvestorLine may, in its discretion, act in all matters on instructions given or purporting to be given by or on behalf of the Client by a Trade Request using the Services. BMO InvestorLine shall not incur any liability by reason of acting or not acting on or because of any error in any such Trade Request submitted by the Client.
- (b) The Client agrees that BMO InvestorLine will not be liable for any loss or damage resulting from any cause over which BMO InvestorLine has no control including, but not limited to, acts or omissions of suppliers, failure of electronic or mechanical equipment or communications lines, telephone or other interconnect problems, unauthorized access, theft, power failure, labour disputes or government intervention.
- (c) BMO InvestorLine warrants that all Services rendered pursuant to the Agreement shall be performed in a good and workmanlike manner and in

accordance with industry standards and practices reasonably applicable to the performance of the Services. BMO InvestorLine shall reperform any Services not in compliance with these warranties, provided such noncompliance is brought to its attention within 30 days after those Services were performed.

- (d) In no event will BMO InvestorLine be liable for any special, indirect, incidental or consequential damages, including, without limitation, lost revenues, lost profits or loss of prospective economic advantage resulting from the use of the Services or misuse of BMO InvestorLine's web site even if advised of the possibility of such damages, or for any claim by another party.

6. Information Sources

Information, including news and information supplied by third parties, provided through the Services (collectively "Information"), has been obtained from various information suppliers through sources believed to be reliable. BMO InvestorLine does not warrant the timeliness, sequence, accuracy or completeness of any market data or other Information provided through the use of Services. The Client acknowledges that the Information may include views and opinions of individuals or organizations that may be of interest to investors generally, but that BMO InvestorLine and its Information suppliers do not endorse such views or opinions, or give investment, tax, accounting or legal advice, or recommend the purchase or sale of any Security.

7. Proprietary Rights

The Client acknowledges that all Information conveyed through the Services is proprietary to BMO InvestorLine or to the appropriate information supplier and is protected by copyright law and other applicable intellectual property laws. The Client may store the Information in the memory of the Access Device. The Information may also be printed and displayed for the Client's personal and noncommercial use. The Client agrees not to reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or otherwise commercially exploit the Information without the express written consent of BMO InvestorLine and the appropriate Information supplier.

8. Confidentiality

Confidentiality and security of Trade Requests over the Internet are provided through the implementation of a 128 bit Secure Sockets Layer ("SSL") encryption security feature. Accordingly, the Client's Account cannot be accessed without web browser software that uses 128 bit SSL encryption.

9. Available Only Where Permitted By Law

The Services are only available in jurisdictions where they may legally be offered.

10. Hyperlinks Are Not Endorsements

Links to other web sites or references to products, services or publications other than those of BMO InvestorLine at its web site do not imply the endorsement or approval by BMO InvestorLine of such web sites or such products, services or publications.

11. General Provisions

- (a) The Client agrees and acknowledges that BMO InvestorLine may modify or discontinue the Services or any part of them at any time. The Client also acknowledges that the Services may be periodically unavailable to allow for systems maintenance and updates.
- (b) This Agreement is in addition to and not in substitution for any other agreements between the Client and BMO InvestorLine, including any agreement relating to the Account or the Services. This Agreement shall prevail in the event of any inconsistency between this Agreement and other agreements between the Client and BMO InvestorLine in connection with the Services.
- (c) The conditions, rules and regulations set forth in any manuals, materials, documents or instructions relating to this Agreement sent to the Client form part of this Agreement.

SECTION TWO

BMO Trust Company Account Agreements

Parts A and B apply to Self-Directed RSP/RIF Accounts only

SECTION TWO: Part A

BMO InvestorLine Self-Directed Retirement Savings Plan Declaration of Trust

BMO Trust Company (the "Trustee") will act as Trustee of a BMO InvestorLine Retirement Savings Plan (the "Plan") for the applicant named in the attached application (the "Planholder"), on the following terms and conditions. The Plan comprises the attached application and this Declaration, 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 InvestorLine Inc. (the "Agent"). The Trustee shall, however, remain ultimately responsible for the administration of the Plan.

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

1. Registration and Purpose

The Trustee will apply for registration of the Plan under the Act and any applicable provincial legislation relating to retirement 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. 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 Declaration. 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 or the Agent, to manage the investments of the Fund), only in such investments as may be made available for the Plan from time to time by the Agent or the Trustee. The Fund may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds. The Fund may be invested in investments which are issued by the Trustee, the Agent or their affiliates.

In its capacity as investment dealer for the Planholder's account, the Agent will be governed by the BMO InvestorLine Client Agreements entered into with the Planholder and by the applicable laws, rules and regulations of the applicable securities regulatory authorities, including among others the Investment Dealers Association and the Toronto Stock Exchange.

Neither the Trustee nor the Agent (in its capacity as Agent) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation 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 Declaration. Other than its duties with respect to the Fund expressly stated in this Declaration, 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.

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 retirement savings plan under the Act. This determination shall be the responsibility of the Planholder.

The Trustee and/or the Agent 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 and/or the Agent may retain all or such portion of the interest as they in their sole discretion determine for their own use and benefit. If any portion of the interest is credited back to the Fund, it will be at such rate and at such time as the Trustee and/or Agent in their sole discretion determine. Information on current interest rates and the minimum credit balances required to earn interest is available on request or on our website at www.bmoinvestorline.com.

6. Account

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

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 which 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 InvestorLine Registered Retirement Income Fund under which the Planholder is the annuitant. 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.

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

8. 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.

9. 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 former common-law partner is the Planholder, where:

- (a) the Planholder and the Planholder's spouse or common-law partner or former spouse or former 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 former common-law partner in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership.

10. Death of Planholder Before Maturity

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.

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.

11. 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 Declaration 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.

12. 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 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.

13. 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.

14. 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 subparagraphs 146(2)(c.4)(i) to (iv) of the Act.

15. 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 the Agent may charge fees, commissions and expenses to the Fund in its capacity as the investment dealer firm for the Planholder's account.

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.

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.

16. Instructions

The Trustee and the Agent shall be entitled to rely upon instructions received from the Planholder or from any person designated in writing, in accordance with applicable laws, by the Planholder to give instructions on behalf of the Planholder or from any person purporting to be the Planholder or such designated person, as if they were from the Planholder. The Trustee or the Agent may, without incurring any liability to the Planholder or any other person, decline to act upon any instruction if the instruction is not given in a timely manner, is not 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.

17. No Liability

Neither the Trustee nor the Agent shall be liable to the Planholder (or to any beneficiary or legal personal representative of the Planholder) for any loss to or diminution of the Fund 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, willful misconduct or lack of good faith.

The Trustee and the Agent shall be entitled to be indemnified out of the Fund for all costs, expenses, taxes, interest or penalties, charges or liabilities of whatever nature or kind resulting from good faith acts in accordance with instructions or failures to act in the absence of instructions. In the event the assets of the Fund shall be insufficient to indemnify the Trustee and the Agent fully in any such regard, by establishing the Plan the Planholder agrees to indemnify and hold the Trustee and the Agent harmless for any such costs, expenses, charges or liabilities.

18. Amendment

The Trustee may from time to time in its discretion amend this Declaration 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.

19. 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.

20. Notice

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

21. Binding

The terms of this Declaration 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.

22. Governing Law

This Declaration shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada where the BMO InvestorLine office that services the account is located and the federal laws of Canada applicable therein.

SECTION TWO: Part B

BMO InvestorLine Self-Directed Retirement Income Fund Declaration of Trust

BMO Trust Company (the "Trustee") will act as Trustee of a BMO InvestorLine Retirement Income Fund (the "Plan") for the applicant named in the attached application (the "Planholder"), on the following terms and conditions. The Plan comprises the attached application and this Declaration, 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 InvestorLine Inc. (the "Agent"). The Trustee shall, however, remain ultimately responsible for the administration of the Plan.

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

1. Registration and Purpose

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

2. Transfers to the Plan

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

- (a) a registered retirement savings plan or another registered retirement income fund under which the Planholder is the annuitant;
- (b) a registered pension plan of which the Planholder is a member (within the meaning assigned by subsection 147.1(1) of the Act) or a deferred profit sharing plan of which the Planholder is a member;
- (c) the Planholder to the extent only that the amount of the consideration was an amount described in subparagraph 60(l)(v) of the Act;
- (d) a registered retirement income fund or a registered retirement savings plan of the Planholder's spouse or common-law partner or former spouse or common-law partner under a decree, order or judgment of a competent

tribunal or under a written separation agreement, relating to a division of property between the Planholder and the Planholder's spouse or common-law partner or former spouse or former 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 provincial pension plan in circumstances to which subsection 146(21) of the Act applies.

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 Declaration.

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 Annuitant, in a form and manner satisfactory to the Trustee or the Agent, to manage the investments of the Fund), only in such investments as may be made available for the Plan from time to time by the Agent or the Trustee. The Fund may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds. The Fund may be invested in investments which are issued by the Trustee, the Agent or their affiliates.

In its capacity as investment dealer for the Planholder's account, the Agent will be governed by the BMO InvestorLine Client Agreements entered into with the Planholder and by the applicable laws, rules and regulations of the applicable securities regulatory authorities, including among others the Investment Dealers Association and the Toronto Stock Exchange.

Neither the Trustee nor the Agent (in its capacity as Agent) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation 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 Declaration. 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.

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 retirement income fund under the Act. This determination shall be the responsibility of the Planholder.

The Trustee and/or the Agent 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 and/or the Agent may retain all or such portion of the interest as they in their sole discretion determine for their own use and benefit. If any portion of the interest is credited back to the Fund, it will be at such rate and at such time as the Trustee and/or Agent in their sole discretion determine. Information on current interest rates and the minimum credit balances required to earn interest is available on request or on our website at www.bmoinvestorline.com.

4. Account

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

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.

A payment cannot be greater than the value of the Fund immediately before the time of the payment.

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

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

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

6. Electing Spouse or Common-law Partner as Successor Annuitant

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

- (i) 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
- (ii) the fair market value of the Fund.

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

9. Death of Planholder

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 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.

10. 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 Declaration, 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.

11. 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 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 indemnify 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.

12. 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.

13. No Benefit or Loan

No benefit or loan that is conditional in any way on the existence of the Plan may be extended to the Planholder or to any person with whom the Planholder does not deal at arm's length, other than a benefit derived from the provision of administrative or investment services in respect of the Plan or as otherwise permitted under subsection 146.3(2)(g) of the Act.

14. 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's account.

The Planholder acknowledges that the Agent may charge fees, commissions and expenses to the Fund in its capacity as the investment dealer firm for the Planholder's account.

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.

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.

15. Instructions

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

16. No Liability

Neither the Trustee nor the Agent shall be liable to the Planholder (or to any beneficiary or legal personal representative of the Planholder) for any loss to or diminution of the Fund 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, willful misconduct or lack of good faith.

The Trustee and the Agent shall be entitled to be indemnified out of the Fund for all costs, expenses, taxes, interest or penalties, charges or liabilities of whatever nature or kind resulting from good faith acts in accordance with instructions or failures to act in the absence of instructions. In the event the assets of the Fund shall be insufficient to indemnify the Trustee and the Agent fully in any such regard, by establishing the Plan the Planholder agrees to indemnify and hold the Trustee and the Agent harmless for any such costs, expenses, charges or liabilities.

17. Amendment

The Trustee may from time to time in its discretion amend this Declaration 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.

18. Replacement of Trustee

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

19. Notice

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

20. Binding

The terms of this Declaration 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.

21. Governing Law

This Declaration shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada where the BMO InvestorLine office that services the account is located and the federal laws of Canada applicable therein.

SECTION TWO: Part C

BMO InvestorLine EDUCATION SAVINGS PLAN TERMS AND CONDITIONS INDIVIDUAL PLAN

We, BMO InvestorLine Inc., are the promoter of the BMO InvestorLine Inc. Education Saving Plan (the "Plan"). (The words "us" and "our" refer only to BMO InvestorLine 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 attached 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:

- the payment of Educational Assistance Payments to or for a Beneficiary of the Plan;
- the payment to (or to a trust in favour of) one or more Designated Educational Institutions in Canada;
- the refund of contributions and, if required, the repayment of amounts under the Canada Education Savings Act (the "CES Act") or a program administered pursuant to an agreement entered under section 12 of that Act;
- the payment of Accumulated Income Payments; or
- the transfer to another trust that irrevocably holds property under a "registered education savings plan" (an "RESP") within the meaning of the Act.

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 RESP's.

3. Grants

Upon your request in the form required by the Minister of Human Resources 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 and 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 program administered pursuant to an agreement entered into under section 12 of that Act. 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 contributions made to the Plan for the Beneficiary for a calendar year

cannot exceed the "RESP annual limit" for the year, as defined in subsection 146.1(1) of the Act. 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 these limits. If either 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 either limit has been exceeded, special rules apply where a Beneficiary is changed or where property is transferred from one RESP to another for a Beneficiary. Where a Beneficiary is changed, the new Beneficiary assumes the contribution history of the former Beneficiary, except where, at the time of transfer, the new Beneficiary is under 21 years of age and the new Beneficiary and former Beneficiary have a common parent, or where both the new Beneficiary and the former Beneficiary are under 21 years of age and are connected by blood relationship or adoption to an original Subscriber. Where there is a transfer from another RESP to the Plan, the contribution history of each Beneficiary of the other RESP is assumed by each Beneficiary of the Plan, except where, at the time of transfer, any Beneficiary under the Plan is also a Beneficiary under the other RESP, or where a Beneficiary of the Plan is under 21 years of age and that Beneficiary and a Beneficiary under the other Plan have a common parent.

Contributions cannot be made to the Plan after the 21st 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 21st 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 25th 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 21st year following the year in which the plan was entered into. But at all times after the end of the 25th 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 to assist the individual to further the individual's education at a post-secondary school level. Educational Assistance Payments can only be paid when the Beneficiary is enrolled as a full-time or part-time student in a "qualifying educational program" at a "post-secondary educational institution". (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 full-time student, Educational Assistance Payments can be paid where the Beneficiary is not a full-time student.)

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

- 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 Higher Education and Science for the Province of Québec for the purposes of An Act respecting financial assistance for students of the Province of Québec;
 - in Canada and certified by the Minister of Human Resources 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
 - a university, college or other educational institution outside Canada that provides courses at a post-secondary school level at which a Beneficiary was enrolled in a course of not less than 13 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.

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

11. Payments to designated Educational Institutions

A "Designated Educational Institution" must be a post-secondary educational institution as defined in paragraph (a) of section 10 above. You may select one or more Designated Educational Institutions (or a trust for one or more Designated Educational Institutions) in Canada to which payments may be made in the Application or by giving instructions to 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 30th 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 postsecondary 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.

15. Termination of the Plan

You may designate the date the Plan is to terminate (the "Termination Date") in the Application. You may also designate or change the Termination Date by instructions to us.

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

The Termination Date cannot be later than the last day of the 35th year following the year in which the Plan was entered into. If property is transferred to the Plan from another RESP and the other RESP was entered into before the Plan, then the Termination Date cannot be later than the last day of the 35th year following the year in which the other RESP was entered into. However, if section 6.1 applies to the Plan, the latest Termination Date is the last day of the 30th 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 Subscribers 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 Applicable Tax Legislation; the CES Act or the CES regulations; (2) any taxes, interest, penalties or other charges levied or imposed by any government authority in respect of the Plan or as a result of payments out of the Plan or the purchase, sale or retention of any investment by the Plan; or (3) 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 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.

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.

23. Replacement of the Trustee

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

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

24. Binding

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

25. Governing Law

The Plan will be interpreted, administered and enforced according to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

This Plan shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Promoter is located where the account is maintained.

26. 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.

SECTION TWO: Part D

BMO InvestorLine EDUCATION SAVINGS PLAN TERMS AND CONDITIONS FAMILY PLAN

We, are the promoter of the BMOInvestorLine Inc. Education Savings Plan (the "Plan"). (The words "us" and "our" refer only to BMO InvestorLine 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 attached 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:

- (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 in Canada;
- (c) the refund of contributions and, if required, the repayment of amounts under the Canada Education Savings Act (the "CES Act") or a program administered pursuant to an agreement entered under section 12 of that Act;
- (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.

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 RESP's.

3. Grants

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

After the death of the last surviving subscriber to the Plan (who is an individual), another person, including the estate of the deceased subscriber, can become a subscriber to the Plan by acquiring the subscriber's rights under the Plan or by making a contribution to the Plan for a Beneficiary. To do this, the legal personal representative(s) of the last surviving subscriber must give us instructions and the person must agree to be bound by 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 one or more individuals as Beneficiaries in the Application, by naming them and providing their address, Social Insurance Number, date of birth and relationship to you.

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

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

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

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

But in order to qualify for certain additional Grants under the CES Act, beneficiaries can only be brothers and/or sisters as defined under the CES regulations.

6. Contributions

All contributions to the Plan must be made by you or on your behalf as subscriber and must be made for a Beneficiary under the Plan. You must provide us the Beneficiary's Social Insurance Number before a contribution is made for the Beneficiary (except where the Plan was entered into before 1999). The Beneficiary

must be resident in Canada (for the purpose of the Act) when a contribution is made for the Beneficiary. However, if a contribution is made by way of a transfer from another RESP under which the Beneficiary was a beneficiary immediately before the transfer, you need not provide us with the Beneficiary's Social Insurance Number, and the Beneficiary need not be resident in Canada, before a contribution is made.

If there is more than one Beneficiary at the same time, you must give us instructions telling us how much of each contribution is for each Beneficiary.

Contributions to the Plan do not include amounts paid into the Plan by the Minister under the CES Act or under a program administered pursuant to an agreement entered into under section 12 of that Act. Contributions may be made periodically or by lump sum payment to us, but a contribution must not be less than the minimum amount that we establish.

The total contributions made to the Plan for the Beneficiary for a calendar year cannot exceed the "RESP annual limit" for the year, as defined in subsection 146.1(1) of the Act. 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 these limits. If either 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 either limit has been exceeded, special rules apply where a Beneficiary is changed or where property is transferred from one RESP to another for a Beneficiary. Where a Beneficiary is changed, the new Beneficiary assumes the contribution history of the former Beneficiary, except where, at the time of transfer, the new Beneficiary is under 21 years of age and the new Beneficiary and former Beneficiary have a common parent, or where both the new Beneficiary and the former Beneficiary are under 21 years of age and are connected by blood relationship or adoption to an original Subscriber. Where there is a transfer from another RESP to the Plan, the contribution history of each Beneficiary of the other RESP is assumed by each Beneficiary of the Plan, except where, at the time of transfer, any Beneficiary under the Plan is also a Beneficiary under the other RESP, or where a Beneficiary of the Plan is under 21 years of age and that Beneficiary and a Beneficiary under the other Plan have a common parent. Contributions cannot be made to the Plan for a Beneficiary who was 21 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 21st 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 21st year following the year in which the other RESP was entered into.

7. Transfers from another RESP

You may transfer property to the Plan for the Beneficiary of the Plan from another RESP, in accordance with the Act, by giving instructions to us.

If there is more than one Beneficiary of the Plan, you must give us instructions telling us how much of the property transferred is for each Beneficiary.

Property cannot be transferred to the Plan from another RESP after the other RESP has made an Accumulated Income Payment.

8. Investment of the Property of the Plan

The property of the Plan shall be invested and reinvested by the Trustee exclusively on your instructions (or of a person authorized by you, in a form and manner satisfactory to the Trustee or us, to manage the investments of the Plan) only in such investments as may be made available for the Plan from time to time by us or the Trustee. The property of the Plan may be invested in investments which require delegation, such as mutual funds, pooled funds and segregated funds. The property of the Plan may be invested in investments which are issued by the Trustee, us or our affiliates.

Neither the Trustee nor we (acting in the capacity as administrative agent for the Trustee) shall have any duty or responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation regarding trustee investment duties and powers) to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the property of the Plan, except as otherwise expressly provided in these terms and conditions. Other than our duties with respect to the property of the Plan expressly stated in these terms and conditions, neither the Trustee nor we shall be

required or expected to take any action with regard to an investment without prior instructions from you. 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 to assist the individual to further the individual's education at a post-secondary school level. Educational Assistance Payments can only be paid when the Beneficiary is enrolled as a full-time or part-time student in a "qualifying educational program" at a "postsecondary educational institution". (Where the Beneficiary has a mental or physical impairment, and it has been certified as required under the Act that the effects of the impairment are such that the Beneficiary cannot reasonably be expected to be enrolled as a fulltime student, Educational Assistance Payments can be paid where the Beneficiary is not a full-time student.)

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

A program is not a qualifying educational program for a particular student if the student is enrolled in the program in connection with, or as part of, the duties of employment and the student is receiving employment income while enrolled in the program.

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 Higher Education and Science for the Province of Québec for the purposes of An Act respecting financial assistance for students of the Province of Québec;

- in Canada and certified by the Minister of Human Resources 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

- a university, college or other educational institution outside Canada that provides courses at a post-secondary school level at which a Beneficiary was enrolled in a course of not less than 13 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.

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

11. Payments to Designated Educational Institutions

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

- 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;
- the payment is made in the 35th year following the year in which the Plan is entered into; or
- 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.

15. Termination of the Plan

You may designate the date the Plan is to terminate (the "Termination Date") in the Application. You may also designate or change the Termination Date by instructions to us.

On the Termination Date or in the event that the trust governed by the Plan is

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

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

The provisions of section 9 will apply to payments, refunds or transfers on termination. If you have not given the Trustee instructions regarding termination by the Termination Date, the Trustee will pay a refund of contributions, to the maximum extent possible, to you.

(If you have not given the Trustee instructions regarding payment, the Trustee may deposit the refund of contributions in an interestbearing 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 Subscribers Dies

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

17. Maintaining Your Account

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

18. Ownership of the Property of the Plan and Exercise of Voting Rights

Ownership of the property of the Plan will be vested in the Trustee. You are the beneficial owner of the property of the Plan.

The property of the Plan will be held in the Trustee's name or nominee name, bearer form or any other name that the Trustee determines. The voting rights attached to any securities held under the Plan and credited to your account may be exercised by you.

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

19. Instructions and Written Notice

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

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

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

20. Fees for Us and the Trustee

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 Applicable Tax Legislation, the CES Act or the CES regulations; (2) any taxes, interest, penalties or other charges levied or imposed by any government authority in respect of the Plan or as a result of payments out of the Plan or the purchase, sale or retention of any investment by the Plan; or (3) 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.

23. Replacement of the Trustee

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

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

24. Binding

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

25. Governing Law

The Plan will be interpreted, administered and enforced according to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

This Plan shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada in which the branch of the Promoter is located where the account is maintained.

26. 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.

SECTION TWO: Part E

BMO InvestorLine Tax-Free Savings Account Trust Agreement

BMO Trust Company (the Trustee) will act as trustee of an arrangement for a BMO InvestorLine Inc. tax-free savings account (TFSA), as defined under the Income Tax Act (Canada) (the Act), with the applicant named in the attached application or, at or after the death of the applicant, with the spouse or common-law partner who is the applicant's survivor designated in accordance with the first paragraph of section 13. The applicant and, after the applicant'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 Trust Agreement, the attached application and applicable law including, without limitation, the Act.

The Trustee may delegate the performance of any of the Trustee's tasks, duties and responsibilities in respect of the Account to BMO InvestorLine Inc. (the Agent). 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 with the Minister of National Revenue to apply to register the arrangement as a TFSA under the Act and any applicable provincial legislation relating to TFSAs.

2. ACCOUNT HOLDER

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

3. CONTRIBUTIONS AND TRANSFERS IN

Contributions and transfers (from another TFSA) of cash and other property may be made to the Account by the Account Holder (but no one other than the Account Holder may make a contribution). 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 10) 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 or the Agent, 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.

BMO InvestorLine Inc. (or an affiliate) will be the investment dealer for the Account Holder. In its capacity as investment dealer for the Account Holder, BMO InvestorLine Inc. (or an affiliate) will be governed by the BMO InvestorLine Inc. Client Agreements and by the applicable laws, rules and regulations of the applicable securities regulatory authorities, including the Investment Dealers Association and the Toronto Stock Exchange.

Neither the Trustee nor the Agent (in its capacity as Agent) shall have any duty or

responsibility, fiduciary or otherwise (including, for greater certainty, under any legislation regarding trustee investment duties and powers) to make or choose any investment, to decide whether to hold or dispose of any investment or to exercise any discretion with regard to any investment of the Account, except as otherwise expressly provided in this Trust Agreement. Other than its duties with respect to the Account or its property as expressly stated in this Trust Agreement, the Trustee shall not be required or expected to take any action with regard to an investment without prior instructions from the Account Holder.

The Account Holder shall not sign any document or authorize any action for the Account in the name of the Trustee or the Agent, including permitting the any property in the Account to be used as security for a loan, without first having authorization from 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 and/or the Agent may retain all or such portion of the interest as they consider appropriate as a fee for services rendered in respect of the Account.

5. RECORDKEEPING FOR THE ACCOUNT

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

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 an income tax return 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 an income tax return 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 holder to file an income tax return 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 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 an income tax return and pay the applicable tax under Part XI.01 of the Act.

10. 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.

11. 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.

12. TRANSFER UPON BREAKDOWN OF MARRIAGE OR COMMON-LAW PARTNERSHIP

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.

13. DEATH OF ACCOUNT HOLDER

The applicant named in the attached application (in this section 13, the **Initial Account Holder**) may appoint his or her spouse or common-law partner as a beneficiary of the trust constituted pursuant to this Trust Agreement and the Account Holder (in this section 13, the **Successor Account Holder**) in the event of the death of the **Initial Account Holder**. Such appointment shall be made using the attached application or another form provided by the Agent, and shall be effective on the death of the **Initial Account Holder** provided the individual who is appointed is the **Initial Account Holder's** survivor. A **Successor Account Holder** shall, at and after the death of the **Initial Account Holder**, have all of the **Initial Account Holder's** rights as the holder of the Account, provided the individual so appointed is the 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.

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.

14. 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 13). While there is an Account Holder, no one that is neither the Account Holder nor 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 Trustee is prohibited from borrowing money or any other property for the purposes 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 Agent, including using his/her interest or, for civil law, right in the Account (or permitting any property of the Account to be used) as security for a loan or other indebtedness, without first having authorization from the Trustee.

15. CEASING TO BE A TFSA

The Account will cease to be a TFSA immediately before the earliest of the following times: (i) the time at which the last Account Holder dies; (ii) the time the Account ceases to be a qualifying arrangement (as defined under the Act); or (iii) the earliest time at which the Account is not being administered in accordance with the conditions in subsection 146.2(2) of the Act. If the Account

ceases to be a TFSA, the arrangement will nevertheless continue as a trust for the benefit of the Account Holder governed by this Trust Agreement and the attached application, except that no further contributions or transfers may be made to the Account under section 3 and no transfers or distributions may be made under sections 11 or 12. 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, a beneficiary or legal personal representative of the Account Holder or paid or charged on account of fees, commissions, expense, taxes penalties and interest.

16. 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 indemnify 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.

17. OWNERSHIP AND VOTING RIGHTS

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

18. 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 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 BMO InvestorLine Inc. (or an affiliate) may charge fees, commissions and expenses to the property of the Account in its capacity as the investment dealer for the Account Holder.

The Trustee and/or the Agent may charge expenses incurred by the Trustee and/or the Agent 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 on a timely basis by the Account Holder.

All taxes, penalties, and interest applicable to the Account shall be charged to the Account. Such taxes, interest and penalties will be paid for out of, or recovered from, the property of the Account.

The Trustee may, without instructions from the Account Holder, apply any cash held in the Account for the payment of fees or expenses or taxes, penalties and interest charged to the Account. Where there is insufficient cash in the Account at any time, the Trustee or the Agent 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 Agent does not receive satisfactory instructions from the Account Holder within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the 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 Agent for the Agent's own account, at such price as the Trustee considers fair and proper.

19. INSTRUCTIONS

The Trustee and the Agent shall be entitled to rely upon instructions received from the 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 or the

Agent may, without incurring any liability to the Account Holder or any other person, decline to act upon any instruction if the instruction is not given in a timely manner, is not in writing where the Trustee or Agent require 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 otherwise does not comply with the Trustee's or Agent's other requirements at such time; or if any of them has any doubt that the instruction has been properly authorized or accurately transmitted.

20. NO LIABILITY

Neither the Trustee nor the Agent shall be liable 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 loss to or diminution of the property of the Account 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 Account for all costs, expenses, taxes, interest or penalties, 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 Account except to the extent that such costs, expenses, taxes, interest or penalties, charges or liabilities are directly caused by the negligence, wilful misconduct or lack of good faith on the part of the Trustee or the Agent. In the event the property of the Account shall be insufficient to indemnify the Trustee and the Agent fully in any such regard, by establishing the Account the Account Holder agrees to indemnify and hold the Trustee and the Agent harmless for any such costs, expenses, charges or liabilities.

21. AMENDMENT

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

22. REPLACEMENT OF TRUSTEE

The Trustee may resign upon 60 days' prior written notice given to the Agent (or such shorter notice as the Agent may accept). The Agent may terminate the Trustee as trustee upon 60 days prior written notice given to the Trustee (or such shorter notice as the Trustee may accept). Upon the resignation or termination of the Trustee, the Trustee shall be released and discharged from all duties and liabilities under this Trust Agreement. Where the Trustee resigns or is terminated, the Agent shall appoint a successor trustee who is permitted to be the issuer of a TFSA under the Act. The Agent shall give the Account Holder written notice of the successor trustee within 30 days of the appointment.

23. NOTICE

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

24. BINDING

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

25. GOVERNING LAW

This Trust Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction in Canada where the Agent's office is located and the federal laws of Canada applicable therein.

SECTION THREE

BMO Bank of Montreal Account Agreements for BMO InvestorLine Accounts with AccountLink Services

The following pages contain all of the relevant banking agreements that apply to Personal Accounts at BMO Bank of Montreal®. These Agreements are effective November 1, 2009 and replace all previous agreements you have with us.

You need to read and understand the agreements covering the services you have chosen. In these agreements, "you" and "your" mean each person who signed the Application, and "we", "us", "our" and "the Bank" mean Bank of Montreal.

Les conventions relatives aux services bancaires courants de la Banque de Montréal sont disponibles en français et en anglais. Si vous ne les avez pas reçues dans la langue de votre choix, nous serons heureux de vous faire parvenir la bonne version sur demande.

SECTION THREE: Part A

Account Agreement

By applying for an account you agree to the following terms:

1. General Terms and Conditions

- Your account is to be used as a personal account only. If your account is used for business purposes, we reserve the right to charge you business banking service charges and/or close the account.
- We may rely on a properly appointed legal representative who is acting for you.
- This Agreement binds your heirs, executors, legal representatives, liquidators, administrators, assigns and, in Quebec, liquidators.
- After your death, we will transfer the balance of the funds in your account to your legal representative. Your representative must first provide us with the proper legal documents.
- You agree to notify the Bank in writing of any unauthorized or forged instruments immediately upon becoming aware of them.
- If you have authorized us to obtain a credit bureau report, we may at our discretion update this information at any future date during the time you are a Bank client. You also agree that we may share your personal information within BMO Financial Group or with credit reporting agencies or with persons with whom you have or may have financial dealings.
- You will supply further information as we may require from time to time to keep your personal information current.
- We may report any improper or unauthorized activity that is in any way connected with your account to any credit reporting agency.
- We may apply a credit balance in any of your accounts with us against any debit balance you may have in any other of your accounts with us. We may do so without first giving you notice and regardless of whether the accounts involved are joint or individual accounts. This right is in addition to any rights which we may have at common law with respect to set-off or consolidation of accounts.
- We may close your account if required by law or if at any time you commit fraud, violate the terms of any applicable agreements, use the account for any improper or unlawful purposes, or operate the account in any unsatisfactory manner.
- Any rights and remedies set out in this Agreement do not affect any other rights or remedies that the Bank may have at common law or otherwise.
- You acknowledge that digital or electronic representations of cheques and other payment items may be made and used by financial institutions, including the Bank, and we may elect to provide such digital or electronic representations of cheques or other payment items to you, in which case the original paper item may be destroyed and not returned to you. We are entitled to act upon such a representation for all purposes as if it were the paper item.
- We may change or end this Account Agreement at any time. You agree to changes made when notice is given in our Canadian branches.

(a) Deposits

- You are able to make deposits to your account at any of our Canadian branches that provide Assisted-service.
- We may require deposits to comply in all respects with all applicable by-laws, rules, regulations and standards of the Bank and/or the Canadian Payments Association.
- When you deposit a cheque, you agree to allow us enough time to make sure the cheque has cleared, before you can withdraw the amount of the cheque.
- We can apply direct deposits to your account. However, we cannot be responsible for the type or amount of the deposit, or any delay in applying or failing to apply the deposit.
- We may debit your account for the amount of any deposits for which we are not fully reimbursed.

- We may accept cheques from you on a collection basis only. The funds will be deposited to your account only if and when payment for the cheque has been received by us from the other financial institution. We may charge a fee for cheques sent on collection, and the other financial institution may also charge associated fees.
- You are responsible for delivering any change in direct deposit instructions to anyone who makes direct deposits to your account.

(b) Interest

- When switching from an interest bearing account to another account type (where permissible and where the account number does not change), any accrued interest will be calculated up to, but including, the date of the switch and will be credited directly to the new account type at the time of the switch.
- When closing an interest bearing account, any accrued interest will be calculated up to but not including, the date of account closure and will be credited directly to the account, at the time of account closure.
- We may change interest rates or terms or both from time to time. Up-to-date information on rates and terms is available at all branches and on the Internet at www.bmo.com.

(c) Withdrawals

- We may reject cheques or other payment items which do not comply in all respects with all applicable by-laws, rules, regulations, and standards, of the Bank and/or the Canadian Payments Association.
- You are able to make withdrawals at Canadian branches that provide Assisted-service by giving your request along with your FirstBank Card® or any other BMO Bank of Montreal card, issued for this purpose, or any additional identification which we may ask you to present.
- There is a limit to the amount of money that you are able to withdraw at a branch other than your branch of account.
- We may require you to give us at least seven days notice before you make a withdrawal, except from Primary Chequing accounts.

(d) Holding of Funds

- There may be a period of 30 days (your branch may decide on a different length of time) after the first transaction on your new account where each non-cash deposit (excluding direct deposits) to your account will be subject to a hold. During this period, we will place a hold on cheques as set out below and place a hold on all other non-cash deposits for a maximum of 7 business days.

The following applies to all accounts (including new accounts as described above):

- When you deposit a fully encoded Canadian dollar or US dollar cheque drawn on a financial institution's branch located in Canada, we may apply a "hold" for a maximum of 7 business days, before you are able to withdraw the funds.
- When you deposit an unencoded or partially encoded Canadian dollar and US dollar cheque drawn on a financial institution's branch located in Canada, we may apply a "hold" for a maximum of 15 calendar days, before you are able to access the funds.
- When you deposit a cheque drawn on a financial institution's branch located outside of Canada, or a fully encoded cheque in a currency other than Canadian dollars or US dollars drawn on a financial institution's branch located in Canada we may apply a "hold" for a maximum of 30 calendar days, before you are able to access the funds.
- A hold provides no guarantee that a cheque or other non-cash deposit will not be returned unpaid after the hold period has expired. If a cheque or other non-cash deposit is returned to us unpaid for any reason at any time, either during or after the expiry of the applicable hold period, we have the right to charge the amount of the cheque or non-cash deposit to your account.

(e) Statements

- Any statement of your Account(s) will be deemed to have been delivered or given to you if sent by the Bank by ordinary mail to your last known address contained in the records of the Bank. You will advise the Bank promptly if you have not received the monthly statement within 10 days of the date on which you normally receive it.
- You are responsible for checking, at least monthly, debit and credit entries to your Account, examining cheques or cheque images and vouchers, if provided, and notifying the Bank in writing of any errors, irregularities or omissions in your statement, passbook or account transaction listing. Such notice must be provided to the Bank within 30 days after: (i) the statement date, if you receive monthly statements; and (ii) the last day of the month in which the transaction was posted to your account, if you do not receive monthly statements. After the 30 day period, you will be conclusively

deemed, except as to errors, irregularities or omissions of which you have notified the Bank in writing within the 30 day period, to have accepted your statement, passbook or account transaction listing as correct and to have accepted all cheques or cheque images and vouchers, if any, as properly charged to your Account. During and after the 30 day period, the Bank may charge back amounts remitted to you for which payment has not been received.

(f) Fees

- We may charge for our services, and debit your account for these charges. We may change service charges from time to time.
- Service charges and fees on U.S. Dollar accounts are charged in U.S. dollars.
- Unless you have a separate overdraft agreement with us, you understand that you do not have the right to overdraw your account. If we allow you to have an overdrawn account, we will charge a fee of \$5.00 for each debit transaction, plus interest at the prevailing overdraft interest rate, as disclosed in our bank branches. You must repay any overdraft and interest on demand. We may change Interest Rates and terms from time to time.
- We may charge you for and debit your account for any costs we incur to recover amounts that you owe us. These costs include legal fees on a solicitor and client basis.
- We may charge you for and debit your account for any costs we incur in order to comply with any request issued under a statutory or court authority for information or documents respecting your account.
- We may debit your account for any taxes collectible by us on all of our products and services.

(g) Inactive Accounts

- Accounts with a balance of \$0 which have had no Client Activity for a period of at least one year, will be closed.

2. Joint Account

The terms in this section apply only if there is more than one person applying for the account. In that case, you also agree to the terms in this section. When the terms above are not consistent with those in this section, the terms above are to be read with appropriate changes.

- We will credit your account with deposits made or endorsed by any one or more of you, or deposits that we receive from any one or more of you, whether such deposits are payable to one or more of you.
- You authorize us to debit your account for withdrawals, cheques, and other debit instructions, when signed by one or more of you, according to the Signing Authority in your Application.
- Your authorization above applies even if an overdraft is created or increased in the account.
- You authorize us to deal with any one of you for any other transactions or matters relating to the account. A stop payment order by any one of you is sufficient to end our authority to pay an item. However, we may still require all of you to sign instructions or documents in some cases.
- Each statement, notice, and other document sent to the address in our records for the account, is to be considered as if we sent it to each of you.
- We may credit your account with the proceeds of any instruments, including securities, that are signed or drawn by any of you, payable or belong to any of you, or are received by us for credit to any of you. We may endorse any of those instruments for any of you. You allow us to do this, and will not hold us responsible.
- You are responsible individually and together (and in Quebec, solidarily) for all your obligations under this Account Agreement.

These provisions apply only if Form of Co-ownership shown is Joint with Right of Survivorship (not applicable in Quebec).

- If any one or more of you dies, any credit balance in your account may be withdrawn or made payable for the survivor(s), according to the Signing Authority for your account.
- If it is impossible, because of the death of any of you, to obtain signatures according to the Signing Authority for your account, you allow us to act on the signatures of all of the survivors.
- After the death of the last survivor, we will transfer the funds in the account to the legal representative of the last survivor.

3. AIR MILES® Reward Program

If you are applying for a Canadian or US Dollar Primary Chequing or Savings account, you also agree to the terms in this section regarding the AIR MILES Reward Program:

- You have one of the following Options
 - (a) to earn AIR MILES reward miles on your account and have them credited to an AIR MILES Collector Number

- (b) not to earn reward miles on your account.
- If you do not indicate your choice when you apply, you agree that you have chosen Option (b).
- You may change your Option by giving us notice of the change in writing at the branch where your account is held.
- If you have chosen Option (a) reward miles will not be earned on your account until you fulfill any other eligible criteria for earning reward miles that we may require from time to time.
- You confirm that the AIR MILES Collector Number provided to us is correct.
- We will direct any reward miles earned on your account only to the Collector Number you provide.
- If you have chosen Option (b), you agree that you will not make any claims against us for not having your account earn reward miles.
- We decide and tell you how the reward miles that we issue can be earned on your account. We may change how they are earned. We may cancel or reverse any reward miles will be adjusted for any point-of-sale reversal or return.
- Your account(s) must be in good standing.
- Regarding all aspects of our involvement in the AIR MILES Reward Program, you agree that the rights that the Collector for your account may have against us are no greater than the Collector's rights against LoyaltyOne Inc. ("Loyalty") in the Collector's agreement with them.
- The AIR MILES Reward Program is covered by a separate agreement between Loyalty and the AIR MILES Collector for your account.
- Loyalty is responsible for the AIR MILES Reward Program. You will not hold us responsible for the Program or any obligation in connection with it or its operation. If the Reward Program is changed or ended, you will also not hold us responsible. You will not make any claims against us for any matter connected in any way with the AIR MILES Reward Program.
- We decide when to report to Loyalty or its agents the AIR MILES reward miles earned on your account from us and we may give Loyalty or its agents any other information reasonably required by Loyalty for the AIR MILES Reward Program. There is a processing period between the time we report the reward miles earned from your account and when those reward miles become available to the Collector.
- You understand that where you have chosen Option (a), and you provide an AIR MILES collector number that belongs to someone else, that the Collector may be able to calculate the value of financial value associated with your account(s) due to the manner in which the reward miles are credited.
- Bank of Montreal has the right to terminate the Program at any time.
- You agree that Bank of Montreal may collect and use information about the type and number of other products and services which you have obtained from other members of BMO Financial Group in order to determine your eligibility for additional reward miles in accordance with the AIR MILES Reward Program.
- If at any time you commit fraud, violate any of these terms, or abuse your Program privileges, we may without affecting our other rights, refuse to allow you to earn reward miles on your Personal Accounts.

- We may change or end this Agreement, and/or the Plan terms, services and fees, at any time. You agree to changes made when notice is given in our Canadian branches.

2. Fees

- The Plan fees are not reduced even if some of the services you have chosen are not available at your branch or at some of our other branches.
- You authorize us to debit your account which has been designated as the "Lead Account" with the monthly Plan fee as well as for each additional Debit Transaction(s) or Account History Inquiry made on any of your accounts in excess of the various monthly limits within the Plan.

3. Special Discount Program

By applying for a Special Discount Program, the Senior Plan, or the Senior Plan with AIR MILES, you acknowledge that the Program is to be used for the transactions of the eligible account holder and spouse. Where an eligible account holder has a joint account with a person who is not their spouse and who is otherwise not eligible for the Program, we reserve the right to withdraw or limit the benefits of the Program in respect of the account.

All Special Discount Program members must register in a branch by providing proof of age and are entitled to one discounted Plan per individual.

Youth:

- You confirm that you are 15 years of age or under; or
- If you opened the Plan to hold account(s) in trust, you confirm that the beneficiary is 15 years of age or under.
- You understand that as of your 16th birthday (or the 16th birthday of the beneficiary of a Plan with accounts in trust), the benefits under the Special Discount Program for Youth will end automatically; however, you (or the beneficiary) will qualify for the Young Adult Special Discount Program.

Young Adult:

- You confirm that you are 20 years of age or under; or
- If you opened the Plan to hold account(s) in trust, you confirm that the beneficiary is 20 years of age or under.
- You understand that as of your 21st birthday (or the 21st birthday of the beneficiary of a Plan with accounts in trust), eligibility for the Special Discount Program ends automatically and the full monthly Plan fee will be applied.

Student/Recent Graduate:

- If you are a student at a postsecondary university, college or registered private vocational school, you understand that you must provide us with annual proof of full-time registration by November 1st of each year, or
- If you are a recent graduate of a postsecondary university, college or registered private vocational school, you understand that you must provide us with proof of graduation by November 1st of the year you graduate. You understand that 12 months from the time you provide us with proof of graduation, eligibility for the Special Discount Program will automatically end and the full monthly Plan fee will be applied.
- If you do not provide us with annual proof of full-time registration by the specified date, or proof of graduation by the specified date, the full monthly Plan fee will be applied automatically.

Senior:

- You confirm that you are 60 years of age or over.

SECTION THREE: Part B

Everyday Banking Plan Agreements

By applying for any Everyday Banking Plan you agree to the following terms:

1. General Terms and Conditions

- You understand and agree to the Plan features and fees, as outlined in the Better Banking Guide found on our website under the "Getting Started", section, which can be found under the "Account Services", tab. You can also request a paper copy through one of our representatives by calling 1 888-776-6886.
- The Monthly Transaction Limit overrides any Debit Transactions otherwise included with certain accounts and any waivers of transaction fees earned by keeping the requisite balance in the account.
- If you have included a spouse in your Plan, your spouse will benefit from the services under your Plan, at no additional cost. The Plan services will be available to your spouse only on the joint accounts or personal deposit accounts in either name covered by the Plan.
- If you wish to take advantage of any credit services offered under the Plan, you may need to apply for them separately.
- You acknowledge that the services provided within your Plan are for personal use only and that excessive use of these services, as determined in our sole discretion, may result in additional charges or termination of your Plan.

SECTION THREE: Part C

BMO Bank of Montreal FirstBanking® Automated Services Agreement

This agreement covers the use of your FirstBank Card or other banking card issued by BMO Bank of Montreal and your personal identification number (PIN) or other identification code or password for FirstBanking® Automated Services described below. It applies to all Personal Account Clients.

How to Read this Agreement

"You" and "your" mean the account holder(s) named in the Account Opening Application, and "we," "us" and "our" mean Bank of Montreal.

1. DEFINITIONS

"Account" means:

- The BMO Bank of Montreal personal deposit account(s) and BMO Bank of Montreal MasterCard® account or Personal Line of Credit that we have linked at your request for access with your Card.

“Card” means:

- Your FirstBank Card or any other BMO Bank of Montreal card with our name or logo which we permit you to use in connection with FirstBanking Automated Services;
- Your BMO Bank of Montreal MasterCard card, if it has been activated to access your Account, and we permit you to use it in connection with FirstBanking Automated Services;
- Stored value cards (also called smart or chip cards) when used in connection with your Secret ID Code to access your Account.

In this Agreement, references to “Card” include “Card number”, unless otherwise specified.

“FirstBanking Automated Services” means any access channels which we may enable you to use by means of your Card and Secret ID Codes, including:

- BMO Bank of Montreal Direct Banking telephone banking service and any other telephone banking service we may make available – which includes instructions given orally or through the use of an interactive voice response system (such as pressing the number buttons on a touch tone telephone);
- Banking services using a personal computer connected via private communications networks or public networks such as the Internet, or via wireless communications networks or similar networks or devices when available;
- Instabank® machines, or other automated banking machines which we approve for use, including devices for loading stored value cards;
- Point-of-sale/debit card terminals at locations which permit you to use your Card to make direct payment transactions on your Account;
- Financial Snapshot™ or other account and information aggregation or consolidation services we make available;
- Any other channels which we may enable you to use by means of your Card and Secret ID Codes.

“FirstBanking Transaction(s)” includes:

- Transactions with respect to your Account, including deposits, withdrawals, transfers or payments (including, but not limited to, bill payments and direct payment/point of sale transactions); as well as Account information, cheque stop payment instructions, and other transactions with respect to your Account that we may permit through FirstBanking Automated Services;
- Applications for investments, mortgages, loans and other types of credit;
- Such other transactions, services or information that we may make available.

“Secret ID Codes” means:

- Your personal identification number (PIN), password or other identification code (whether provided to you by the Bank or selected by you), which is used, together with your Card or alternate mutually agreed upon form of identification.

2. USE OF FIRSTBANKING AUTOMATED SERVICES

- Your use of FirstBanking Automated Services will show that you have received, understood and agreed to this Agreement. You will use FirstBanking Automated Services in accordance with our directions in this Agreement, or as otherwise communicated to you from time to time.
- You authorize us to accept without any further verification, and you agree to be responsible for, all instructions for FirstBanking Transactions via FirstBanking Automated Services, when accompanied by your Card and Secret ID Codes
- The use of your Card or Secret ID Codes by you, or by any person with or without your knowledge or consent, in connection with a FirstBanking Transaction, binds you legally and makes you responsible to the same extent and effect as if you had given signed, written instructions to us. This section is subject to any applicable limitation of your liability under the provisions in this Agreement under the heading “Your Liability”.
- We may verify communications, or the source of the communications, before we accept them, but we are not obligated to do so.
- If you use FirstBanking Automated Services to make bill payments, it is your responsibility to ensure that the billing information (such as biller name and billing account number) you provide to us is accurate and up-to-date at all times. You consent to us exchanging billing information with your billers in order to ensure that your billing information is accurate and up-to-date. You agree that we have no obligation to seek updates to your billing information from any billers and we are not liable to you for any loss or claim that may arise as a result of us not having obtained or received your accurate and up-to-date billing information. You agree to settle any dispute with a biller concerning the failure of the biller to give you credit for bill payments, directly with that biller.

3. TIMING OF FIRSTBANKING TRANSACTIONS

- We will process FirstBanking Transactions made on a weekend or holiday

on your Account on your branch’s next banking day. However, we may require up to five banking days:

- to process any deposit, including any transfer between Accounts;
 - to act on bill payment instructions.
- We may decline or delay acting on any FirstBanking Transaction for any reason; for example, if the instructions are incomplete, ambiguous or cannot be carried out due to insufficient funds or otherwise, or if we doubt their authenticity or their lawfulness.

4. FAXED INSTRUCTIONS

- In some cases we will advise you that we are willing to accept faxes (facsimile, telecopier) at designated telephone numbers. You authorize us to accept without any further verification, and you agree to be responsible for, signed instructions or signed documents for FirstBanking Transactions transmitted to us by fax. You agree that what in our sole determination appears as your signature on faxed instructions or a faxed document binds you legally and makes you responsible to the same extent and effect as if you had given original, signed, written instructions or documents to us, whether or not actually signed by you, or whether or not accurately communicated or received. We will advise you as to what kinds of instructions and documents we will accept by fax. Your use of the fax service will show that you have received, understood and agreed to these provisions.
- In addition to communications by voice and mail, you authorize us to communicate with you by fax, or by online notices or electronic mail to your personal computer, at such numbers or addresses as you provide to us.
- Faxed instructions are “Assisted-service” Debit Transactions, and fees will be assessed accordingly if not covered by your Everyday Banking Plan.

5. OTHER AGREEMENTS AND LAWS MAY APPLY

- This Agreement does not replace any other agreement relating to your Account. In particular, your MasterCard Cardholder Agreement, Personal Line of Credit Agreement, or other credit agreement apply when FirstBanking Automated Services are used to obtain an advance of money from the related credit account with us.
- When you install, use or travel with any software from other companies we may make available to you in connection with any FirstBanking Automated Services, it is solely your responsibility to comply with the provisions of any agreements, licenses and other legal or technical documentation provided by such other companies in connection with the software, and with the legal requirements of any relevant jurisdiction. Unless you are a lawful, licensed user of such software, we may be unable to provide you with the FirstBanking Automated Services that require such software.

6. Foreign Currency Transactions

- We convert withdrawals and purchases made in a foreign currency to Canadian dollars. We make the conversion at our exchange rate, which is 2.5% over the rate set by MasterCard International Inc (which runs the Cirrus and Maestro networks available using your Card) on the date the transaction is posted to your account. The conversion rate may not be the same as the rate that was in effect on the transaction date.

7. KEEP YOUR SECRET ID CODES AND CARD NUMBER CONFIDENTIAL

- You must keep your Secret ID Codes and Card number confidential. They must only be used in connection with services you are certain come from us (or our subsidiaries or authorized service providers), including BMO Bank of Montreal Direct Banking’s online and telephone services, and our account and information aggregation or consolidation services.
- We do not encourage you to keep written records of your Secret ID Codes, but if you need to keep such records, you must keep them separate from your Card at all times. When selecting your own Secret ID Code, avoid use of number combinations that can easily be guessed by someone else – for example, your birth date, address, telephone number or other such information easily obtainable by third parties.
- When inputting your Secret ID Codes into bank machines, point-of-sale/debit card terminals, telephones and computers, you must take reasonable precautions, such as ensuring that no one is watching you and using your body and/or hand as a shield, to conceal your Secret ID Codes from the view of others.
- We encourage you to be cautious of web sites, online services, callers or other parties that pretend to be BMO Bank of Montreal (or a subsidiary) that ask for this information and/or purport to bring together, summarize, aggregate or consolidate your financial data and other information that is currently available to you online, such as the balances and transactions

history on your bank accounts, credit cards, trading and investment accounts. We caution you that there are many web sites offering account consolidation or aggregation services that are not related to us – giving your Secret ID Codes or Card number to these web sites may expose you to losses from your account or theft of your personal information for which we will not be responsible. Only trust our genuine web site or telephone system and operators.

8. YOUR RESPONSIBILITY FOR LOST OR STOLEN CARD/CONFIDENTIALITY

- You must notify us by telephone within 24 hours of learning of the loss, theft or misuse of your Card, that your Secret ID Code was disclosed to, or obtained by, anyone else or may be known by anyone else, or that unauthorized use of FirstBanking Automated Services may be occurring.

9. YOUR LIABILITY

Authorized FirstBanking Transactions

You are responsible for the full amount of all authorized activity resulting from the use of your Card and/or Secret ID Code by any person. Careless handling of your Card and/or Secret ID Codes can result in serious financial losses.

Unauthorized FirstBanking Transactions

You will not be liable for any losses from unauthorized use of your Card or FirstBanking Services due to circumstances beyond your control. These are situations where you could not have prevented and did not knowingly contribute to the unauthorized use. Such circumstances include Bank errors, technical problems or system malfunctions.

- knowingly contributed to its unauthorized use;
- willingly disclosed your Secret ID Codes;
- did not keep your Secret ID Codes separate from your Card; or
- did not notify us by telephone within 24 hours of learning that your Card was lost or stolen, or that the confidentiality of your Secret ID Codes was compromised, and that there are no exceptional circumstances for your failure to notify us in that way.

In those cases, your liability may exceed your account balance, your credit limit or any daily transaction limits. In other words, your liability will not be limited by your account balance, your credit limit or any daily transaction limits.

In All Instances

You will not be liable for losses that occur after you have notified us:

- of the loss, theft or misuse of your Card;
- that your Secret ID Code was disclosed to or obtained by anyone else or may be known by anyone else; or
- that unauthorized use of FirstBanking Automated Services may be occurring.

You agree to cooperate and assist in any investigation that we initiate into unauthorized use you report as a precondition to being reimbursed for any losses. This cooperation may include filing a report with law enforcement authorities.

10. LIMITATION OF OUR LIABILITY

- We will not be responsible or liable for any delay, damage, loss or inconvenience you or any other person may incur if you are unable to access FirstBanking Automated Services in the event of any malfunction for any reason whatsoever, or if we do not receive your instructions for any reason whatsoever, or if there is any delay in the processing of any FirstBanking Transaction, or if we decline to act on your instructions, for any reason.
- We will not be responsible or liable for the release of any information about you before you notify us of the theft or loss of your Card, or if the confidentiality of your Card number or Secret ID Codes is compromised.
- We will not be responsible or liable for any loss or damages you may incur in using any software or assistance from third parties which we may make available to you.

11. WE MAY CHARGE FOR SERVICES

- We may charge fees for FirstBanking Automated Services and FirstBanking Transactions. You authorize us to debit your Account for these fees. Up-to-date information on fees is available at all branches.

12. RETURN OF CARD; NON-TRANSFERABILITY

- Your Card is our property, it is non-transferable, and you will return it to us immediately upon our request.

13. We May Set Limits or Change this Agreement

- We may set or change the limits (dollar amounts or otherwise) on the use of your Card at any time.

- We may change or end this Agreement, and/or the service terms, or services at any time. You agree to changes made when notice is given in Canadian branches or in any other manner which we may determine from time to time.

14. RECORDS AND DISPUTE RESOLUTION

- Our records will be conclusive evidence of your communications and of FirstBanking Transactions. We may tape record your communications with us.
- Any transaction record you receive, or any transaction confirmation number supplied, is meant only to help you with your record keeping. We will be pleased to review our records if you disagree with their accuracy.
- We will not be responsible for the quality of goods or services that you obtained using FirstBanking Automated Services. You will settle any issues directly with the vendor involved.
- If you have any dispute with a biller concerning bill payments made using FirstBanking Automated Services, including the imposition of any additional charges such as late fees or interest penalties, you will settle any issues directly with the biller.

15. GOVERNING LAWS

- This Agreement and FirstBanking Transactions are governed by the applicable laws of the Canadian province or territory in which you reside, and by the applicable laws of Canada.

16. WE MAY OBTAIN PERSONAL AND CREDIT INFORMATION

- If you apply for a loan or credit (including a credit card) using FirstBanking Automated Services, you have obtained notice in writing of and you consent to us obtaining, providing or exchanging such information about you as we may require from time to time, (a) from and with any credit reporting agency, personal information agent, and any other credit grantor, and (b) from your employer or any other reference you provide to us, in order to process your application and to provide the loan or credit.

BMO Bank of Montreal endorses the Canadian Code of Practice for Consumer Debit Card Services and commits to maintain or exceed the level of consumer protection it establishes.

SECTION FOUR

Client Information

BMO InvestorLine Inc. is not registered to trade in futures, therefore any reference to futures in the following text is not applicable.

SECTION FOUR: Part A

Statement of Conflict Policies

The following statement outlines certain potential conflict of interests as at March 2010 which may arise between you, as an account holder, and us, BMO InvestorLine Inc. as a Canadian investment dealer. If you have any questions about anything in this statement please do not hesitate to contact us at 1 888 776-6886.

Related and Connected Issuers

Terminology

We act as agent on your behalf with respect to securities issued by 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.

Bank of Montreal

We are a wholly-owned indirect subsidiary of Bank of Montreal¹. Bank of Montreal is a reporting issuer with securities listed and trading on the Toronto Stock Exchange and the New York Stock Exchange. Because Bank of Montreal is an influential securityholder of ours it is considered to be a related party and where its securities are being distributed to the public it would be considered to be a connected party under Canadian securities laws.

Issuers and Mutual Funds

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

the mutual funds in the BMO Mutual Funds group of funds which are managed and distributed by our affiliate BMO Investments Inc.;

the mutual funds in the BMO Guardian Funds group of funds which are managed and distributed by our affiliate BMO Investments Inc.;

the flow-through limited partnerships entities managed by our affiliate BMO Investments Inc.;

the mutual funds in the BMO Harris Private Portfolios, managed by our affiliate BMO Harris Investment Management Inc. and distributed by BMO Investments Inc.;

Coxe Commodity Strategy Fund, which is managed and administered by our affiliate Harris Investment Management, Inc. provides investment management services and our affiliate Jones Heward Investment Counsel Inc. provides certain valuation and accounting services ;

Star Hedge Manager Corp., which is managed and administered by our affiliate Jones Heward Investment Counsel Inc. provides certain valuation and accounting services;

T. Boone Pickens Energy Fund, which is managed and administered by our affiliate Harris Investment Management, Inc. provides investment management services and our affiliate Jones Heward Investment Counsel Inc. provides certain valuation and accounting services and we act as promoter.

Additionally, our affiliates, Jones Heward Investment Counsel Inc., Harris Investment Management, Inc., Pyrford International plc, Pyrford International Limited and HIM Money Inc. are portfolio advisors to certain of these mutual funds and flow-through limited partnerships.

Where to find Information

Where we act for you in transactions involving related and/or connected issuers a conflict between our interest and yours may arise. In such case the potential conflict will be disclosed to you in the following places:

Where we act as underwriter for an issuance of securities of a related or connected issuer, the prospectus (or other document being used to qualify those securities) will contain a description of the nature of our relationship with the issuer.

Where we buy or sell securities of a related or connected issuer for your account, the confirmation of the trade and your monthly statement will indicate that the issuer is a related and/or connected party.

Relationships with other members of BMO Financial Group

Disclosure of related registrants

In addition to being our principal shareholder Bank of Montreal is the principal shareholder and certain of our officers and directors are also directors and officers of certain of the following Canadian registrants:

BMO Capital Markets Corp.,
BMO Harris Investment Management Inc.,
BMO Investments Inc.,
BMO InvestorLine Inc.,
BMO Nesbitt Burns Ltée/Ltd.,
Harris Investment Management, Inc.,
Harris Investor Services, Inc.,
HIM Money Inc.,
Jones Heward Investment Counsel Inc. and

In connection with our ongoing business activities we obtain or provide management, administrative, referral and/or other services from or to the following affiliates:

Bank of Montreal,
BMO Capital Market Corp.,
BMO Harris Investment Management Inc.,
BMO Investments Inc.,
BMO InvestorLine Inc.,
BMO Capital Markets Limited
BMO Nesbitt Burns Ltée/Ltd.,
BMO Nesbitt Burns Securities Ltd.,

and

Jones Heward Investment Counsel Inc.

Alpha

Alpha is an Alternative Trading System operating in Canada. Bank of Montreal is a limited partner of Alpha Trading Systems Limited Partnership which is the sole limited partner of Alpha ATS L.P. (Alpha). Bank of Montreal is also a shareholder of Alpha ATS Inc. (Alpha Inc.), which is the general partner of Alpha, and Alpha Trading Systems Inc. One of the Bank of Montreal's officers is a member of the board of directors of both Alpha ATS Inc. and Alpha Trading Systems Inc. Bank of Montreal's ownership interest in Alpha Trading Systems Limited Partnership and Alpha Trading Systems Inc. may be re-determined at the end of the first and second year following the launch of Alpha based on the share of trades executed on Alpha. Notwithstanding the Bank of Montreal's interest in Alpha where your trades are executed on Alpha it will always be in accordance with our regulatory obligation to obtain the best execution available.

Insurance

Although we are a subsidiary of Bank of Montreal we are a separate corporation from the Bank. This means that securities sold by us (unless we inform you otherwise concerning a specific security) are:

- (a) not insured by CDIC or any other government deposit insurer;
- (b) are not guaranteed by Bank of Montreal; and
- (c) are subject to fluctuations in market values.

None of the above represents a change in the way we have operated in the past and cash held in securities accounts continues to be backed, up to prescribed limits by the Canadian Investor Protection Fund of Canada (CIPF).

¹Certain of our current and former directors, officers or other employees hold less than 1% of the non-voting shares of Bank of Montreal Securities Canada Limited. Bank of Montreal Securities Canada Limited, through Bank of Montreal Holding Inc., is a subsidiary of Bank of Montreal which is our parent company. None of the representatives who trade in our related mutual funds has an interest in excess of 0.5 per cent of the equity shares of Bank of Montreal Securities Canada Limited.

SECTION FOUR: Part B

Statement of Disclosure

1. BMO InvestorLine Inc. is a subsidiary of Bank of Montreal but is a separate corporate entity.
2. Cash and Securities held in BMO InvestorLine Accounts are covered by the Canadian Investor Protection Fund up to prescribed limits. Cash held in the Bank Account component of BMO InvestorLine Accounts is protected by the Canadian Deposit Insurance Corporation (CDIC) up to prescribed limits.
3. Unless specifically informed to the contrary by BMO InvestorLine Inc., with respect to a particular security:
 - (a) Securities sold by BMO InvestorLine Inc. are not insured by Canada Deposit Insurance Corporation or by any other government deposit insurer;
 - (b) Securities sold by BMO InvestorLine Inc. are not guaranteed by the Bank of Montreal;
 - (c) Values of securities sold by BMO InvestorLine Inc. are subject to market fluctuations.

Disclosure of Related Registrants

Securities legislation requires a securities dealer or adviser to advise its clients if it has a principal shareholder, officer, partner or director that is also a principal shareholder, officer, partner or director of another registrant under such legislation and to describe the policies and procedures adopted to minimize the potential for conflicts resulting from these relationships. As used herein, "principal shareholder" means a person or company that is the direct or indirect registered or beneficial owner of more than 10 per cent of any class or series of voting securities of the person or company.

In addition to being the principal shareholder of BMO InvestorLine Inc., the Bank of Montreal is the principal shareholder of the following registrants: BMO Nesbitt Burns Inc., BMO Nesbitt Burns Ltée/Ltd., BMO Investments Inc., BMO Harris Investment Management Inc., Jones Heward Investment Counsel Inc., Guardian Group of Funds Ltd., BMO Capital Corporation, Harris Nesbitt Corporation, and HIM Money Inc. Certain directors and officers of BMO InvestorLine Inc. are also directors and officers of BMO Nesbitt Burns Inc., BMO Nesbitt Burns Ltée/Ltd., BMO Investments Inc., BMO Harris Investment Management Inc., and Jones Heward Investment Counsel Inc.

Trade execution and certain accounting and system support functions for client accounts with BMO InvestorLine Inc. are contracted to BMO Nesbitt Burns Inc.

BMO InvestorLine Inc. may also obtain from or provide to the Bank of Montreal, BMO Nesbitt Burns Inc., BMO Nesbitt Burns Ltée/Ltd., BMO Investments Inc., Jones Heward Investment Counsel Inc. and BMO Harris Investment Management Inc. other management, administrative, referral and/or other services in connection with its ongoing business activities or the ongoing business activities of these other companies or transactions completed by it or by these other companies. These relationships are subject to certain legislative and industry regulatory requirements which impose restrictions on dealings between related registrants intended to minimize the potential for conflict of interest resulting from these relationships. BMO InvestorLine Inc. has adopted internal policies and procedures which supplement these requirements, including its policies on confidentiality of information.

Referral Disclosure Statement

BMO InvestorLine Inc. (“InvestorLine”) has entered into a referral agreement with certain other members of BMO Financial Group, specifically, BMO Harris Investment Management Inc., BMO Nesbitt Burns Inc., BMO Nesbitt Burns Ltée/Ltd., Bank of Montreal, BMO Trust Company and BMO Investments Inc. (the “Referral Agreement”). The purpose of this Referral Agreement is to facilitate referrals of clients to other members of BMO Financial Group. Each entity (a

“Referring Entity”) which successfully refers clients (each a “Referred Client”) to another entity which is a party to the Referral Agreement (a “Receiving Entity”) may receive a referral fee from the Receiving Entity. [A portion of this referral fee may be paid to the individual employee of the Referring Entity (the “Referring Employee”).] Clients of InvestorLine and BMO Financial Group are not paying any additional charges and fees in connection with such referrals. More details of these potential referral fees are outlined in the chart below.

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

For additional information about referrals, please Call us toll free at 1 888 776-6886 during our business hours from 8:00 a.m. - 8:00 p.m. ET, Monday to Friday. From outside North America call 1 416 281-5400. Press "1" for English, "2" for French, "3" for Cantonese and "4" for Mandarin.

While we expect that all referrals will be made to better serve clients and prospective clients, this disclosure is being provided to you in order to address any potential conflicts of interest as a result of the fact that the Referring Entity receive a fee for referring you.

BMO InvestorLine Inc. (IL)	BMO Harris Investment Management Inc. (BHIMI)	BMO Nesbitt Burns Inc./Ltée (PCD)	BMO Trust Company (Trustco)
Services Receiving Entity may provide to Referred Client			
<ul style="list-style-type: none"> Self-directed/discount brokerage services 	<ul style="list-style-type: none"> Discretionary portfolio management services BHIMI may engage in exempt market trading in relation to the provision of these services 	<ul style="list-style-type: none"> Broker-dealer services Portfolio management services 	<ul style="list-style-type: none"> Trust and estates services
Category(ies) of registration			
<ul style="list-style-type: none"> Investment dealer in all provinces and territories; member of the Investment Industry Regulatory Organization of Canada (IIROC) 	<ul style="list-style-type: none"> Portfolio manager in all provinces and territories of Canada Exempt market dealer in Ontario 	<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; BMO Nesbitt Burns is currently acting as an investment fund manager with respect to the BMO Nesbitt Burns Group of Mutual Funds and will be applying for registration in the category of investment fund manager. 	<ul style="list-style-type: none"> Not a registrant under Canadian securities laws
Activities permitted under registration			
<ul style="list-style-type: none"> Trading 	<ul style="list-style-type: none"> Advising, including discretionary account management and securities investment services 	<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 registrable activities in Canada
Activities not permitted under registration			
<ul style="list-style-type: none"> Investment fund management Advising 	<ul style="list-style-type: none"> Trading (other than trades in exempt securities in reliance on BHIMI’s exempt market dealer registration or on a local jurisdiction exemption; Investment fund management 		<ul style="list-style-type: none"> May not engage in any registrable activities

BMO InvestorLine Inc. (IL)	BMO Harris Investment Management Inc. (BHIMI)	BMO Nesbitt Burns Inc./Ltée (PCD)	BMO Trust Company (Trustco)
Referral Fee paid to Referring Entity and Referring Employee where specified			
<ul style="list-style-type: none"> 25% of segregated commissions earned by InvestorLine in respect of each Referred Client's account(s) A portion of this referral fee may be paid to the Referring Employee 	<ul style="list-style-type: none"> 25% of annual revenue, applicable to referrals made after February 1, 2008 Referrals made on or before January 31, 2008 are subject to a Referral Fee of 15% of annual revenue Equalization payment or assets transferred of 100 basis points or amount transferred for 2 years payable up from each year For Referred Clients to BHIMI by BMO Hong Kong Branch, BHIMI will pay to BMO a Referral Fee of 15% of annual revenue 	<ul style="list-style-type: none"> 25% of gross commissions 100 basis points or amounts transferred for two years, payable up front each year A portion of this referral fee may be paid to the Referring Employee 	

Acknowledgements:

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

If you consent to a referral, we (or, if InvestorLine is not the Referring Entity, the Referring Entity) may disclose Information about you to the Receiving Entity in order to make the referral and allow for the ongoing administration of the referral. The word "Information" means financial and financially-related information about you, including information to identify you or qualify you for products and services, or information needed for regulatory requirements.

All activity requiring registration resulting from the Referral Arrangement will be provided by the Receiving Entity or outsourced to a party duly licensed or registered to carry on such activity. It is illegal for any party to the Referral Agreement to effect trades, advise in respect of certain securities or engage in investment fund management if it is not duly licensed or registered under applicable securities legislation as an investment dealer, an adviser or an investment fund manager.

The Referring Entity does not have authority to make any commitments for or on behalf of the Receiving Entity; you will deal directly with the Receiving Entity in respect of any products or services the Receiving Entity may provide to you.

The Referring Entity and its employees and officers are not and will not be deemed to be agents, employees or representatives of the Receiving Entity, and the Receiving Entity is not responsible for any acts, omissions, statements or negligence of the Referring Entity or any employee or officer of the Referring Entity.

Referral Fees are paid by the Receiving Entity and may change from time to time.

You are under no obligation to purchase any product or service of the Receiving Entity.

or company holding your securities on our behalf. You are referred to as the "beneficial owner" of your securities. The issuers of the securities in your account may not know the identity of the beneficial owner. We are required under securities law to obtain your instructions concerning the various matters below relating to your holding of securities in your account. Please indicate your instructions by completing the National Instrument 54-101– Shareholder Communication Information section in the Account Application form.

Disclosure of Beneficial Ownership Information

Securities law permits reporting issuers and other persons and companies to send materials related to the affairs of the reporting issuer directly to beneficial owners if the beneficial owner does not object to having contact information disclosed to the reporting issuer or other persons and companies. Part 1 of the National Instrument 54-101 allows you to tell us if you OBJECT to the disclosure by us to the reporting issuer or other persons or companies of your beneficial ownership information, consisting of your name, address, email, securities holdings and preferred language of communication. Securities legislation restricts the use of your beneficial ownership information to matters relating to the affairs of the reporting issuer.

If you ALLOW us to disclose your beneficial ownership information, please mark "Yes" in Part 1 of the National Instrument 54-101. You will not be charged with any costs associated with sending shareholder materials to you.

If you DO NOT ALLOW us to disclose your beneficial ownership information, please mark "No" in Part 1 of the form. If you do this, all materials to be delivered to you as a beneficial owner of securities will be delivered by us and you will be responsible for any costs associated with providing these materials to you.

Receiving Shareholder Materials

For securities that you hold through your account, you have the right to receive proxy-related materials sent by reporting issuers to registered holders of their securities in connection with meetings of such shareholders. Among other things, this permits you to receive the necessary information to allow you to have your securities voted in accordance with your instructions at a shareholder meeting. In addition, reporting issuers may choose to send other shareholder materials to beneficial owners, although they are not obliged to do so. Securityholder materials sent to beneficial owners of securities consist of the following materials:

- proxy-related materials for annual and special meetings;
- annual reports and financial statements that are not part of proxy-related materials; and
- materials sent to securityholders that are not required by corporate or securities law to be sent.

Part 2 of the Shareholder Communication Form allows you to choose which materials you want to receive. If you want to receive ALL materials that are sent to beneficial owners of securities, please mark the first box in Part 2 of the Shareholder Communication Form. If you want to DECLINE to receive the three types of materials referred to above, please mark the second box in Part 2 of the Form. If you want to receive ONLY proxy-related materials that are sent in connection with a

SECTION FOUR: Part C

National Instrument 54-101 – Shareholder Communication Information

COMMUNICATION WITH BENEFICIAL OWNERS OF SECURITIES OF A REPORTING ISSUER

According to the National Instrument 54-101, Communication with Beneficial Owners of Securities of a Reporting Issuer, the securities in your account with us are not registered in your name but in our name or the name of another person

special meeting, please mark the third box in Part 2 of the Form.

Note: Even if you decline to receive the three types of materials referred to above, a reporting issuer or other person or company is entitled to deliver these materials to you, provided that the reporting issuer or other person or company pays all costs associated with the sending of these materials. The materials would be delivered to you through us if you have objected to the disclosure of your beneficial ownership information to reporting issuers.

If you indicate in Part 2 of the Shareholder Communication Form that you WANT to receive all shareholder materials, but you also indicate in Part 1 that you DO NOT ALLOW the disclosure of your beneficial ownership information, you may be responsible for any costs associated with providing these materials to you.

Preferred Language of Communication

Part 3 of the National Instrument 54-101 allows you to tell us your preferred language of communication (English or French). You will receive materials in your preferred language of communication if the materials are available in that language.

Electronic Delivery of Documents

Securities law permits us to deliver some documents by electronic means if we have your consent.

Please provide your email if you have one and indicate in Part 4 of the National Instrument 54-101 that you are providing your consent for electronic delivery of such documents by BMO InvestorLine or its agents. While your email forms part of the ownership information, the reporting issuer may not use your email to deliver materials directly to you.

Contact

If you have any questions or want to change your instructions in the future, please contact a BMO InvestorLine Representative at 1 800 387-7800.

SECTION FOUR: Part D

Consent to Sharing of Information

By signing under the heading "Protection of Your Privacy" in the Account Application, you acknowledge and agree that BMO InvestorLine Inc. and the Bank may share your personal and financial information with their subsidiaries and affiliates (the "BMO Financial Group") to better serve you and to provide you with information on their products and services that you might be interested in receiving, based on your client profile. You also agree that the BMO Financial Group may share your personal and financial information with BMO InvestorLine Inc. and the Bank for the same purposes.

Except as provided in Section Four, Part F of this booklet, the provision of products and services under this Agreement is not conditional upon your consent to the use or sharing of your personal and financial information as described above. You may revoke your consent to the use or sharing of your personal and financial information at any time by writing to BMO InvestorLine Inc. and the Bank. If you revoke your consent, you acknowledge that you may not receive information regarding certain products and services of the BMO Financial Group.

BMO InvestorLine Inc., the Bank and members of the BMO Financial Group may obtain information about you from your financial institution(s) or credit bureaus, and you authorize those third parties to give BMO InvestorLine Inc., the Bank and members of the BMO Financial Group such information and BMO InvestorLine Inc., the Bank and members of the BMO Financial Group to disclose any of this information to any financial institution with whom you propose to have financial dealings.

You acknowledge that a BMO InvestorLine Inc. or Bank representative may receive a referral fee from another member of the BMO Financial Group or the BMO Financial Group may receive a referral fee from BMO InvestorLine Inc. and the Bank for any business of the BMO Financial Group, BMO InvestorLine Inc. or the Bank that results from a referral.

Some of the information we will ask for and use, either at the time of account opening or on an update basis (and in some situations to permit the maintenance of your account by us) is also required to satisfy the legal or regulatory requirements of federal and provincial governments and/or other regulatory authorities who may require access to your personal information and may use or disclose the information. Some of the reasons that the regulatory authorities may collect, use and disclose your personal information include:

- Surveillance of trading-related activity,
- Sales, financial compliance, trade desk review and other regulatory audits,
- Investigation of potential regulatory and statutory violations,

- Regulatory databases,
- Enforcement or disciplinary proceedings,
- Reporting to securities regulators, and
- Information-sharing with other regulatory authorities.

SECTION FOUR: Part E

United States Withholding Tax Limitation on Benefits

The Internal Revenue Service of the United States of America has recently effected changes that impact all clients investing in U.S. securities. The changes will impact U.S. withholding tax on U.S. source investment income and are effective January 1, 2001. **Please note that this document is not intended for natural persons (individuals) residing in Canada, the Federal, Provincial or Municipal Government or any agency of any such government.**

This document is meant to assist certain clients in obtaining only a general understanding of their requirement under the new withholding tax rules. It is not intended to be, nor should it be construed to be, legal or tax advice to any client, prospective or otherwise. Clients are encouraged to consult tax or legal expertise for further clarification, if required.

The changes impact certain clients that currently claim reduced rates of withholding tax on investment income earned on U.S. securities under the Canada-U.S. Income Tax Convention 1980, (herein after referred to as the "Treaty") as amended by the Protocols signed on June 14, 1983, March 28, 1984, March 17, 1995, and July 29, 1997. In order to continue enjoying the reduced Treaty rates of withholding tax on U.S. investment income received after January 1, 2001, certain clients must certify that they are eligible for Treaty Benefits. Failure to certify the Limitation on Benefits statement would result in the application of non-treaty rate withholding (generally 30%) on the client's U.S. source investment income. This is in comparison to Treaty reduced rates of generally 15% on U.S. source dividends and 10% on U.S. source interest.

As part of the certification process, affected clients are asked to certify the following statement:

[Name of account holder] meets all the provisions of the Treaty that are necessary to claim a reduced rate of withholding, including any Limitation on Benefits provision, and derives the income within the meaning of section 894 of the Code, and the regulations thereunder, as the beneficial owner.

The reference to section 894 of the Code and the regulations thereunder, refers to the Internal Revenue Service Income Tax Code and the related Income Tax Regulations.

The Limitation on Benefits Article, found in Section XXIX-A of the Treaty defines who can sign the above statement. Certification of the above statement indicates that the recipient of U.S. source income meets the definition of a "qualifying person" as set forth in Article XXIX-A of the Treaty. Treaty benefits may still be available to clients that are not "qualifying persons", if that person satisfies other tests stipulated in the Treaty.

Qualifying Persons

Listed below are various entities that could meet the definition of a "qualifying person" under Article XXIX-A of the Treaty. These entities could continue to enjoy reduced withholding rates once they certify the Limitation on Benefits Treaty statement. **Please note that there are various tests which must be met by each entity in order to be classified as a "qualified person". This is not intended to be an exhaustive list.**

- 1) Publicly Traded Companies or Trusts
- 2) Subsidiaries of Publicly Traded Companies or Trusts
- 3) Private Companies and Unlisted Trusts
- 4) Estates resident in Canada
- 5) Not-for-Profit Organizations
- 6) Registered Retirement Savings Plans, Registered Retirement Income Funds, LIRAs, Pension Funds, etc.

Non-Qualifying Persons

A person that is a resident of Canada but does not fit into one of the categories for "qualifying persons", listed above, may still be entitled to Treaty benefits if either the Active Business Test or the Derivatives Test (as defined in Article XXIX-A of the Treaty) are met.

SECTION FOUR: Part F

What Our Clients Should Know About The BMO InvestorLine Account With AccountLink Service

Securities laws require BMO InvestorLine Inc. and the Bank to make the following disclosure to you about the BMO InvestorLine Account with AccountLink Service and the relationship between the two organizations. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in Part A of Section One of this booklet.

1. BMO InvestorLine Inc. is a separate corporate entity from the Bank and a wholly owned subsidiary of the Bank. BMO InvestorLine Inc. is a wholly owned subsidiary of the Bank. BMO Nesbitt Burns Inc., an investment dealer, is a wholly owned subsidiary of The BMO Nesbitt Burns Corporation Limited, all of the voting shares and a majority of the participating shares of which are owned indirectly by the Bank. Directors and officers of BMO InvestorLine Inc., together with directors, officers and other employees of BMO Nesbitt Burns Inc., may hold non-voting shares of The BMO Nesbitt Burns Corporation Limited and Bank of Montreal Securities Canada Limited, a corporation which holds all of the voting shares of The BMO Nesbitt Burns Corporation Limited and all of the voting shares of which are owned indirectly by the Bank, not exceeding, in aggregate, 20 per cent of the participating shares of such companies. Jones Heward Investment Counsel Inc., a wholly owned subsidiary of BMO Harris Investment Management Inc., is the portfolio adviser to certain of the mutual funds referred to herein.

2. In order to enable BMO InvestorLine Inc. to advise you of the status of your BMO InvestorLine Account and to allow BMO InvestorLine Inc. to administer your Line of Credit, certain BMO InvestorLine Inc. employees will have knowledge of the status of and transactions in the Bank Account component of your Account. Similarly, in order to allow the consolidation of information relating to the Bank Account and the Investment Account into your Account monthly statement, certain Bank employees and BMO InvestorLine Inc. employees will have information about the Investment Account component of your Account.

Employees of both BMO InvestorLine Inc. and the Bank are subject to restrictions concerning the disclosure of confidential client and account information. Aside from the information passed from either BMO InvestorLine Inc. or the Bank to the other in relation to your Account as outlined above, or further to your consent to sharing of information with the BMO Financial Group, confidential information relating to you and your Account will be treated in the same confidential manner as it would in respect of any other account at BMO InvestorLine Inc. or the Bank.

3. **You acknowledge and agree that by signing this Agreement, you have received notice in writing that in order for the AccountLink service to operate, BMO InvestorLine and the Bank may obtain, provide, or exchange personal or credit information about you with each other. In the event that you wish to revoke consent to the exchange of personal information between BMO InvestorLine and the Bank, you shall provide BMO InvestorLine and the Bank with written notice of such revocation of consent. Upon receipt of such notice by BMO InvestorLine and the Bank, the Account will be terminated.**

4. The fees for the Account may be divided between BMO InvestorLine Inc. and the Bank. All commissions relating to transactions in the Account will be paid to BMO InvestorLine Inc. Employees of the Group are part of a compensation plan which includes account referrals within the Group. Details of the plan are available upon request.

5. The Securities and cash in your BMO InvestorLine Account is protected by the Canadian Investor Protection Fund up to maximum coverage limitations. Cash, and eligible deposits issued by the Bank, held in your Bank Account are eligible for deposit insurance from the Canadian Deposit Insurance Corporation (CDIC), up to maximum coverage limitations. Deposits in U.S. dollar chequing accounts are not insured under the Canada Deposit Insurance Corporation Act. Further information about the limits and nature of coverage is available on request.

6. Under the Client Trading Agreement, you are liable to both BMO InvestorLine Inc. and the Bank for any amounts advanced pursuant to the Line of Credit. Amounts which are repaid by you to either BMO InvestorLine Inc. or the Bank which relate to indebtedness arising out of the Account automatically reduce the amount owed by you to each organization. In accordance with standard industry practice, your assets at BMO InvestorLine Inc., including those in the Investment Account component of your Account, will be subject to a stockbroker's lien and a

hypothec and pledge and shall constitute collateral for the repayment of any amounts owed to BMO InvestorLine Inc. Amounts owed to BMO InvestorLine Inc. will include the amount of any indebtedness incurred under the Line of Credit with the Bank, as outlined above.

SECTION FOUR: Part G

Risk Disclosure Statement for Futures and Options

BMO InvestorLine Inc. is not registered to trade in futures, therefore, any reference to futures in the following text is not applicable

This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

Futures

1. Effect of "Leverage" or "Gearing"

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

2. Risk-reducing Orders or Strategies

The placing of certain orders (e.g., "stop-loss" order, where permitted under local law, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

Options

3. Variable Degree of Risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures above). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing

the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

Additional Risks Common to Futures and Options

4. Terms and Conditions of Contracts

You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g., the circumstances under which you may become obligated to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearinghouse to reflect changes in the underlying interest.

5. Suspension or Restriction of Trading and Pricing Relationships

Market conditions (e.g., illiquidity) and/or the operation of the rules of certain markets (e.g., the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair" value.

6. Deposited Cash and Property

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be prorated in the same manner as cash for purposes of distribution in the event of a shortfall.

7. Commission and Other Charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

8. Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

9. Currency Risks

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

10. Trading Facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearinghouse and/or member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

11. Electronic Trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all. Your ability to recover certain losses which are particularly attributable to trading on a market using an electronic trading system may be limited to less than the amount of your total loss.

12. Off-exchange Transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks.

Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules.

SECTION FIVE

Strip Bonds and Strip Bond Packages Information Statement

This Information Statement is being provided as required by securities regulatory authorities in Canada to describe certain attributes of "strip bonds" and "strip bond packages".

Strip Bonds and Strip Bond Packages

In this Information Statement, the term "strip bond" refers to an interest in (i) the amount payable on account of principal, and/or (ii) an amount payable on account of interest, in respect of "Underlying Bonds". Underlying Bonds are certain government bonds which can be traded pursuant to an exemption from the registration and prospectus requirements of applicable securities legislation. For a trade in bonds not expressly exempted by the applicable securities legislation, an order or other form of acknowledgment may be sought from the applicable securities commission to proceed without complying with registration and prospectus requirements.

The following is a summary of certain government bonds which can be traded pursuant to an exemption from the registration and prospectus requirements of applicable securities legislation in particular provinces or territories (or in the case of the Yukon Territory, from the prospectus requirements only).

Canada, Provincial and Territorial Bonds

- In all provinces and territories, bonds issued or guaranteed by the Government of Canada or a province of Canada.
- In Alberta, British Columbia, New Brunswick, Nova Scotia, Newfoundland, Ontario, Prince Edward Island, Saskatchewan, the Northwest Territories, Nunavut and the Yukon Territory, bonds issued or guaranteed by a government of a territory in Canada.

Foreign Country Bonds

- In Alberta, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, the Northwest Territories, Nunavut and the Yukon Territory, bonds issued or guaranteed by the government of any foreign country or a political division thereof.
- In British Columbia and Saskatchewan, bonds issued or guaranteed by the Government of the United Kingdom, the Government of the United States of America, a state or territory of the United States of America, or the District of Columbia in the United States of America.
- In Manitoba, bonds issued or guaranteed by the Government of the United States of America or the Government of the United Kingdom.

A strip bond entitles the holder to a single payment of a fixed amount in the future without the payment of any interest in the interim. The purchase price or present value of a strip bond is determined by discounting the amount of the payment to be received on the payment or maturity date of the strip bond by the appropriate interest rate or yield factor. Strip bonds are therefore different from conventional interest-bearing debt securities and purchasers of strip bonds should be aware of the special attributes of strip bonds as described in this Information Statement. Strip bonds may be purchased in various different forms as described below under "Custodial Arrangements".

In this Information Statement the term "strip bond package" refers to a security comprised of two or more strip bonds which are combined to make up a "bond-like" strip bond package or an "annuity-like" strip bond package. A bond-like strip bond package consists of a lump-sum payable at maturity, which is backed by an interest in a strip bond payable in respect of one or more Underlying Bonds, together with one or more interests in other strip bonds (usually interest payments) related to one or more Underlying Bonds, thereby creating an instrument that resembles, in its payment characteristics, a conventional bond. An annuity-like strip bond package differs from a bond-like strip bond package only to the extent that it does not include a lump-sum payment at maturity. Strip bond packages may be purchased in the form of several separate strip bonds or as one security in one of the forms described below under "Custodial Arrangements".

Price Volatility

As with conventional interest-bearing debt securities, the market price of strip bonds and strip bond packages will fluctuate with prevailing interest rates. Generally, the market price of conventional interest-bearing debt securities and of strip bonds and strip bond packages will fluctuate in the same direction: when prevailing interest rates rise above the yield of these instruments, their market price will tend to fall; conversely, when prevailing interest rates fall below the yield of these instruments, their market price will tend to rise.

However, the market price of a strip bond will be significantly more volatile than the price of a conventional interest-bearing debt security with the same credit risk and term to maturity. When prevailing interest rates rise, the market price of a strip bond will tend to fall to a greater degree than the market price of a conventional interest-bearing debt security with the same credit risk and term to maturity. Conversely, when prevailing interest rates fall, the market price of a strip bond will

tend to rise to a greater degree than the market price of a conventional interest-bearing debt security with the same credit risk and term to maturity. The primary reason for such volatility is the fact that no interest is paid in respect of a strip bond prior to its maturity. There is, therefore, no opportunity to reinvest interest payments at prevailing rates of interest prior to maturity.

The table below compares changes in the prices of conventional interest-bearing debt securities and strip bonds. The table shows, on a hypothetical basis, the difference in price fluctuation as a result of fluctuations in prevailing interest rates between, on the one hand, 5-year and 20-year \$100 face amount conventional bonds bearing interest at 6% payable semiannually, and, on the other hand, 5-year and 20-year \$100 face amount strip bonds priced to yield 6%. It will be noted that the longer the term to maturity of the bond or the strip bond, the more volatile its market price will be.

Market Price Volatility						
	Market price	Market yield	Price with rate drop to 5%	% price change	Price with rate increase to 7%	% price change
6% 5 Year Bond	\$100.00	6.00%	\$104.38	+ 4.38%	\$95.84	- 4.16%
5 Year Strip Bond	74.41	6.00	78.12	+ 4.99	70.89	- 4.73
6% 20 Year Bond	100.00	6.00	112.55	+ 12.55	89.32	- 10.68
20 Year Strip Bond	30.66	6.00	37.24	+ 21.49	25.26	- 17.61

In contrast to strip bonds, the income stream received on a strip bond package prior to maturity or the final payment date may be reinvested at the then prevailing interest rates. Therefore, the market price of a strip bond package will not be as volatile as the market price of a strip bond with the same credit risk and term to maturity or final payment date. However, it may be more volatile than the market price of a conventional interest-bearing debt security with the same credit risk and term to maturity.

Secondary Market and Liquidity

Strip bonds, strip bond packages and Underlying Bonds do not trade in Canada in an auction market similar to that for shares listed on a stock exchange. Instead, strip bonds, strip bond packages and Underlying Bonds trade in dealer or over-the-counter markets similar to those for most conventional debt securities.

Certain strip bonds and strip bond packages that are available in Canada are offered by groups of investment dealers or financial institutions which may make markets for the strip bonds and strip bond packages they offer, although they are not obligated to do so. There can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time. In such circumstances, purchasers may have to hold their strip bonds and strip bond packages to maturity or final payment date in order to realize their investment.

The market for Underlying Bonds is more liquid than the market for strip bonds and strip bond packages. Total turnover in Canadian federal and provincial bonds totalled \$3.6 trillion in 2000, with trading in Canadian federal bonds accounting for 92 percent of this amount. The average daily turnover of Government of Canada bonds amounted to \$13 billion in 2000, in proportionate terms roughly equivalent to the average daily turnover of U.S. treasury bonds which is generally considered to be the most liquid market in the world.

Government of Canada bonds with 2, 5, 10 and 30-year maturities (i.e., the so-called benchmark issues) account for most of the trading activity in this market and are the most liquid Government of Canada securities. The benchmark issues trade with the tightest bid-offered spread, with spreads widening for securities with different maturities than the benchmark issues. The market for provincial and territorial government securities is less liquid than the market for Government of Canada securities. Securities issued by the larger provinces with significant borrowing requirements are more liquid than securities issued by the smaller provinces, or the territories.

Custodial Arrangements

Purchasers may purchase strip bonds and strip bond packages in four forms:

- A book-entry position created by The Canadian Depository for Securities Limited (CDS) which represents an undivided interest in the relevant interest and/or principal payment(s) to be made in respect of one or more Underlying Bonds held by CDS. This is the most common form of ownership today.
- A deposit receipt or certificate issued by a custodian where the receipt or certificate represents an undivided interest in a pool of interest coupons or principal residues held by the custodian or in interest or principal payments to be made in respect of one or more Underlying Bonds held by the custodian (non alter-ego receipts).

- A deposit receipt or certificate issued by a custodian where the receipt or certificate represents the relevant segregated underlying interest coupon(s) or principal residue(s) held by the custodian (alter-ego receipt).
- In limited circumstances, physical delivery of the actual coupon(s) or residue(s) (in specie).

Each of these forms has different characteristics:

- Holders of book-entry positions and non alter-ego receipts are not entitled to take physical delivery of the underlying coupon(s) or residue(s), except in cases where specifically allowed by the rules of CDS or the custodial arrangements, as the case may be.
- Holders of book-entry positions, alter-ego receipts and non alter-ego receipts and holders of physical coupon(s) and residue(s), may be limited in their right to enforce the terms of the Underlying Bond(s) directly against the issuer. Further, such holders may have their rights under applicable custodial arrangements and in respect of the Underlying Bond(s) affected by a specified majority of such holders. Voting rights may be allocated to holders of strip bonds and strip bond packages based on a formula specified as part of the relevant custodial arrangement or as specified in the terms of the Underlying Bond(s). Each purchaser should review the relevant custodial arrangements and the purchaser's rights thereunder.
- For non alter-ego receipts and alter-ego receipts, registered certificates may be available to the holder on request. Where registered certificates are not available, the holder should receive periodic statements showing the security position from his or her investment dealer or other financial institution.
- Alter-ego receipts may entitle the holder to take physical delivery of the underlying coupon(s) or residue(s). If the holder decides to take physical delivery, the holder should be aware of the risks (including the risk of lost ownership) associated with holding a bearer security which cannot be replaced. The holder also should be aware that the secondary market for physical strip bonds may be more limited than for other forms of strip bonds and strip bond packages, due to the risks involved.

The facilities of CDS are available for custody and settlement of strip bonds and strip bond packages for any CDS participant.

In some cases the Underlying Bonds are redeemable or callable prior to maturity. Purchasers of strip bonds or strip bond packages relating to interest payments to be made in respect of Underlying Bonds that are redeemable or callable should satisfy themselves that such interest payments do not relate to interest payment dates that may occur after the Underlying Bond's earliest call or redemption date.

Canadian Income Tax Summary

The Canadian income tax consequences of purchasing strip bonds and strip bond packages are complex. Purchasers of strip bonds and strip bond packages should consult their own tax advisors for advice relating to their particular circumstances. The following summary is intended to be a general commentary on the attributes of strip bonds and strip bond packages under the *Income Tax Act* (Canada) ("Tax Act") and the regulations thereunder ("Regulations") for purchasers who hold their strip bonds and strip bond packages as capital property for purposes of the Tax Act. The summary also comments on the attributes under applicable similar provincial or territorial taxation laws.

Qualified Investments

Strip bonds and strip bond packages relating to Underlying Bonds that are issued or guaranteed by the Government of Canada or issued by a province or territory of Canada are "qualified investments" under the Tax Act and are therefore eligible for purchase by trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs") and deferred profit sharing plans ("DPSPs").

Annual Taxation of Strip Bonds

The Canada Customs and Revenue Agency has indicated that purchasers of strip bonds will be treated as having purchased a "prescribed debt obligation" within the meaning of the Regulations. Accordingly, a purchaser will be required to include in income in each year a notional amount of interest, notwithstanding that no interest will be paid or received in the year (see example below). Therefore, these

instruments may be more attractive to non-taxable accounts, such as self-directed RRSPs, RRIFs, DPSPs, RESPs, pension funds and charities, than to taxable accounts.

In general terms, the amount of notional interest deemed to accrue each year will be determined by using that interest rate which, when applied to the total purchase price (including any dealer mark-up or commission) and compounded at least annually, will result in a cumulative accrual of notional interest from the date of purchase to the date of maturity equal to the amount of the discount from face value at which the strip bond was purchased.

For individuals and certain trusts, the required accrual of notional interest in each year is generally only up to the anniversary date of the issuance of the Underlying Bond. For example, if a strip bond is purchased on February 1 of a year and the anniversary date of the issuance of the Underlying Bond is June 30, only five months of notional interest accrual will be required in the year of purchase. However, in each subsequent year, notional interest will be required to be accrued from July 1 of the previous year to June 30 of the subsequent year.

The table below sets out the income tax treatment of a taxable individual investor resident in Canada who purchases a \$5,000 strip bond on February 1, 2002 at a total purchase price of \$3,742.96. The anniversary date of the issuance of the Underlying Bond is June 30. The strip bond is due on June 30, 2007 (i.e. 5 years and 149 days later) and the investor holds it to maturity. Thus, the effective annual interest rate on the strip bond for purposes of the interest accrual rules will be 5.5%. The investor's marginal tax rate (determined after taking into account applicable provincial or territorial taxation laws) is assumed for illustrative purposes only to be 45%. Investors should determine their actual marginal tax rate after discussion with a professional tax advisor.

<u>Year</u>	<u>Base for interest compounding (i.e. purchase price plus previously accrued notional interest)</u>	<u>Accrued notional interest for year (i.e. 5.5% of the base for interest compounding except in the first year)</u>	<u>Tax liability at 45%</u>
2002	\$3,742.96	\$ 82.71*	\$ 37.22
2003	3,825.67	210.41	94.68
2004	4,036.08	221.98	99.89
2005	4,258.06	234.20	105.39
2006	4,492.26	247.07	111.18
2007	4,739.33	<u>260.67</u>	117.30
		1,257.04	
* $[(1.055)^{149/365} \times \$3,742.96] - \$3,742.96$. February 1, 2002 to June 30, 2002 = 149 days because the investor is not credited with interest for the day of purchase.			

In some circumstances the anniversary date of the issuance of the Underlying Bond may not be readily determinable. In these circumstances individual investors may wish to consider accruing notional interest each year to the end of the year instead of to the anniversary date.

A corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary is required for each taxation year to accrue notional interest to the end of the taxation year and not just to an earlier anniversary date in the taxation year.

Disposition of Strip Bonds Prior To Maturity

Upon the disposition of a strip bond prior to maturity, purchasers will be required to include in their income for the year of disposition notional interest to the date of disposition. If the amount received on such a disposition exceeds the total of the purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the total of the purchase price and the amount of all notional

interest accrued and included in income, the difference will be treated as a capital loss. As of the date of this Information Statement, a taxpayer was required to take into account one half of the capital gain or loss in determining taxable income.

The table below sets out the income tax treatment for the individual investor in the previous example where the investor sells the strip bond on September 30, 2004 for an assumed sale price of \$4,361.31.

Proceeds of disposition		\$4,361.31
Base for calculation of capital gain		
† initial purchase price	\$3,742.96	
† accrued income for 2002 (see previous table)	82.71	
† accrued income for 2003 (see previous table)	210.41	
† accrued income for 2004		
† to anniversary date (see previous table)	221.98	
† to September 30	<u>57.85*</u>	<u>4,315.91</u>
Capital gain		45.40
Taxable capital gain (1/2 of capital gain)		22.70
* $[(1.055)^{92/365} \times \$4,258.06] - \$4,258.06$		

Strip Bond Packages

Because a strip bond package consists for tax purposes of a series of separate strip bonds, the interest inclusion rules will be satisfied if an annual notional interest inclusion is determined in respect of each separate strip bond as outlined above. However, the calculation of such annual notional interest inclusion may be very complex. In addition, the calculation may be impossible to perform for individual purchasers to the extent that the anniversary dates of the Underlying Bonds are unknown.

As an alternative, purchasers of strip bond packages may wish to consider accruing notional interest to the end of each year at the internal rate of return or yield of the strip bond package determined by reference to the total purchase price (including any dealer mark-up or commission) and on the assumption that each component of the strip bond package is held to maturity or final payment date. The use of this method may in some circumstances result in a marginally less favourable income tax result to an individual purchaser than the calculation of an annual notional interest inclusion in respect of each separate strip bond comprising the strip bond package.

Upon the disposition of a strip bond package prior to maturity, purchasers will be required to include in their income for the year of disposition notional interest to the date of disposition. If the amount received on such a disposition exceeds the sum of the total purchase price and the amount of all notional interest accrued and

included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the sum of the total purchase price and the amount of all notional interest accrued and included in income, the difference will be treated as a capital loss. As of the date of this Information Statement, a taxpayer was required to take into account one half of the capital gain or loss in determining taxable income.

Non-Residents of Canada

Non-residents of Canada for the purposes of the Tax Act who purchase strip bonds or strip bond packages relating to Underlying Bonds issued or guaranteed by the Government of Canada or issued by a province or territory of Canada and which were issued after April 15, 1966 will not be liable for income tax in Canada (including withholding tax) on any amounts paid or credited with respect to the strip bonds or strip bond packages if such purchasers do not use or hold the strip bonds or strip bond packages in carrying on business in Canada and their sole connection with Canada is the acquisition and ownership of the strip bonds or strip bond packages.

Impact on Yield-to-Maturity of Dealer Mark-ups or Commissions Paid on Strip Bonds

Dealer mark-ups or commissions on strip bonds are quoted as a fixed amount per \$100 of maturity amount of the strip bond purchased. The commission charged is generally not affected by the purchase price of the strip bond. Thus, the commission remains the same for strip bonds with a longer term to maturity and lower purchase price. The commissions quoted by investment dealers for strip bonds generally range between 25 cents per \$100 of maturity amount to \$1.50 per \$100 of maturity amount. Commissions are typically at the higher end of this range for small transaction amounts, reflecting the higher costs of processing a small trade. The commissions generally decline for larger transaction sizes.

The table below illustrates the after-commission yield to an investor in strip bonds with different before-commission yields and with different terms to maturity. All of the yield numbers are semi-annual. For example, a strip bond with a term to maturity of one year, a before-commission yield of 4.5% and a commission of 25 cents per \$100 of maturity amount has an aftercommission yield of 4.234%. The before-commission cost of this particular strip bond will be \$94.72 per \$100 of maturity amount while the after-commission cost will be \$94.97 per \$100 of maturity amount. Similarly, a strip bond with a term to maturity of 25 years, a before-commission yield of 6.5% and a commission of \$1.50 per \$100 of maturity amount has an aftercommission yield of 6.204%. The before-commission cost of this particular strip bond will be \$20.21 per \$100 of maturity amount while the after-commission cost will be \$21.71 per \$100 of maturity amount.

Commission or dealer mark-up amount	Yield before commission or dealer mark-up	Term to maturity in years and yield after commission or dealer mark-up					
		1	2	5	10	15	25
\$0.25	4.5%	4.234%	4.361%	4.436%	4.460%	4.467%	4.469%
	5.5%	5.229%	5.357%	5.433%	5.456%	5.462%	5.460%
	6.5%	6.225%	6.354%	6.429%	6.451%	6.455%	6.449%
\$0.75	4.5%	3.703%	4.083%	4.309%	4.381%	4.401%	4.408%
	5.5%	4.691%	5.073%	5.299%	5.368%	5.385%	5.382%
	6.5%	5.679%	6.062%	6.288%	6.354%	6.367%	6.349%
\$1.50	4.5%	2.915%	3.670%	4.121%	4.263%	4.304%	4.318%
	5.5%	3.892%	4.650%	5.100%	5.238%	5.272%	5.267%
	6.5%	4.868%	5.629%	6.078%	6.211%	6.236%	6.204%

The approximate reduction in annual percentage yield associated with the payment of a specific amount of commission or dealer mark-up may generally be calculated as follows:

$$\left(\left(\frac{MA}{PP - CA} \right)^{\frac{365}{n}} - \left(\frac{MA}{PP} \right)^{\frac{365}{n}} \right) \times 100$$

where MA is the maturity value of the strip bond
 PP is the purchase price of the strip bond including the amount of any commission or dealer mark-up required to be paid in order to acquire the strip bond
 CA is the amount of the commission or dealer mark-up required to be paid to the selling dealer at the time of purchase of the strip bond
 n is the number of days from the time of purchase of the strip bond to the time of maturity of the strip bond (determined excluding the day of purchase but including the maturity day and ignoring leap years)

A prospective purchaser or seller of a strip bond is invited to compare the yield to maturity of the strip bond, calculated after giving effect to any applicable dealer mark-up or commission, against the similarly calculated yield to maturity of a conventional interest bearing debt security. Prospective purchasers or sellers are invited to inquire about the dealer's bid and ask prices for the subject strip bond.

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