

# CLIENT ACCOUNT AGREEMENT

## Terms and Conditions and Other Disclosures

### Part One – Client Account Agreement (for Individual and Non-Individual Client Accounts)

In consideration of BMO Nesbitt Burns opening or maintaining one or more accounts (individually or collectively, the “Account”) for the customer (the “Client”), the Client understands and agrees to the following terms and conditions for the operation of the Account.

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

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

#### 2. Settlement, commissions and interest

Full and timely settlement will be made of each Transaction in Securities for the Account. The Client will pay to BMO Nesbitt Burns all commissions and other Transaction charges in respect of each Transaction (including any Transaction pursuant to item 8 below) and interest, calculated daily and compounded monthly, on outstanding indebtedness. Such commissions and other charges shall be at BMO Nesbitt Burns’ customary rates in the circumstances or as negotiated from time to time. Some of these charges, commissions and fees are set forth in BMO Nesbitt Burns Fee and Interest Rate Schedule (the “Fee Brochure”), incorporated herein by reference, as amended from time to time. The interest rate shall be the interest rate designated from time to time by BMO Nesbitt Burns as being its effective rate for determining interest on debit balances in accounts with BMO Nesbitt Burns. The interest rates charged by BMO Nesbitt Burns on debit balances are based upon prevailing rates and are disclosed in the Fee Brochure which may be obtained upon request from the Client’s Investment Advisor. The Client waives notice of all changes in such rates. In addition to the commission, interest or other fees applicable to the transaction, BMO Nesbitt Burns (or parties related to us) may earn revenue from a foreign currency conversion.

#### 3. Operation of the account

- (a) BMO Nesbitt Burns has the right to determine in its discretion whether or not any order for Transactions in Securities for the Account is acceptable and whether to execute said order.
- (b) BMO Nesbitt Burns will credit to the Account any interest, dividends or other monies received in respect of Securities held in the Account, and any monies (net of all charges) received as proceeds from the sale or other disposition of Securities from the Account, and will debit to the Account any amounts owing, including interest, by the Client to BMO Nesbitt Burns pursuant to this Agreement. BMO Nesbitt Burns will maintain a record of receipts and deliveries of Securities and the Client’s resulting positions in the Account. As BMO Nesbitt Burns does not offer foreign denominated registered accounts, any foreign currency deposited into a registered account, including dividends, interest and proceeds from the sale of foreign securities, will be automatically converted into Canadian funds and BMO Nesbitt Burns (or parties related to us) may earn revenue from the foreign currency conversion.

If a Canadian security with a DRIP (Dividend Reinvestment Plan) declares a dividend in US currency and the security is held outside a US dollar denominated account, the dividend may be converted into Canadian currency which will result in exposure to a foreign currency exchange. BMO Nesbitt Burns (or parties related to us) may earn revenue from a foreign currency conversion. Where available, the aforementioned foreign currency exchange may be avoided by holding these securities in a US dollar denominated account. It is the responsibility of the Client to advise BMO Nesbitt Burns if they wish to hold these securities in a US dollar denominated account.

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

#### 4. Payment of indebtedness

The Client will promptly pay indebtedness when due except to the extent covered by a margin facility.

#### 5. Margin

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

- (a) reduce or cancel any margin facility made available to the Client or refuse to grant any additional margin facility to the Client; or
- (b) require the Client to provide margin in addition to the margin requirements of the applicable Regulatory Authorities.

*The Client acknowledges that, for certain option strategies producing a credit, the Regulatory Authorities may require significant additional margin. The Client will provide BMO Nesbitt Burns with any margin which is requested by BMO Nesbitt Burns and will promptly pay any indebtedness due as a result of any reduction or cancellation of any margin facility.*

In the event that the Client has opened a non-individual Account, the Client hereby authorizes its directors, officers, trustees and/or

agents, as applicable, to incur indebtedness under the margin facility of the Client. The Client represents and warrants that all such directors, officers, trustees and/or agents of the Client, as applicable, are duly authorized by the Client's constituting documents and resolutions of the Client's board of directors to incur indebtedness under the margin facility. The Client acknowledges that BMO Nesbitt Burns is relying on such representation and warranty and that BMO Nesbitt Burns would not otherwise grant the Client a margin facility without such representation and warranty having been made by the Client.

## 6. Pledge of securities

As continuing collateral security for the payment of any indebtedness, which is now or may in the future be owing by the Client to BMO Nesbitt Burns, the Client hereby hypothecates and pledges to BMO Nesbitt Burns all of the Client's Securities and cash, including any free credit balances, which may now or hereafter be held by BMO Nesbitt Burns (collectively, the "Collateral"), whether held in the Account or any other account in which the Client has an interest and whether or not such indebtedness relates to the Collateral hypothecated and pledged. With respect to any Collateral which is subject to the laws of Quebec, since the laws of such province require that the amount of the hypothec be specified, the Client hereby acknowledges that the hypothec and pledge granted in favour of BMO Nesbitt Burns as described herein are limited to a maximum amount of ten (10) million dollars. The interest rate applicable to the hypothec shall be a rate of interest expressed as a rate per annum, which is equal to the rate established by Bank of Montreal, as the reference rate of interest used by it to determine interest rates charged for demand loans in Canadian dollars to Canadian commercial borrowers, plus two per cent, and, in the event that such bank does not publish such a rate, a substitute rate from any financial institution selected by BMO Nesbitt Burns.

## 7. Use of collateral by BMO Nesbitt Burns

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

- (a) combine any of the Collateral with the property of BMO Nesbitt Burns or other customers or both;
- (b) pledge any of the Collateral which is held in BMO Nesbitt Burns' possession as security for its own indebtedness;
- (c) loan any of the Collateral to BMO Nesbitt Burns for its own purposes; or
- (d) use any of the Collateral for making delivery against a sale, whether a short sale or otherwise, and whether such sale is for the Account or for BMO Nesbitt Burns' own account or for any account in which BMO Nesbitt Burns, or any director thereof, is directly or indirectly interested, or for the account of any other BMO Nesbitt Burns customers.

## 8. Elimination or reduction of indebtedness by BMO Nesbitt Burns:

If:

- (a) the Client fails to pay any indebtedness when due;
- (b) BMO Nesbitt Burns deems, in its sole and unfettered discretion, the margin held by it to be insufficient for its protection;
- (c) on or before any settlement date the Client fails to provide BMO Nesbitt Burns any required Securities in acceptable delivery form;

- (d) there is any unsecured or potentially unsecured indebtedness in the Client's Account;
- (e) the Client dies, becomes bankrupt or insolvent or if any of the Collateral becomes subject to execution, attachment or other process; or
- (f) the Client fails to comply with any requirement contained in this Agreement,

BMO Nesbitt Burns in its sole and unfettered discretion may, with respect to any position in a Security in the Account, take such steps as BMO Nesbitt Burns considers necessary to protect itself against loss including entering into positions in any Security or on any exchange on the Client's behalf. In addition to any other right or remedy to which BMO Nesbitt Burns is entitled, BMO Nesbitt Burns may, at any time and from time to time without notice or demand to the Client:

- (i) apply monies held to the credit of the Client in any other account with BMO Nesbitt Burns to eliminate or reduce indebtedness;
- (ii) take the Securities in payment or sell, contract to sell or otherwise dispose of any or all of the Securities held by BMO Nesbitt Burns for the Client and apply the net proceeds therefrom to eliminate or reduce indebtedness;
- (iii) purchase or borrow any Securities necessary to cover short sales or any other sales made on the Client's behalf in respect of which delivery of certificates in an acceptable delivery form has not been made; or
- (iv) cancel any outstanding orders.

Such rights may be exercised separately, successively or concurrently. BMO Nesbitt Burns shall not be required by this Agreement to exercise any such rights nor shall it be required to exercise any right prior to exercising any other right. The failure to exercise any or all of such rights or the granting of any indulgence shall not in any way limit, restrict or prevent BMO Nesbitt Burns from exercising such rights at any subsequent time and shall not limit, reduce or discharge any indebtedness or part thereof. Any such sales or purchases for the Account may be made upon any exchange or market or at a public or private sale upon such terms and in such manner as BMO Nesbitt Burns deems advisable. If demand is made or notice is given to the Client by BMO Nesbitt Burns, it shall not constitute a waiver of any of BMO Nesbitt Burns' rights to act hereunder without demand or notice. Any and all expenses (including any legal expenses) reasonably incurred by BMO Nesbitt Burns in connection with exercising any right pursuant to this item 8 may be charged to the Account. The Client acknowledges that the Client shall remain liable to BMO Nesbitt Burns for any deficiency remaining following the exercise by BMO Nesbitt Burns of any or all of the foregoing rights and that the rights which BMO Nesbitt Burns is entitled to exercise pursuant to this section are reasonable and necessary for BMO Nesbitt Burns' protection having regard to the nature of securities markets including, in particular, their volatility. The liquidation of Securities in the Account may have significant financial consequences for the Client, including but not limited to tax consequences for which the Client will be solely liable. The Client agrees that BMO Nesbitt Burns is not liable in any way to the Client with respect to the elimination, reduction or discharge of indebtedness.

## 9. Holding and return of securities

BMO Nesbitt Burns may hold the Client's Securities at its head office or any of its branches or at any other location where it is customary for BMO Nesbitt Burns to keep its Securities and

BMO Nesbitt Burns' responsibilities to the Client for so holding the Client's Securities shall be limited to the same degree of care exercised by BMO Nesbitt Burns in the custody of its own Securities. Certificates for Securities of the same issue and for the same aggregate amounts may be delivered to the Client in lieu of those originally deposited by the Client. BMO Nesbitt Burns may at any time and without notice or demand to the Client cause any Securities in the Account to be registered in the Client's name.

All fully paid and excess margin Securities held by BMO Nesbitt Burns on a Client's behalf, shall be held separate and segregated from any Securities owned and held by BMO Nesbitt Burns. BMO Nesbitt Burns shall also identify and segregate all fully paid and excess margin Securities held on a Client's behalf from its total assets.

#### 10. Free credit balances

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

#### 11. Transfers to other accounts

BMO Nesbitt Burns may at any time, and from time to time, take any monies or Securities in the Account and any proceeds from the sale or other disposition of such Securities to pay or cover any obligations of the Client to BMO Nesbitt Burns, including obligations of the Client in respect of any other account with BMO Nesbitt Burns, whether or not such account is a joint account or is an account guaranteed by the Client.

#### 12. Declaration of short sales

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

#### 13. Good delivery of securities

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 settlement date.

#### 14. Client information changes

The Client will immediately advise BMO Nesbitt Burns if any information provided in the Client Account Agreement form, which forms part of this Agreement, changes. This includes, but is not limited to, if the Client acquires a controlling interest in or otherwise becomes an insider and/or a reporting insider of any reporting issuer.

#### 15. Account statements

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

#### 16. Protection of personal information

BMO Nesbitt Burns maintains files on the Client relating to an individual Client's personal information or if the Client is a non-individual, personal information from individuals as a result of their relationship to a non-individual Client. Personal information is information that identifies the Client or those acting on behalf of a Client as an individual. It includes, but is not limited to, the name, address, citizenship, occupation, age, date of birth, gender, personal financial records, and identification numbers (including the social insurance number). BMO Nesbitt Burns shall use such information for the purposes of servicing the Client and to ensure that all regulatory and legal requirements, as determined by BMO Nesbitt Burns in its sole discretion, with respect to the Client's Account are met. This information is also used to enable BMO Nesbitt Burns to understand the Client's needs, determine the suitability of products and services for the Client, to provide the Client with information on such products and services and to ensure qualification for US tax treaty status. The Client understands that BMO Nesbitt Burns may be required to disclose the Client's personal information or, if the Client is a non-individual, the personal information of individuals associated with that Client to legal or Regulatory Authorities further to inquiries, audits or requests for information, and the Client hereby consents to such disclosure. Within BMO Nesbitt Burns, the following categories of persons have the right of access to the Client's information: the Investment Advisor, and administrative, management, audit, compliance and legal staff. Furthermore, the Client's files will be kept centrally on information systems and copies will be kept on the premises of the branch where the Client's Account is being held. The Client or those acting on behalf of a Client will be entitled to access their personal information maintained in the Client's file by sending a written request to the attention of the branch manager at the branch in which the Account is maintained. As a member of BMO Financial Group, BMO Nesbitt Burns is committed to respecting and protecting the privacy and confidentiality of the Client's personal information. For complete details on this commitment, please refer to the Client Account Agreement, or BMO Nesbitt Burns' Privacy Code available at [www.bmonesbittburns.com](http://www.bmonesbittburns.com) or from the Client's Investment Advisor.

#### 17. Communication to the client

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

**18. Credit report**

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

**19. Capacity**

The Client, if an individual, represents that he or she has the power and capacity to enter into this Agreement and perform his or her obligations hereunder. The Client, if a corporation or other entity, represents that it has the corporate or other power and capacity to enter into this Agreement, to perform its obligations hereunder and to effect the Transactions contemplated herein and that the execution and delivery of this Agreement have been duly authorized. The Client, if an individual and is married, represents that he or she was married in 1969 or after, or is not in community of property under the laws of the Province of Quebec (if she is, her husband must also sign this Agreement).

**20. Not a broker, etc.**

The Client, if an individual and not an employee of BMO Nesbitt Burns or a BMO Integrated Employee, hereby represents that the Client is not 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, unless so indicated on the Client Account Agreement form.

**21. General**

- (a) This Agreement shall be construed in conjunction with any other agreements between BMO Nesbitt Burns and the Client in connection with the Account, provided that, to the extent necessary, the terms and provisions of this Agreement shall supersede the terms and provisions of such other agreements, and provided further that this Agreement shall in no way limit or restrict any rights of BMO Nesbitt Burns under any such other agreements. The Client may not waive or change any of the terms and conditions of this Agreement without the prior written approval of a duly authorized officer of BMO Nesbitt Burns. If any statute or any statutory regulation or any bylaw, rule, regulation, policy or custom of the Regulatory Authorities is enacted, made, amended or otherwise changed with the result that any term or condition of this Agreement is, in whole or in part, invalid, then such term or condition will be deemed to be varied or superseded to the extent necessary to give effect to such statute, statutory regulation, by-law, rule, regulation, policy or custom. Notwithstanding anything to the contrary herein, this Agreement may be amended at any time by BMO Nesbitt Burns upon providing thirty (30) days notice to the Client. BMO Nesbitt Burns will notify the Client of any changes by posting notice of such changes on the BMO Nesbitt Burns website at [www.bmonesbittburns.com](http://www.bmonesbittburns.com) or by sending a notice via email or postal mail.
- (b) This Agreement shall enure to the benefit of, and shall be binding upon, BMO Nesbitt Burns and the Client and their respective personal representatives, heirs, liquidators, successors and assigns. This Agreement shall survive and remain in effect notwithstanding any incidental, temporary or intermittent closing out, reopening or renumbering of any Account.
- (c) In this Agreement where the singular is used, it shall include the plural.
- (d) It is the express wish of the parties that this Agreement and all documents, notices and other communications relating to the operation of the Account be in English. Il est de la volonté expresse des parties que ce contrat et tous les documents, avis

et autres communications qui concernent l'opération du Compte soient rédigés en langue anglaise.

- (e) The headings used in this Agreement are for convenience of reference only and shall not in any way affect the interpretation of this Agreement.
- (f) This Agreement shall, with respect to each separate Account, be governed by and interpreted in accordance with the laws of the jurisdiction in which the branch is located where the Account is serviced and the federal laws of Canada applicable therein. In the case of a joint account maintained in a branch located in Quebec for a Canadian non-resident of Quebec who has designated the provincial/territorial law of his or her residence as the governing law with respect to the right of survivorship, such provincial/territorial law elected by the Client shall govern. Where one or more of the Clients is a Quebec resident, "No Right of Survivorship" must be selected on the appropriate form and will apply.
- (g) Whenever this Agreement entitles BMO Nesbitt Burns to alternative courses of action, BMO Nesbitt Burns shall be entitled to choose any, none or all of such alternatives in its sole and unfettered discretion.
- (h) The Client shall do all acts or things and execute and deliver all documents or instruments as are necessary or desirable to give effect to all Transactions in Securities for the Account executed by BMO Nesbitt Burns pursuant to this Agreement.
- (i) Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part of thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provisions hereof.

**22. Effective time**

This Agreement will be effective and binding upon the Client and BMO Nesbitt Burns:

- (a) for trading in uncovered options, only after approval by BMO Nesbitt Burns' Designated Registered Options Principal ("DROP"), and
- (b) for the granting of any margin facility, from the time at which BMO Nesbitt Burns first acts upon the instructions of the Client.

**23. Defined terms**

For the purpose of this Agreement:

- (a) "Securities" includes shares, share certificates, installment receipts, scrip certificates, deposit receipts, warrants, rights, bonds, debentures, notes, options, commodities and futures contracts and any other securities or financial instruments of any kind whatsoever;
- (b) "Indebtedness" means indebtedness of the Client to BMO Nesbitt Burns represented by the debit balance, if any, of the Account or any guaranteed account at that time;
- (c) "BMO Nesbitt Burns" means any or all of BMO Nesbitt Burns Inc., and BMO Nesbitt Burns Ltée., depending on which company established the Account and acted upon the Client's instructions;
- (d) "Regulatory Authorities" means any relevant governmental authority, agency, securities commission, exchange, self-regulatory organization, market, clearing corporation or association of brokers or dealers, law enforcement, or similar authority whether domestic or foreign; and
- (e) "Transaction" means the purchase, sale or exercise of, or otherwise dealing in, Securities.

## 24. Joint account

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

## Part Two – Specific Terms and Conditions Applicable to Trading in Options

In addition to the terms and conditions set out in the previous section, the following terms and conditions apply specifically to options trading.

### 1. Options trading

With respect to any trading for the Account in options:

- (a) Rights of BMO Nesbitt Burns: BMO Nesbitt Burns may from time to time:
  - (i) reject any order placed by the Client;
  - (ii) act through its market maker or options attorney as principal on the other side of any Transaction executed for the Client;
  - (iii) require any Transaction to be on a cash-only basis during the last 10 days prior to expiry of an option;
  - (iv) limit or restrict short positions of, or short sales by, the Client;
  - (v) limit or restrict the timing by which options orders or exercise instructions must be placed; or
  - (vi) disclose the Client's trading and positions to any responsible exchange or clearing corporation.
- (b) Client Obligations: The Client will:
  - (i) whether acting alone or in concert with others, comply with the position and exercise limits and all requirements set by any relevant exchange or clearing corporation; and
  - (ii) give BMO Nesbitt Burns timely instructions regarding the exercise or disposition of any option position or Transaction.
  - (iii) in the event that the Client is a non-individual, the Client hereby authorizes its directors, officers, trustees and/or agents, as applicable, to add options to the Options Account of the Client. The Client represents and warrants that all such directors, officers, trustees and/or agents of the Client, as applicable, are duly authorized by the Client's constating documents and resolutions of the board of directors to add options to the Account at the level requested, and acknowledges that BMO Nesbitt Burns is relying on such representation and warranty and that BMO Nesbitt Burns would not otherwise grant the Client an options Account without such representation and warranty having been made by the Client.

- (c) Amendments to Rules: The Client acknowledges that rules may be enacted, amended or repealed by any relevant exchange or clearing corporation which will affect existing positions or subsequent Transactions.
- (d) Exercise Assignment Notices: The Client acknowledges that exercise assignment notices are allocated by the relevant clearing corporation at any time during the day. BMO Nesbitt Burns will allocate such notices when received on a random basis unless the Client is notified otherwise by prior written notice. BMO Nesbitt Burns is not responsible for any delay with respect to the assignment by the clearing corporation or the receipt by BMO Nesbitt Burns of such notices. The Client confirms that the Client will accept an allocation on this basis and will instruct BMO Nesbitt Burns to act accordingly.
- (e) Liability of BMO Nesbitt Burns: Errors or omissions with respect to any Transaction for the Account which are caused by BMO Nesbitt Burns will be adjusted by BMO Nesbitt Burns. BMO Nesbitt Burns will not be liable to the Client in any way for errors or omissions caused by persons, or by conditions, over which BMO Nesbitt Burns has no control.
- (f) Absence of Instructions: If the Client fails to give BMO Nesbitt Burns timely instructions then BMO Nesbitt Burns may, but is not obliged to:
  - (i) exercise or sell any valuable option on behalf of the Client, in which case the Client will pay any resulting transaction costs; and
  - (ii) exercise for the account and risk of the Client or sell or close out any expiring valuable option.
- (g) Writing Covered Options: If the Client is authorized to write (sell) covered Call options, then the Client must have the underlying Securities covered by any such option in the Account, or an acceptable escrow receipt made available to BMO Nesbitt Burns evidencing ownership of such Securities and their availability to BMO Nesbitt Burns upon exercise of the option, at the time of writing such options. The Client will not sell or withdraw from the Account such Securities or any Securities accruing thereto during the term of such options and acknowledges that BMO Nesbitt Burns may prohibit the withdrawal from the Account of any cash dividends or other cash distributions accruing thereon during the term of such options.
- (h) Writing Uncovered Options: If the Client is authorized to write uncovered (sell short) Put or Call options, then prior to doing so the Client shall have in the Account any margin required by BMO Nesbitt Burns and shall maintain in the Account such margin.

## Part Three – Risk Disclosure Statement for Futures and Options

This disclosure statement is being provided as required by applicable securities laws in Canada to describe certain of the risks and other significant aspects of trading in futures and options.

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, the Client should undertake such transactions only if the Client understands the nature of the contracts (and contractual relationships) into which the Client is entering and the extent of the Client's exposure to risk. Trading in futures and options is not suitable for many members of the public. The Client should carefully consider whether trading is appropriate for the Client in light of Client's experience, objectives, financial resources and other relevant circumstances.

**Part 3A – 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 the Client has deposited or will have to deposit: this may work against the Client as well as for the Client. The Client may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain the Client’s position. If the market moves against the Client’s position or margin levels are increased, the Client may be called upon to pay substantial additional funds on short notice to maintain the Client’s position. If the Client fails to comply with a request for additional funds within the time prescribed, the Client’s position may be liquidated at a loss and the Client 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.

**Part 3B – Options**

## 1. 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. The Client should calculate the extent to which the value of the options must increase for the Client’s 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, the Client will suffer a total loss of the Client’s investment which will consist of the option premium plus transaction costs. If the Client is contemplating purchasing deep-out-of-the-money options, the Client 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.

**Part 3C – Additional risks common to futures and options**

## 1. Terms and conditions of contracts

The Client should ask the firm with which the Client deals about the terms and conditions of the specific futures or options which the Client is trading and associated obligations (e.g., the circumstances under which the Client 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 clearing house to reflect changes in the underlying interest.

## 2. 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 the Client has 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.

## 3. Deposited cash and property

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

## 4. Commission and other charges

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

## 5. Transactions in other jurisdictions

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

## 6. Currency risks

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in the Client's 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.

## 7. 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. The Client's ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary; the Client should ask the firm with which the Client deals for details in this respect.

## 8. 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 the Client undertakes transactions on an electronic trading system, the Client 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 the Client's order is either not executed according to the Client instructions or is not executed at all. The Client's ability to recover certain losses that are particularly attributable to trading on a market using an electronic trading system may be limited to less than the amount of the Clients' total loss.

## 9. Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, BMO Nesbitt Burns is permitted to effect off-exchange transactions. BMO Nesbitt Burns may be acting as the Client's 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 the Client undertakes such transactions, the Client should become familiar with applicable rules.

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## Part Four – Conflicts of Interest Statement

BMO Nesbitt Burns and its affiliates engage in a wide variety of business activities. More information about these business activities of BMO Nesbitt Burns and its affiliates can be found in the "Conflicts of Interest Statement" at [www.bmonesbitburns.com](http://www.bmonesbitburns.com).

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## Part Five - Referral Disclosure Statement

BMO Nesbitt Burns has entered into a referral agreement with certain other members of BMO Financial Group, specifically, BMO Nesbitt Burns Financial Services Inc., BMO Harris Investment Management Inc., Bank of Montreal, BMO InvestorLine Inc., 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 to better serve clients and prospective clients. Each entity (a "Referring Entity") which successfully refers clients (each a "Referred Client") to another entity which is a party to the Referral Agreement (a "Receiving Entity") may receive a referral fee from the Receiving Entity. A portion of this referral fee may be paid to the individual employee of the Referring Entity (the "Referring Employee"). Clients of BMO Nesbitt Burns 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 on the following page.

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 consult with the Client's Investment Advisor.

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

BMO Nesbitt Burns Inc./Ltée (PCD)	BMO Nesbitt Burns Financial Services Inc. (NBFSI)	Bank of Montreal	Bank of Montreal Hong Kong Branch	BMO InvestorLine Inc. (IL)	BMO Trust Company (Trustco)	BMO Harris Investment Management Inc. (BHIMI)
<b>SERVICES RECEIVING ENTITY MAY PROVIDE TO REFERRED CLIENT</b>						
<ul style="list-style-type: none"> <li>• Broker-dealer services</li> <li>• Portfolio management services</li> </ul>	<ul style="list-style-type: none"> <li>• Estate and insurance advisory firm</li> </ul>	<ul style="list-style-type: none"> <li>• Banking and credit product and services</li> <li>• Mortgage products</li> </ul>	<ul style="list-style-type: none"> <li>• Banking and credit product and services</li> </ul>	<ul style="list-style-type: none"> <li>• Self-directed/ discount brokerage services</li> </ul>	<ul style="list-style-type: none"> <li>• Trust and estates services</li> </ul>	<ul style="list-style-type: none"> <li>• Discretionary portfolio management services</li> <li>• BHIMI may engage in exempt market trading in relation to the provision of these services</li> </ul>
<b>CATEGORY(IES) OF REGISTRATION</b>						
<ul style="list-style-type: none"> <li>• Investment dealer in all provinces and territories; member of the Investment Industry Regulatory Organization of Canada (IIROC)</li> <li>• Futures commission merchant</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• Not a registrant under Canadian securities laws</li> </ul>	<ul style="list-style-type: none"> <li>• Not a registrant under Canadian securities laws</li> </ul>	<ul style="list-style-type: none"> <li>• Not a registrant under Canadian securities laws</li> </ul>	<ul style="list-style-type: none"> <li>• Investment dealer in all provinces and territories; member of the Investment Industry Regulatory Organization of Canada (IIROC)</li> </ul>	<ul style="list-style-type: none"> <li>• Not a registrant under Canadian securities laws</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio manager in all provinces and territories of Canada</li> <li>• Exempt market dealer in Ontario</li> <li>• BHIMI is currently acting as an investment fund manager with respect to the BMO Harris Private Portfolios and will be applying for registration in the category of investment fund manager</li> </ul>
<b>ACTIVITIES PERMITTED UNDER REGISTRATION</b>						
<ul style="list-style-type: none"> <li>• Trading</li> <li>• Advising, including discretionary account management and securities investment services</li> </ul>	<ul style="list-style-type: none"> <li>• May not engage in any registrable activities</li> </ul>	<ul style="list-style-type: none"> <li>• May not engage in any registrable activities in Canada</li> </ul>	<ul style="list-style-type: none"> <li>• May not engage in any registrable activities in Canada</li> </ul>	<ul style="list-style-type: none"> <li>• Trading</li> </ul>	<ul style="list-style-type: none"> <li>• May not engage in any registrable activities in Canada</li> </ul>	<ul style="list-style-type: none"> <li>• Advising, including discretionary account management and securities investment services</li> </ul>
<b>ACTIVITIES NOT PERMITTED UNDER REGISTRATION</b>						
	<ul style="list-style-type: none"> <li>• May not engage in any registrable activities</li> </ul>	<ul style="list-style-type: none"> <li>• May not engage in any registrable activities</li> </ul>	<ul style="list-style-type: none"> <li>• May not engage in any registrable activities</li> </ul>	<ul style="list-style-type: none"> <li>• Investment fund management</li> <li>• Advising</li> </ul>	<ul style="list-style-type: none"> <li>• May not engage in any registrable activities</li> </ul>	<ul style="list-style-type: none"> <li>• Trading (other than trades in exempt securities in reliance on BHIMI's exempt market dealer registration or on a local jurisdiction exemption)</li> </ul>

BMO Nesbitt Burns Inc./Ltée (PCD)	BMO Nesbitt Burns Financial Services Inc. (NBFSI)	Bank of Montreal	Bank of Montreal Hong Kong Branch	BMO InvestorLine Inc. (IL)	BMO Trust Company (Trustco)	BMO Harris Investment Management Inc. (BHIMI)
REFERRAL FEE PAID TO REFERRING PARTY AND REFERRING EMPLOYEE WHERE SPECIFIED						
<ul style="list-style-type: none"> <li>• 25% of gross commissions</li> <li>• 100 basis points on amounts transferred for 2 years, payable up front each year</li> <li>• A portion of this referral fee may be paid to the Referring Employee</li> </ul>	<ul style="list-style-type: none"> <li>• For commissions earned on the sale of insurance products that are not segregated funds, NBFSI directs BMO Nesbitt Burns to transfer commissions in NBFSI's deposit account into BMO Nesbitt Burns' name and apportion them in the following manner, using BMO Nesbitt Burns' standard procedures for commissions accounting:                             <ul style="list-style-type: none"> <li>(i) Twenty-five per cent (25%) of the value of the commission to the BMO Nesbitt Burns Investment Advisor who referred the client to the Estate &amp; Insurance Advisor/ Financial Security Advisor, ("ELA/FSA");</li> <li>(ii) Twenty-five percent (25%) of the value of the commission to the ELA/FSA who completed the sale of the insurance product; and</li> <li>(iii) An amount equal to the balance of commissions earned by NBFSI, to remain with BMO Nesbitt Burns as consideration for services rendered.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• For residential mortgages and Homeowner Readiline®, a referral fee of 20 basis points</li> <li>• For personal loans in excess of \$15,000, a referral fee of 50 basis points</li> <li>• For personal lines of credit, a referral fee of 50 basis points</li> <li>• For commercial loans, a referral fee of 20 basis points</li> <li>• For commercial mortgages, term loans and lines of credit, a maximum referral fee of \$10,000 based on drawn amount</li> <li>• For cash management, a referral fee of 10% of first year revenue</li> <li>• For corporate finance loans, a referral fee of 10% of estimated annual revenue</li> <li>• For commercial banking advisory services, 20% of initial advisory fee</li> <li>• A portion of this referral fee may be paid to the Referring Employee</li> </ul>	<ul style="list-style-type: none"> <li>• 25% of the revenue earned by BMO Hong Kong Branch for as long as each such Referred Client's account(s) remain at BMO Hong Kong Branch</li> <li>• A portion of this referral fee may be paid to the Referring Employee</li> </ul>	<ul style="list-style-type: none"> <li>• An ongoing referral fee equal to 25% of segregated commissions earned by InvestorLine in respect of such account</li> <li>• A portion of this referral fee may be paid to the Referring Employee</li> </ul>	<ul style="list-style-type: none"> <li>• Each will referred by a BMO Nesbitt Burns Investment Advisor will result in a one-time payment to BMO Nesbitt Burns of 25% of estimated annualized administration fees paid to Trustco</li> <li>• Each investment administration account ("IAA") referred by a BMO Nesbitt Burns Investment Advisor will result in a Referral Fee from Trustco which will be a one-time payment of 25% of estimated annualized revenue. No Referral Fee will be paid to BMO Nesbitt Burns where investment advice or investment decisions on an IAA are made by a BMO Nesbitt Burns Investment Advisor</li> <li>• Each enCircle® account or inter vivos trust account referred by a BMO Nesbitt Burns Investment Advisor will result in a Referral Fee payable to BMO Nesbitt Burns from Trustco which will be a one-time payment of 25% of estimated annualized revenue. No Referral Fee will be paid where investment advice or investment decisions on an enCircle® account or on inter vivos trust are made by a BMO Nesbitt Burns Investment Advisor</li> <li>• A portion of this referral fee may be paid to the Referring Employee</li> </ul>	<ul style="list-style-type: none"> <li>• 25% of annual revenue, applicable to referrals made after February 1, 2008</li> <li>• Referrals made on or before January 31, 2008 are subject to a Referral Fee of 15% of annual revenue</li> <li>• Equalization payment on assets transferred, 100 basis points on amounts transferred for 2 years, payable up front each year</li> <li>• A portion of this referral fee may be paid to the Referring Employee</li> </ul>

**Acknowledgements:**

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

- BMO Nesbitt Burns (or, if BMO Nesbitt Burns is not the Referring Entity, the Referring Entity) may disclose Information about the Client to the Receiving Entity 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 the Client, including information to identify the Client or qualify the Client for products and services, or information needed for regulatory requirements.
- All activity requiring registration resulting from the Referral Agreement will be provided by the Receiving Entity or outsourced to a party duly licensed or registered to carry on such activity. It is illegal for any party to the Referral Agreement to effect trades, advise in respect of certain securities or engage in investment fund management if it is not duly licensed or registered under applicable securities legislation as an investment dealer, an adviser or an investment fund manager.
- The Referring Entity does not have authority to make any commitments for or on behalf of the Receiving Entity; the Client will deal directly with the Receiving Entity in respect of any products or services the Receiving Entity may provide to the Client.
- 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.
- The Client is under no obligation to purchase any product or service of the Receiving Entity.

## Part Six – Communication with Beneficial Owners of Securities of a Reporting Issuer

Based on the Client's instructions, the securities in the Client's account with BMO Nesbitt Burns are not registered in the Client's name but in BMO Nesbitt Burns' name or the name of another person or company holding the Client's securities on the Client's behalf. The issuers of the securities in the Client's account may not know the identity of the beneficial owner of these securities.

BMO Nesbitt Burns is required under securities law to obtain the Client's instructions concerning various matters relating to the Client's holding of securities in the Client's account.

### Part 6A 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 of the reporting issuer's securities if the beneficial owner does not object to having information about it disclosed to the reporting issuer or other persons and companies. Part 1 of the Shareholder Communication Information section of the Client Account Agreement allows the Client to tell BMO Nesbitt Burns if the Client OBJECTS to the disclosure by BMO Nesbitt Burns to the reporting issuer or other persons or companies of the Client's beneficial ownership information, consisting of the Client's name, address, electronic mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of the Client's beneficial ownership information to matters relating to the affairs of the reporting issuer.

If the Client *does not object* to the disclosure of the Client's beneficial ownership information, please mark the first box on Part 1 of the Shareholder Communication Information section of the Client Account Agreement. In those circumstances, the Client will not be charged with any costs associated with sending securityholder materials to the Client.

If the Client *objects* to the disclosure of the Client's beneficial ownership information by BMO Nesbitt Burns, please mark the second box in Part 1 of the Shareholder Communication Information section of the Client Account Agreement. If the Client does this, all materials to be delivered to the Client as a beneficial owner of securities will be delivered by BMO Nesbitt Burns, and the Client may be charged the reasonable cost of such mailings.

### Part 6B receiving securityholder materials

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

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

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

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

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

If the Client wants to receive ALL materials that are sent to beneficial owners of securities, please mark the first box in Part 2 of the Shareholder Communication Information section of the Client Account Agreement. If the Client wants to DECLINE to receive the three types of materials referred to above, please mark the second box in Part 2 of the Shareholder Communication Information section of the Client Account Agreement. If the Client wants to receive only materials sent in connection with a special meeting, please mark the third box in Part 2 of the Shareholder Communication Information section of the Client Account Agreement.

Note: Even if the Client declines to receive the three types of materials referred to above, a reporting issuer or other person or company is entitled to deliver these materials to the Client, provided that the reporting issuer or other person or company pays all costs associated with the sending of these materials. These materials would be delivered to the Client through BMO Nesbitt Burns if the Client has objected to the disclosure of the Client's beneficial ownership information to reporting issuers.

### Part 6C consent to electronic delivery

Securities law permits BMO Nesbitt Burns to deliver some documents by electronic means if the consent of the recipient to the means of delivery has been obtained. Please indicate in Part 3 of the Shareholder Communication Information section of the Client Account Agreement whether the Client consent to the electronic delivery of shareholder communication documents at the primary email address which the Client provided in the "Information About You" section or whether the Client declines to receive documents electronically via email. Please note that even if the Client consents to the electronic delivery, electronic delivery of material may be precluded because of technical or other circumstances. While the Client's electronic mail address forms part of the ownership information, the reporting issuer may not use the Client's electronic mail address to deliver materials directly to the Client unless specific authorization has been granted by the Client.

### Part 6D contact

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

## Part Seven – Institutional Trade Matching and Settlement

Canadian Securities Administrators' National Instrument 24-101 ("NI 24-101"), which came into force on April 1, 2007 with certain provisions coming into force on October 1, 2007, mandates that clients entering into Delivery Against Payment/Receipt Against Payment ("DAP/RAP") trades and the brokers executing such trades mutually represent to each other either through a trade-matching agreement or statement that they have policies and procedures in place to match and affirm all trade details and settlement instructions on T (where "T" means "trade date" with provisions for certain clients and for a transition period as outlined in NI 24-101).

- (a) Where BMO Nesbitt Burns acts as Client's broker for Client's DAP/RAP trades, BMO Nesbitt Burns agrees to establish, maintain and enforce the following policies and procedures designed to achieve matching on "T":
  - (i) **Provision of Trade Details** – For each order Client places with BMO Nesbitt Burns, BMO Nesbitt Burns will on "T" advise Client of the price and quantity executed for Client during the trading day ("Fills").

**(ii) If Client uses a Matching Service Utility** – If Client uses a Matching Service Utility, BMO Nesbitt Burns will do the following on “T”:

1. Provide to such Matching Service Utility a notice of execution (“Notice of Execution”) containing the trade details provided to Client as Fills;
2. To the extent reasonably possible as determined by BMO Nesbitt Burns in its sole discretion, structure the Notices of Execution into “blocks” where supported by the Matching Service Utility to minimize any transaction based fees;
3. Provide such information to allow the Matching Service Utility to complete their matching against allocations sent by Client to the Matching Service Utility;
4. Receive matched allocations along with settlement instructions associated with the allocations and process them against BMO Nesbitt Burns’ internal systems;
5. Transmit acknowledgements of matched trades (“Confirms”) to the Matching Service Utility; and
6. Process Client’s matched trades in BMO Nesbitt Burns’ official book of record.

**(iii) If Client uses a Message-Based Mechanism for Electronic Communication of Trade-Related Messages (e.g., FIX)** - If Client uses a message-based mechanism for electronic communication of trade-related messages, BMO Nesbitt Burns will do the following on “T”:

1. Send a summary notice of execution to Client containing an aggregate of the trade details provided to Client as Fills and details on commissions, miscellaneous fees (where applicable), foreign exchange (where applicable) and the net amount to be received or delivered by Client against the Fills (a “Calculated Notice of Execution”);
2. Manage any such Calculated Notices of Executions rejected by Client until BMO Nesbitt Burns and Client either mutually agree on the details or mutually agree to cancel the trade;
3. Receive allocations from Client identifying all of the custodians and accounts at those custodians to be used for settlement of the trades (these allocations can be sent as blocks to minimize any transaction based fees);
4. Acknowledge or reject such allocations, as so determined by BMO Nesbitt Burns in its sole discretion, and manage any such rejections with Client until BMO Nesbitt Burns and Client either mutually agree on the details or mutually agree to cancel the trade; and
5. For each allocation send the settlement instructions identifying BMO Nesbitt Burns’ CUID and accounts for settlement at CDS Clearing and Depository Services Inc. (“CDS”).

(b) Where Client places DAP/RAP trades through BMO Nesbitt Burns, Client agrees to establish, maintain and enforce the following policies and procedures designed to achieve matching on “T”:

**(i) Processing of Trade Details** – Where BMO Nesbitt Burns is acting as Client’s executing broker on the trade, Client will on “T” apply the trade details BMO Nesbitt Burns has provided to Client against the allocations created by Client for matching.

**(ii) Provision of Trade Details** – Where BMO Nesbitt Burns is acting as Client’s prime broker but not the executing broker on the trade, Client will provide to BMO Nesbitt Burns on “T”, the Fills stating the correct and complete details for each trade, including the contact information of the executing broker.

**(iii) If Client uses a Matching Service Utility** - If Client uses a Matching Service Utility, Client will:

1. At least sixty (60) days in advance of first use:
    - (a) Advise BMO Nesbitt Burns of which Matching Service Utility Client is using (whether Client is using a Matching Service Utility for the first time or is changing Matching Service Utilities);
    - (b) Provide BMO Nesbitt Burns with, or make its best efforts to cause such Matching Services Utility to provide to BMO Nesbitt Burns, confirmation that such Matching Service Utility is in compliance with all of the requirements of NI 24-101; and
    - (c) Obtain written confirmation from BMO Nesbitt Burns of BMO Nesbitt Burns’ ability to interact with such Matching Service Utility.
  2. On “T”:
- (a) Send allocations to such Matching Service Utility reflecting the trade details that were provided to Client as Fills;
  - (b) Provide such information as may reasonably be required to allow such Matching Service Utility to complete their matching against allocations sent by Client against Notices of Execution sent by BMO Nesbitt Burns to the Matching Service Utility;
  - (c) Make its best efforts to cause such Matching Service Utility to deliver to BMO Nesbitt Burns on “T” the matched allocations along with current and correct settlement instructions to enable each of the Client’s allocations to be matched and settled against the appropriate accounts at the appropriate custodian;
  - (d) Make its best efforts to cause such Matching Service Utility to deliver on “T” Custodial Settlement Advices corresponding to Client’s allocations to the appropriate custodian(s) for application against the accounts indicated in the settlement instructions delivered by Client to BMO Nesbitt Burns; and
  - (e) Make its best efforts to cause such Matching Service Utility to transmit BMO Nesbitt Burns’ settlement instructions to the appropriate custodian(s).

**(iv) If client uses a Message-Based Mechanism for Electronic Communication of Trade-Related Messages (e.g., FIX)** - If Client uses a message-based mechanism for electronic communication of trade-related messages, Client will:

1. At least sixty (60) days in advance of first use:
    - (a) Advise BMO Nesbitt Burns of Client’s intention to use a message-based mechanism; and
    - (b) Obtain written confirmation from BMO Nesbitt Burns that the message-based mechanism Client has selected is interoperable with BMO Nesbitt Burns’ message handling systems.
  2. On “T”:
- (a) Accept or reject BMO Nesbitt Burns’ Calculated Notice of Execution;
  - (b) Manage any such Calculated Notices of Execution rejected by Client until BMO Nesbitt Burns and Client either mutually agree on the details or mutually agree to cancel the trade;
  - (c) Send allocations to BMO Nesbitt Burns identifying all of the custodians and accounts at those custodians to

be used for settlement of the trades (these allocations can be sent as blocks to minimize any transaction-based fees);

- (d) Manage any allocation rejections BMO Nesbitt Burns may send to Client until BMO Nesbitt Burns and Client either mutually agree on the details or mutually agree to cancel the trade;
- (e) Accept, for each allocation BMO Nesbitt Burns accepts, the settlement instructions identifying BMO's CUID and accounts for settlement at CDS;
- (f) Deliver Custodial Settlement Advices corresponding to Client's allocations to the appropriate custodian(s) for application against the accounts indicated in the settlement instructions delivered by Client to BMO Nesbitt Burns; and
- (g) Transmit BMO Nesbitt Burns' settlement instructions to the appropriate custodian(s).

services. Any conduct by the Client that in BMO Nesbitt Burns' discretion restricts or inhibits any other third-party from using or enjoying the service will not be permitted. The Client shall not use the service to advertise or perform any commercial solicitation, including, but not limited to, the solicitation of users to become subscribers of other on-line information services competitive with the service.

- (c) The foregoing provisions are for the benefit of BMO Nesbitt Burns, its subsidiaries, affiliates and its third-party content providers and licensors and each shall have the right to assert and enforce such provisions directly or on its own behalf.

#### Limitation of warranty and damages

- (a) The Client expressly agrees that use of the service is at the Client's sole risk. Neither BMO Nesbitt Burns, its affiliates nor any of their respective employees, agents, third party content providers or licensors warrant that the service will be uninterrupted or error free; nor do they make any warranty as to the results that may be obtained from use of the service, or as to the accuracy, reliability or content of any information, service, or merchandise provided through the service.
- (b) The service is provided on an "as is" basis without warranties or conditions of any kind, either expressed or implied, including, but not limited to, warranties or conditions of title or implied warranties of merchantability or fitness for a particular purpose, other than those warranties which are implied by and incapable of exclusion, restriction or modification under the laws applicable to this Agreement.
- (c) This disclaimer of liability applies to any damages or injury caused by any failure of performance, error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, theft or destruction or unauthorized access to, alteration of, or use of record, whether for breach of contract, tortious behaviour, negligence, or under any other cause of action. The Client specifically acknowledges that BMO Nesbitt Burns is not liable for the defamatory, offensive or illegal conduct of other users or third parties and that the risk of injury from the foregoing rests entirely with the Client.
- (d) In no event will BMO Nesbitt Burns, or any person or entity involved in creating, producing or distributing the service be liable for any damages, including, without limitation, direct, indirect, incidental, special, consequential or punitive damages arising out of the use of or inability to use the service, even if BMO Nesbitt Burns is advised or made aware of the possibility of such damages. The Client hereby acknowledges that the provisions of this section shall apply to all content on the service.
- (e) In addition to the terms set forth above, neither BMO Nesbitt Burns nor its affiliates, information providers or content partners shall be liable, regardless of the cause or duration, for any errors, inaccuracies, omissions, or other defects in, or untimeliness or unauthenticity of, the information contained with the service, or for any delay or interruption in the transmission thereof to the Client, or for any claims or losses arising therefrom or occasioned thereby. None of the foregoing parties shall be liable for any third-party claims or losses of any nature, including, but not limited to, lost profits, punitive or consequential damages. BMO Nesbitt Burns, its affiliates, information or content providers shall have no liability for investment decisions based on the information provided. Additionally, there are no warranties as to the results obtained from the use of the information provided.

#### Third-party content

Any opinions, advice, statements, services, offers, or other information or content expressed or made available by third-parties, including

### Part Eight – Gateway Service

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

#### Client conduct

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

information providers or any other user of the service, are those of the respective author(s) or distributor(s) and not of BMO Nesbitt Burns.

#### **Service interruptions and termination of service**

BMO Nesbitt Burns shall have the right at any time to change or discontinue any aspect or feature of the service, including, but not limited to, content, hours of availability, and equipment needed for access or use. The Client agrees that BMO Nesbitt Burns may suspend or terminate the Client's access to the service for any reason and without prior notice to the Client.

#### **Verification of information**

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

#### **Client inquiries**

If the Client has technical questions or difficulties with respect to the use of the service, please call our toll-free number, 1 (877) 873-7664 (the "Toll-Free Number"). The Client shall be responsible for obtaining and maintaining all telephone, Internet access, computer hardware and other equipment needed for access to and use of the service and all charges related thereto. Any inquiries regarding the Client's account information, investment advice or transactions should be referred to the Client's Investment Advisor and

not to the Toll-Free Number. The Client hereby acknowledges and agrees that employees of Bank of Montreal may be involved in providing the Client with technical assistance over the Toll-Free Number.

#### **Password and the Client's identification**

BMO Nesbitt Burns is under no obligation to confirm the actual identity or authority of any user of the password, User ID and account number that have been issued to the Client. The Client is responsible for: (a) maintaining the confidentiality and security of the Client's password, User ID and account number; and (b) any and all communications between the Client and BMO Nesbitt Burns over the internet and/or on the Toll-Free Number relating to the service.

BMO Nesbitt Burns will not be responsible for any damages arising out of the misuse of the Client's password, the Client's user ID and account number.

#### **Miscellaneous**

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



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