BMO Guaranteed Investment Funds

Information Folder and Policy Provisions

BMO Insurance

KEY FACTS FOR BMO GUARANTEED INVESTMENT FUNDS

This summary provides a brief description of the key things you should know before you apply for this individual variable insurance contract. This summary is not your Contract. A full description of all the features and how they work is contained in this Information Folder and the Policy Provisions. You should review these documents and discuss any questions you have with your advisor.

What am I purchasing?
You are purchasing a BMO Guaranteed Investment Funds (BMO GIF) contract. This is an insurance contract between you and BMO Life Assurance Company. You have choices to make when you purchase the contract. You can:

- choose to make Deposits on a regular scheduled basis or as a lump sum;
- choose from different Funds and Fund Series that have different insurance and management fees;
- choose a non-registered, registered Contract or Tax-Free Savings Account Contract;
- name a person to receive proceeds paid on death.

The choices you make affect your taxes and guarantees. Ask your advisor to help you make decisions. *For information on taxes, see Section 15.*

The value of your Contract can go up or down subject to the guarantees.

What guarantees are available?
Your Contract has a maturity guarantee that is payable on certain dates and a death guarantee. Your beneficiary will receive the death guarantee if you or another person on whose life the policy is based dies before the Contract matures.

We offer 3 levels of guarantees (each called a Guarantee Option). You select your Guarantee Option at the time you apply for BMO GIF. You may only hold one Guarantee Option in a Contract. The 3 Guarantee Options are:

a) GIF 75/75 – 75% maturity guarantee and 75% death guarantee

b) GIF 75/100 – 75% maturity guarantee; and depending on your age when you make the Deposit, 75% or 100% death guarantee

c) GIF 100/100 – depending on the length of time between the Deposit and the Maturity Date or Contract Maturity, 75% or 100% maturity guarantee; and depending on your age when the Deposit is made, 75% or 100% death guarantee.

You may also get added protection from resets.

Any withdrawals you make will reduce the amount of the guarantees. *For details see section 7, 8, and 9.*

What investments are available?
The Contract offers you a choice of Funds in different Series. The Funds are described in the Fund Facts.

BMO Life Assurance Company does not guarantee the performance of the Funds. You should carefully consider your tolerance for risk when you select an investment option.

How much will this cost?
The Fund and the Fund Series you choose will affect your costs.

Management Expense Ratio (“MER”)	We deduct management fees, insurance fees, operating expenses, and taxes from the Funds. They are shown as management expense ratios (MERs) on the Fund Facts for each Fund and Fund Series. Fees that you pay directly are not included in the MER. *For details on the fees and expenses, see section 11.2 and the Fund Facts*

Sales Charge	You can make deposits under one of two sales options: (a) front-end sales charge; or (b) no-load sales charge. Front-end sales charge: We deduct front-end sales charges from your Deposit and pay them to your advisor or to the distributor your advisor is associated with. No-load sales charge: We pay commission to your advisor but you do not pay a sales charge when you make withdrawals. As of June 1, 2023 the deferred sales charge (DSC) option which was previously offered will not be available for new contract purchases or Deposits. Existing DSC schedules will continue to apply where you have an existing BMO GIF DSC contract **and available only for transfers and switches**. You may have to pay a sales charge when making a withdrawal. You are eligible to make deposits to Class F if you have a fee-based account with your distributor (your advisor's firm) and your Contract is held in nominee name or have set up a client name Contract through your distributor. For nominee name, your applicable fees are collected from the account with your distributor and not from this Contract. For client name, Units are withdrawn monthly from this Contract to pay for fees to your distributor at the negotiated rate between you and your distributor. *For details see sections 3.7 and 12*
Other Fees	You may be charged fees for certain transactions, including: • Death Guarantee Reset option fee (GIF 100/100); • NSF charges; • Short-term trading fee. We may also charge you for any expenses or investment losses that occur as a result of your error. *For details see sections 5.3, 5.5 and 9.3.1.4*

What can I do after I purchase the Contract?

After you purchase the Contract, you can make additional deposits, request switches, make withdrawals and after the Contract Maturity Date, receive annuity payments. *For details on those transactions see sections 3, 4 and 5.*

Certain restrictions and other conditions may apply. You should review your Contract for your rights and obligations and discuss any questions with your advisor.

What information will I receive about my Contract?

We will send you:

- confirmations for most financial transactions;
- statements with information about the value of your investment and your transactions at least once a year; and
- required updates affecting your Contract.

You may request annual audited financial statements and semi-annual unaudited financial statements.

Can I change my mind?

You can:

- cancel your Contract; or
- change your mind about a transaction, for example, cancelling a deposit.

You have to tell us in writing within two business days of the earlier of:

- the date you received confirmation that the Contract is in force or of the transaction; or
- five business days after such confirmation is mailed.

The amount returned will be the lesser of the amount invested or the value of the investment if it has gone down. It will include any sales charges or other fees you paid. If you cancel a transaction, the cancellation only applies to the transaction. *For details, refer to section 3.8, Cancellation Rights.*

Where can I get more information or help?

You may contact us at our **BMO GIF Administrative and Services Office**, Telephone 1-855-639-3867, Fax 1-855-747-5613, Email: ClientServices.BMOLifeGIF@bmo.com or by mail at 250 Yonge Street, 8th Floor, Toronto, ON, M5B 2M8.

For information about handling issues you are unable to resolve with your insurer, contact the OmbudService for Life and Health Insurance at 1-888-295-8112 (Canada toll-free) or on the web at www.olhi.ca

For information about additional protection that is available for all life insurance policy owners, contact Assuris, a company established by the Canadian life insurance industry. See www.assuris.ca for details.

For information regarding how to contact the insurance regulator in your province visit the Canadian Council of Insurance Regulators website at www.ccir-ccrra.org. The Autorité des marchés financiers is the insurance regulator in the Province of Quebec. It can be reached at 1-877-525-0337 or at information@lautorite.qc.ca.

ABOUT THIS DOCUMENT

ABOUT BMO INSURANCE

BMO Life Assurance Company ("BMO Insurance") is a federally incorporated company under the *Insurance Companies Act* (Canada). Its registered head office is located at 60 Yonge Street, Toronto, ON, M5E 1H5. BMO Insurance provides a wide range of individual life, health, accident insurance, and wealth management solutions to customers across Canada. It is part of BMO Financial Group, one of the most recognized and respected financial services organizations in Canada.

BMO INSURANCE CUSTOMER SERVICE

We ask that you direct all communications, transaction requests or questions to the BMO GIF Administrative and Services Office at:

BMO Life Assurance Company
Attn.: **BMO GIF Administrative and Services Office**
250 Yonge Street, 8th Floor
Toronto, ON
M5B 2M8

Telephone: 1-855-639-3867
Fax: 1-855-747-5613
E-mail: ClientServices.BMOLifeGIF@bmo.com

CERTIFICATION

BMO Insurance certifies that this Information Folder provides brief and plain disclosure of all material facts relating to the BMO Guaranteed Investment Funds Contract.

October 16, 2023

Rohit Thomas
President & Chief Executive Officer

Timothy Cavallin
Vice President & Chief Financial Officer

ABOUT THIS DOCUMENT

This document contains the **Information Folder** and **Policy Provisions** for BMO Guaranteed Investment Funds. It contains important information you should review before purchasing a Contract. The **Policy Provisions** set out the terms of the Individual Variable Insurance Contract which forms the basis of the contractual agreement between you and us. Your Individual Variable Insurance Contract will start on the date indicated in the confirmation notice that will be sent to you.

This **Information Folder** provides brief and plain disclosure of the BMO Guaranteed Investment Funds. It is not an insurance contract. In the **Information Folder**, we use a number of terms that have special meanings. Capitalized terms used in the **Information Folder** but not defined herein are defined in the **Policy Provisions**.

Information about the segregated funds, including investment objectives, strategies, risks and fees are available in the **Fund Facts** and in the **Information Folder** under the section titled *Investment Options*.

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1 GENERAL INFORMATION

In this Information Folder, "you" and "your" refer to the Policy owner of the Individual Variable Insurance Contract. "We", "us", "our" and "BMO Insurance" refers to BMO Life Assurance Company.

In the Information Folder, we use a number of terms that have special meanings. Capitalized terms used in the Information Folder but not defined herein are defined in the Policy Provisions.

1.1 Introduction

The BMO Guaranteed Investment Fund Contract is an individual variable insurance contract issued to you, the Policy owner, based on the life of the Annuitant. *Refer to section 1.2.2 for more details on who is an Annuitant.*

1.2 Parties to the Contract

1.2.1 Ownership

You may exercise every right of the Policy owner of this Contract, subject to any limitation under applicable law. Your rights may be restricted if a Beneficiary has been irrevocably appointed or if this Contract has been hypothecated or assigned as collateral.

You may designate a Successor Owner to become the Policy owner of this Contract when you die (referred to as a subrogated policyholder in Quebec). A Successor Owner can be named only for a non-registered Contract.

The Contract can also be held by two Policy owners in joint ownership. Joint ownership can be with rights of survivorship or as tenants in common. If no election is made on the application, rights of survivorship will apply, except for Contracts issued in Quebec. Automatic survivorship does not apply to Contracts issued in Quebec and to elect survivorship each Joint Owner must designate each other a "subrogated policyholder."

1.2.1.1Rights of Survivorship

If ownership is with rights of survivorship, each Joint Owner will own the Contract together as a whole without each holding a defined share. On the death of a Joint Owner who is not the Annuitant, the surviving Policy owner will automatically become the sole Policy owner of the entire Contract. If the deceased Joint Owner is also the Annuitant, the Death Benefit will be paid and the Contract will terminate. In Quebec, the same effect can be achieved if Joint Owners designate each other a "subrogated policyholder" of each other.

1.2.1.2 Tenancy in common

Joint Owners can hold the Contract as tenants in common and each Policy owner will have a specific share of the Contract. On the death of a Joint Owner who is not the Annuitant, the estate of the deceased Joint Owner will replace the deceased Joint Owner, unless the Joint Owner has named a Successor Owner (subrogated policyholder in Quebec) to take over the deceased Joint Owner's share. If the deceased Joint Owner is also the Annuitant, the Death Benefit is payable and the Contract will terminate. If the share of each Joint Owner is not specified, the Joint Owners will hold the Contract in equal shares.

1.2.2 Annuitant

The Annuitant is the person on whose life the maturity guarantees and age-based transactions are measured, and upon whose death the death guarantee is payable. The Annuitant can be you, the Policy owner, or a person you designate.

You may appoint a Successor Annuitant to replace a deceased Annuitant (the ``Primary Annuitant``). The Successor Annuitant must be named before the death of the Primary Annuitant. You may name a Successor Annuitant for a non-registered, RIF or TFSA Contract (in the case of a TFSA, the Successor Annuitant is referred to as the "successor holder"). For a RIF or TFSA Contract, only a spouse or common-law partner can be named.

If you named a Successor Annuitant who is still alive when the Annuitant dies, the Contract will continue and no Death Benefit will be payable. The Death Benefit will be payable on the death of the last surviving Successor Annuitant.

1.2.3 Beneficiary

You may appoint one or more Beneficiaries to receive any amounts payable under the Contract upon the death of the last surviving Annuitant. The designation will remain in effect unless changed, so far as the applicable laws allow.

In order to change the Beneficiary, you must send a written request to our BMO GIF Administrative and Services Office. *For our contact information, refer to the Key Facts.*

The Beneficiary's consent to such change is not required unless the beneficiary was irrevocably designated. The change will take effect as of the date you sign the

Beneficiary change, whether or not it is received by us. However, we are not liable for any payment made before the change is received in our BMO GIF Administrative and Services Office. If more than one Beneficiary is designated without specifying their interests, they will share equally.

If the Contract is a Locked-in Plan, e.g. LIRA or LIF, under applicable pension legislation, the interest of your spouse, civil union spouse or common law partner can take priority over a beneficiary you designate.

1.3 Overview of BMO GIF and Classification of the Funds into Classes and Series

The BMO GIF Contract gives you access to various Funds and different contractual provisions, such as maturity and death guarantees. When you apply for a BMO GIF Contract, you select a Guarantee Option. The Guarantee Option you hold determines the benefits under your Contract and the insurance fee associated with those benefits. You are limited to one Guarantee Option per Contract.

Each Fund is a segregated fund that is a pool of assets, owned by BMO Insurance and kept separate from its other assets. A Policy owner has no direct claim or property interests in the Fund and has no right to direct the investment of the assets of the Fund.

Each Fund is divided into Series with each Series associated with a Guarantee Option and a Class of a Fund. Each Series is further divided into Units to determine the value of benefits under the Contract. There are nine Series of a Fund each representing one of four Classes (Class A, Class F, Class A Prestige, or Class F Prestige). We may add more Fund Classes. *Refer to the Fund Facts for a list of available Funds.*

The Series currently available are:

Guarantee Option	Series A	Series A Prestige	Series F	Series F Prestige
75/75	√	√	√	√
75/100	√	√	√	N/A
100/100	√	√	√	N/A

We reserve the right to close, add or merge Funds, Classes or Series of a Fund offered under the Contract. If a Fund, Class or Series of a Fund is to be closed, we will provide you with at least 60 days' notice before the closure. You may, subject to regulatory requirements and our Administrative Rules, switch the Units from the discontinued Fund, Class or Series to another Fund, Class or Series subject to minimum deposit requirements without incurring fees. If we do not receive any instructions, we will, in accordance with our Administrative Rules, withdraw your units in the discontinued Fund, Class or Series and reallocate its value to another Fund or Series indicated for that purpose in the notice informing you of the closure. We also reserve the right to limit the number of Classes in any one Contract.

Certain changes to the Funds are considered a fundamental change in which case the fundamental change provisions will apply. We may also change the Underlying Fund in which the Fund invests. We will inform you of the change through regular communications sent to you unless the change is considered a fundamental change, in which case, the fundamental change provisions will apply. *Refer to section 17.1 for your rights when a fundamental change occurs.*

2 TYPES OF CONTRACT

2.1 General Overview

The Contract may be registered or non-registered. The registration types are: Tax-free savings account ("**TFSA**"), a retirement savings plan ("**RSP**"), a Spousal RSP, a Locked-in Retirement Account ("**LIRA**"), a Locked-in RRSP ("**LRSP**"), a Restricted Locked-in Retirement Savings Plan ("**RLSP**"), a Retirement Income Fund ("**RIF**"), a Spousal RIF, a Life Income Fund ("**LIF**"), a Prescribed Retirement Income Fund ("**PRIF**"), a Restricted Life Income Fund ("**RLIF**") or a Locked-in Retirement Income Fund ("**LRIF**").

Depending on the source of the Deposit and the applicable legislation, not all plan types may be available to you.

2.2 Non-Registered Contract

A non-registered Contract may be owned by an individual, a corporation, jointly by two individuals or held in nominee name or in any form of ownership permitted under applicable laws. Either the Annuitant or a third party may be the Policy owner of a non-registered Contract.

The ownership of a non-registered Contract may be transferred in accordance with applicable laws and the Administrative Rules. We reserve the right to restrict a transfer of ownership.

If a non-registered Contract is in force at the Contract Maturity Date, we will redeem all the Units allocated to the non-registered Contract on the Valuation Day immediately preceding with or coinciding with the Contract Maturity Date. *Refer to sections 7.2.2, 8.2.2, and 9.2.5 for details on Maturity Options.*

You cannot borrow money directly from a non-registered Contract, but a non-registered Contract may be used as security for a loan by assigning it to the lender. The rights of the lender may take priority over your rights or the rights of any other person claiming any amounts payable under the Contract. An assignment of a non-registered Contract may restrict or delay certain transactions otherwise permitted.

2.3 Registered Contract

Under a registered Contract you are the Policy owner and the Annuitant. A registered Contract is subject to the additional provisions of the registered (RSP, RIF, TFSA) or locked-in plan endorsement, which forms part of the Contract. The endorsement takes precedence over any conflicting section of the Contract.

You cannot borrow money from a registered Contract and, except for a TFSA, it cannot be assigned or used as security for a loan.

A Locked-in Plan is a type of RSP or RIF that is subject to pension laws.

2.3.1 RSP, LIRA, LRSP, RLSP Contracts

You may make Deposits to a RSP, in a lump sum or at regular intervals. If your spouse or common-law partner makes contributions to your RSP, it is a Spousal RSP. Deposits to a LIRA, LRSP or RLSP can only be made in a lump sum with funds that originated from a pension. You are responsible for ensuring that Deposits do not exceed the applicable limits prescribed by the Tax Act.

If your RSP, LIRA or RLSP Contract is in force on December 31 of the year you reach 71 years of age, or the latest age to own a RSP under the Tax Act, you must:

a) convert the RSP to a RIF or (if you have a RSP that is locked-in under pension legislation, the Contract will be amended to become a LIF, LRIF or other locked-in income plan, as applicable under pension legislation); or

b) convert the RSP to an immediate annuity; or

c) terminate the Contract and make a withdrawal of the full value of the Contract, subject to any applicable fees and withholding taxes. If you hold a LIRA, LRSP or RLSP, you cannot take the proceeds in cash unless permitted by applicable pension legislation.

If no election is made, we will automatically amend the registration type of your Contract from an RSP to a RIF. If you hold a LIRA, RLSP or LRSP, the Contract will be amended to a LIF or other locked-in income contract, as provided under pension legislation. *Refer to section 2.3.3*.

2.3.2 RIF, LIF, LRIF, PRIF, RLIF Contracts

You may purchase a RIF with money transferred from your RSP, another RIF or otherwise as permitted by the Tax Act. A LIF or other similar locked-in income plan is established with pension funds.

The Tax Act specifies that a minimum amount must be taken from your RIF as retirement income payments every year after the year in which it is established. A LIF, LRIF or RLIF is similar to a RIF, except that it also imposes the maximum that can be paid out each year. The PRIF has no maximum annual withdrawal limit.

Some jurisdictions require that you obtain spousal consent before the assets in a LIRA, LRSP or RLSP can be transferred to a LIF, LRIF, PRIF or RLIF.

If your Contract registered as a RIF, LIF, LRIF, PRIF or RLIF is in force on the Contract Maturity Date, all the Units allocated to that Contract will be redeemed on the Valuation Day immediately preceding or coinciding with the Contract Maturity Date. *Refer to sections 7, 8, and 9 for the calculation of the Maturity Benefit on the Contract Maturity Date.*

2.3.3 Conversion of a RSP, LIRA, LRSP, RLSP to a RIF

The terms below apply when you request a conversion of your RSP to a RIF (or locked-in savings plan to a locked-in income plan) or when we exercise the automatic amendment described in section 2.3.1.

a) the provisions of your RSP Contract relating to its status as a RSP will terminate and the provisions of the corresponding RIF Contract will become effective;

b) the value of the Units in each Fund allocated to the RIF Contract immediately after the conversion will be equal to the value of the Units in the same Fund previously allocated to your RSP Contract immediately before the amendment;

c) the Maturity Date under the previous RSP Contract will become the Maturity Date under the RIF Contract;

d) the guarantees under the previous RSP Contract will become the guarantees under the RIF Contract;

e) any Beneficiary designation under the previous RSP Contract will continue to be in effect under the RIF Contract;

f) on January 1 of each calendar year following the conversion date, we will calculate the RIF minimum withdrawal applicable to that year;

g) if the RIF minimum withdrawal applicable to a calendar year is not withdrawn in the calendar year by December 31, we will pay you the RIF minimum amount required by law according to the terms of section 5.1.2.1.

2.4 Contracts Held As Self-Directed RSP, RIF or TFSA (nominee-name)

If your Contract is held in a self-directed RSP, RIF or TFSA plan (nominee name), your Contract will be non-registered at BMO Insurance. The trustee of your plan is required to satisfy the requirements necessary to comply with the Tax Act applicable to your plan, including the payment of minimum payments under a RIF.

2.5 TFSA

Under a TFSA Contract, you are the Policy owner (referred to in the Tax Act as the holder) and the Annuitant of a TFSA. You can name your spouse as the Successor Annuitant ("successor holder") who on your death will become the Annuitant and Policy owner of the TFSA Contract.

Deposits allocated to your TFSA Contract are not tax deductible and there is a maximum amount you can contribute each year under the Tax Act. You are responsible for ensuring that Deposits do not exceed the TFSA contribution room limit prescribed by the Tax Act. Unused TFSA contribution room can be carried forward in future years.

You cannot borrow money from a TFSA Contract, but you may assign your Contract as security for a loan.

3 DEPOSITS

3.1 General Information

Deposits can be made on a regular scheduled basis or as unscheduled lump sum payments. You may make Deposits at any time up to the latest age to make Deposits, as described in section 3.2 below. You may also elect to make Deposits under one of two sales charge options (front-end load and no load). There is no sales charge paid to us if the Deposit is to Class F. *Refer to section 3.7 for more details on Class F*.

We reserve the right to reject a Deposit; change minimum and impose maximum Deposit amounts; close Funds, Class or Series of a Fund to additional Deposits; limit the amount of Deposits to a Fund, Class or Series or limit the number of Contracts owned by you or the number of Classes that can be held in any one Contract. We reserve the right to impose conditions, such as prior approval or fund diversification on Deposits that exceed amounts outlined in our Administrative Rules. We may waive these rules based on each case, in our sole discretion.

Cheques for Deposits must be payable to BMO Life Assurance Company. All Deposits must be paid in Canadian dollars. If your Deposits come back to us marked NSF (Non-Sufficient Funds), we reserve the right to charge a fee to cover our expenses.

3.2 Age Limits

You may purchase a Contract, make a deposit and hold a Contract in accordance with our Administrative Rules. The latest age to hold a Contract for all contract types is December 31 of the year the Annuitant turns 100. The latest age for policy issue and to make subsequent Deposits depends on the contract type and the Guarantee Option as follows:

	Latest age for new policy issue by Guarantee Option[1]			
Contract Type	**GIF 75/75**	**GIF 75/100**	**GIF 75/100 Plus**	**GIF 100/100**
Non-registered, TFSA, RIF	90	<80[2]	<85[2]	85
RSP, LIRA, LRSP, RLSP	71 or other maturity date under the Tax Act	71 or other maturity date under the Tax Act	71 or other maturity date under the Tax Act	71 or other maturity date under the Tax Act
LIF, PRIF, LRIF, RLIF	90	<80[2]	<85[2]	85

[1] *All ages as of December 31 (unless otherwise noted).*
[2] *Age as of actual date of birth.*

	Latest age for subsequent deposits by Guarantee Option[1]	
Contract Type	**GIF 75/75 & GIF 75/100**	**GIF 100/100**
Non-registered, TFSA, RIF	90	85
RSP, LIRA, LRSP, RLSP	71 or other maturity date under the Tax Act	71 or other maturity date under the Tax Act
LIF, PRIF, LRIF, RLIF	90	85

[1] *All ages as of December 31.*

Such age limits are in addition to, and may be modified by, any age restrictions respecting Deposits that arise from applicable law, including the Tax Act.

3.3 Effective Date of the Contract and Minimum Initial Deposit

We will issue your Contract on the Valuation Day we receive your application and Initial Deposit provided all requirements to set up the Contract are met. The Valuation Day we issue your Contract is the Effective Date of your Contract. The Effective Date is set out in the confirmation notice that will be sent to you.

The minimum Initial Deposit amount is as follows:

Contract Type	Minimum Initial Deposit
Non-registered, TFSA, RSP	$500 per Fund; or $50 PAD
LIRA, LRSP , RLSP	$500 per Fund
RIF, LIF, PRIF, RLIF, LRIF	$10,000

Refer to section 3.6 on how to qualify for investment in the Class A Prestige.

3.4 Subsequent Deposits for all Classes

While the Contract is in effect, you may make Subsequent Deposits to the Contract according to our Administrative Rules provided the age limitations described in section 3.2 are not exceeded and minimum amounts are met.

The minimum amount for Subsequent Deposits is:

Contract Type	Minimum Subsequent Deposit
Non-registered, TFSA, RSP	$100 per Fund; or $50 PAD
LIRA, LRSP, RLSP	$100 per Fund
RIF, LIF, PRIF, RLIF, LRIF	$500

We will send you confirmation of any Deposits when they are accepted.

Any Deposit allocated to a Fund is invested at your risk and may increase or decrease in value.

3.5 Allocating Deposits

We will purchase Units at the Unit Value of the Series of the Fund you select on the applicable Valuation Day. *Refer to section 13.2 Valuation of Transactions, for more information.*

3.5.1 Deposits by PAD

You can make scheduled Deposits by authorizing us to make regular withdrawals from your bank using pre-authorized debits ("PAD"), also known as "PAC". We have the right to cancel your scheduled Deposits at any time or direct your scheduled Deposits to a different Fund or Class, in which case we will provide you with notice of our intent and the options available to you. If you want to make changes to your PAD we require a minimum of 10 days' notice from you of any change to your PAD. The PAD option is not available for a RRIF or a Locked-in Plan.

3.6 Deposits to Class A Prestige

Class A Prestige is offered in all 3 Guarantee Options (GIF 75/75, GIF 75/100, GIF 100/100). You may make Deposits to Funds in the Class A Prestige if you meet the minimum investment threshold. Class A Prestige has lower management fees than Class A.

3.6.1 Minimum Requirement and Automatic Switch

Class A Prestige is available if the total Market Value of your BMO GIF Contracts is at least $250,000. We will automatically switch all Class A Units in all your Contracts to the Class A Prestige equivalent of the same Fund when the minimum Market Value is reached. The sales charge option and Guarantee Option will remain the same. This transaction will be processed as a reclassification of Units. A reclassification of Units will not trigger a taxable disposition and does not impact maturity and death guarantees. Refer to section 4.2 Tax Treatment of Switches and Impact of Switches on Guarantees.

3.6.2 Failure to Maintain Minimum Amount in the Class A Prestige

If the Market Value of your Contracts drops below $250,000 as a result of a withdrawal, all Units invested in Class A Prestige will be switched to Units of Class A (same sales charge option). This transaction will be processed as a reclassification of Units. A reclassification of Units will not trigger a taxable disposition and does not impact maturity and death guarantees. Refer to section 4.2 Tax Treatment of Switches and Impact of Switches on Guarantees.

A drop below the minimum Market Value of $250,000 caused by market fluctuations, payment of RIF Minimum amounts or the Death Guarantee Reset option fee (GIF 100/100) will not trigger a switch out of Class A Prestige.

BMO Insurance may from time to time change the minimum amount required or change the product eligibility requirements.

3.7 Deposits to Class F

Class F Funds are currently offered in all 3 Guarantee Options (GIF 75/75, GIF 75/100, GIF 100/100).

3.7.1 Eligibility Requirement for Class F

You are eligible to make deposits to Class F if you have a fee-based account with your distributor and your Contract is held in nominee name or have an F Class in client name Contract through your distributor. A distributor's ability to distribute Class F is also subject to terms and conditions set out in a Class F agreement between your distributor and BMO Insurance.

When you deposit to Class F in client name, Units are withdrawn each month from each Fund held in the Contract to pay fees to your distributor. The amount you pay is negotiated between you and your distributor.

When you deposit to Class F in nominee name, you pay sales charges directly to your distributor and not from this Contract when you make deposits or withdrawals. The amount you pay is negotiated between you and your distributor. You may still have to pay certain fees out of your Contract, for example the Death Benefit Reset Option fee. *Refer to section 11.3 – Fees paid out of the Contract, for more information*.

3.7.2 Failing to qualify for Class F in Nominee Name

If we are notified that: (a) you no longer have a fee-based account with your distributor; or (b) you have changed your Contract from nominee-name to client name, we reserve the right to switch your Class F Units to Class A Units of the same Fund in accordance with our administrative rules. The Class A Units will be under the front-end sales charge option, with a sales charge of zero. This transaction will be processed as a reclassification of Units. If we switch your Class F Units to Class A Units, and you meet the minimum investment threshold for Prestige Class, we will automatically switch all Class A Units to the Prestige Class equivalent of the same Fund.

If you request that the switch out of Class F be made to the no-load option of Class A, the transaction will be processed as a sell and a buy. A sell and a buy may impact maturity and death guarantees. It is a taxable disposition and may result in a capital gain or capital loss in a non-registered Contract. The transaction may also trigger withdrawal or short-term trading fees. *Refer to section 4.2.2, Switches between Classes.*

3.8 Class F Prestige

Class F Prestige is offered in the 75/75 Guarantee Options in both nominee and client name. You may make Deposits to Funds in the Class F Prestige if you meet the minimum investment threshold. Class F Prestige has lower management fees than Class F.

3.8.1 Minimum Requirement and Automatic Switch

Class F Prestige is available if the total Market Value of your BMO GIF Contracts is at least $250,000. We will automatically switch all Class F Units in all your Contracts to the Class F Prestige equivalent of the same Fund when the minimum Market Value is reached. The Guarantee Option will remain the same. This transaction will be processed as a reclassification of Units. A reclassification of Units will not trigger a taxable disposition and does not impact maturity and death guarantees. Refer to section 4.2 Tax Treatment of Switches and Impact of Switches on Guarantees.

3.9 Cancellation Rights

You can change your mind about purchasing the Contract by sending us a written notice within two business days of the earlier of:

a) the date you receive the notice of confirmation of the Effective Date; or

b) five business days after such notice of confirmation is mailed.

You also have the right to cancel a Deposit by sending us a written notice within two business days of the earlier of: (a) the date you received confirmation of the applicable transaction; and (b) five business days after the notice of confirmation is mailed. In that case, the right to cancel will apply to the transaction and not to the entire Contract. The right to cancel a Deposit does not apply to regularly scheduled Deposits (PAD) for which confirmation notices are not issued.

We will refund you the lesser of the amount of the Deposit and the Market Value of the Units on the Valuation Day following the day we receive your notice to cancel. We reserve the right to defer payment of any value under the cancellation right for 30 days following the day we receive your notice to cancel. The amount returned will include a refund of any sales charges or other fees you paid. There may be tax consequences to a cancellation.

4 SWITCHES

4.1 General Information

A switch means moving your holdings in one Fund or Class to another Fund or Class.

When you make a switch, your oldest Units will be switched first. Switches are done at the Unit Value of the Fund Series on the Valuation Day of the switch according to our Administrative Rules. The minimum amount for a switch on an unscheduled basis is $500 per Fund. You may switch all or a portion of your investment in a Fund or the entire Market Value of your Contract if it is less than $500.

A switch may be subject to a short-term trading fee of up to 2% of the amount switched if it is made within 90 days of purchasing Units of the Fund. Any short-term trading fee is in addition to any other withdrawal or other fees that may apply. *Please see section 5.3 Short-term Trading Fee, for more information.*

You can arrange for regularly scheduled switches between your holdings in BMO Money Market GIF into another Fund(s) as part of a dollar cost average strategy. The minimum initial investment in the BMO Money Market GIF is $1,000 and the minimum amount you can switch to any one Fund is $50. Scheduled switches are only available for new Deposits.

We reserve the right to limit the number of switches in a calendar year, change the minimum amount of a switch, close a Fund, Class or Series to switches, charge a fee for each unscheduled switch, and cancel scheduled switches or direct scheduled switches to a similar Fund. Switches may be suspended in exceptional circumstances. *Please see section 5.4 Suspension of Transactions*.

A switch between Contracts is not allowed.

4.2 Tax Treatment of Switches and Impact of Switches on Guarantees

4.2.1 Switching between Funds

A switch between Funds under the same sales charge option does not affect the Maturity Guarantee Amount or the Death Guarantee Amount. No sale charges will apply to such switches. If the switch is between Funds under the deferred sales charge option, the new Units will have the same withdrawal schedule as your old Units.

Moving between Funds under different sales charge options is not a switch but a sell and a buy. This means that Units will be withdrawn and the proceeds used to purchase new Units. A sell and a buy may take place on multiple Valuation Days and may impact maturity and death guarantees. It could also trigger withdrawal fees or short-term trading fees.

A switch between Funds under the same sales charge option or move between Funds under different sales charge options is a taxable disposition in a non-registered Contract and may result in a capital gain or loss.

4.2.2 Switching between Classes

A switch between Classes of the same Fund is processed as a reclassification of Units, except in the case below. A reclassification of Units does not affect maturity and death guarantees and is not a taxable disposition.

Exception – A switch is processed as a sell and a buy if the switch is from Class F (nominee) to Class A under the no-load option and is a taxable disposition in a non-registered Contract and may result in a capital gain or loss.

For greater certainty, a switch from Class F (nominee) to Class A (front-end sales charge) or from Class A or Class A Prestige to Class F (nominee) is processed as a reclassification of Units and is not a taxable disposition.

Exception – A switch is processed as a sell and a buy if the switch is from Class F (client name) to Class A or from Class A or Class A Prestige to Class F (client name). This is a taxable disposition in a non-registered Contract and may result in a capital gain or loss.

If the switch out of Class A or Class A Prestige Units purchased under the deferred sales charge option occurs before the expiry of the deferred sales charges schedule, you will have to pay an amount equal to the withdrawal fees or sales charges that would otherwise apply had the Class A or Class A Prestige Units been withdrawn.

5 WITHDRAWALS

5.1 General Information

Withdrawals can be made on a scheduled basis (scheduled withdrawal plan or SWP) or on an unscheduled basis. If you own a RIF Contract, including LIF, PRIF, RLIF and LRIF Contract, you will have SWPs made for you. Requests for withdrawals must meet the minimum withdrawal amounts applicable at the time you make the request. The minimum withdrawal amounts are set out in the table below.

If the value of your Units in the Fund on a Valuation Day is not sufficient to permit us to make the requested withdrawal, we will make a withdrawal according to our Administrative Rules.

Unless restricted by legislation, you may request a partial or full withdrawal of the Market Value of your Contract at any time while the Contract is in force. A full withdrawal of your Contract results in the termination of your Contract and termination of all rights under the Contract. We have the right to refuse your request for a withdrawal or to require that your Contract be cancelled if the minimum balance requirements are not met.

We will pay you an amount represented by the value of the Units withdrawn on the day the withdrawal is processed, less fees and applicable taxes that must be withheld. *Refer to section 13.2 Valuation of Transactions, for more information.* Withdrawals from a non-registered Contract may result in a capital gain or loss. Withdrawals from a registered Contract (other than a TFSA Contract) must be included in income and, other than the required minimum amount from a RIF or a withdrawal from a TFSA Contract, are subject to withholding tax.

Withdrawals will reduce the Maturity Guarantee Amount and Death Guarantee Amount proportionately.

The table below summarizes the terms applicable to withdrawals:

Overview of Withdrawal Restrictions		
Withdrawal Type	**Withdrawal Minimum**	**Minimum Balance for the Contract**
Unscheduled	$500 per Fund	$1,000
Scheduled	$100 per payment	
RIF, LIF, PRIF, RLIF, LRIF	RIF minimum	

5.1.1 Unscheduled Withdrawals

An unscheduled withdrawal may be requested at any time upon notice to us. The minimum unscheduled withdrawal payment is $500 per Fund.

5.1.2 Scheduled Withdrawals

A scheduled withdrawal plan (SWP) is a plan where proceeds will be deposited directly into your bank account. SWPs are available if your Contract is non-registered or a TFSA. SWPs are also available if your Contract is a RIF including a LIF, PRIF, RLIF and LRIF and in that case, are referred to as retirement income payments. SWPs are not available if your Contract is a RSP Contract including a LIRA, LRSP or RLSP Contract.

The minimum scheduled withdrawal amount is $100 per payment. *Refer to section 5.1.2.1 Retirement Income Payments, for further information.*

SWPs are made in the amount and frequency (weekly, bi-weekly, monthly, quarterly, semi-annually, or annually) you select. If the selected date is not a Valuation Day, the withdrawal will be processed on the previous Valuation Day. *Refer to section 13.2 Valuation of Transactions, for more information.*

You can change the frequency of the SWP in accordance with our Administrative Rules by providing written notice to us.

5.1.2.1 Retirement Income Payments

a) **Minimum Amount**
If your Contract is a RIF Contract (or LIF, PRIF, RLIF, or LRIF), you will be required to withdraw a minimum amount every year following the year you entered into your Contract. You are not required to make a withdrawal in the year you purchase the RIF (or other similar retirement income Contract). The amount is calculated by multiplying the Market Value of the Contract as at January 1 of the year by the percentage determined in the formula provided under the Tax Act. The applicable percentage can be based on your age or on the age of your spouse or common-law partner if you so elect

when you apply for the Contract. Once the election is made, it cannot be changed.

If the minimum amount for a calendar year is not withdrawn, we will pay you the required minimum before the end of the calendar year, in accordance with our Administrative Rules. Withdrawals in excess of the required minimum amount are subject to withholding tax.

b) **Maximum Amount**
For a LIF, RLIF or LRIF Contract, retirement income payments are subject to an annual maximum amount. The amount is calculated according to the applicable pension legislation. The PRIF has no annual maximum withdrawal limit.

5.2 Withdrawal Fees or Sales Charges

There are no charges on withdrawal of Units purchased under the front-end or no-load sales charge or on DSC-free units. There is also no sales charge when you withdraw Class F units. *Refer to section 3.7 for more information on Class F and 12.1.3 for information on deferred sales charges*. A withdrawal fee or sales charges may apply to withdrawal of Units bought prior to June 1, 2023 under the deferred sales charge ("DSC") option.

5.3 Short-Term Trading Fee

To discourage activity that may negatively impact the Fund or other Policyholders, we may charge a short-term trading fee of up to 2% of the amount withdrawn or switched if you withdraw from or switch out a Fund within 90 days of buying or switching into the Fund. The short-term trading fee is in addition to any applicable sales charges, withdrawal or other fees that may apply. The short-term trading fee does not apply to SWPs and scheduled switches as part of a dollar cost average strategy.

5.4 Suspension of Transactions

We may suspend the right to make withdrawals and switches if normal trading is suspended on an exchange in Canada or outside of Canada in which securities or derivatives that make up more than 50% of the value or underlying exposure of the Fund's total assets are traded and those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund.

5.5 Recovery of Expenses or Investment Losses

If you make an error, such as NSF payments or incorrect instructions, we reserve the right to charge you for any expenses or investment losses that occur as a result of the error in accordance with our Administrative Rules. Any charges passed on to you will correspond with the expenses or losses incurred by us.

5.6 Minimum Balance Requirement

You must maintain a minimum Market Value of $1,000 in your Contract. If this minimum Market Value is not met, we reserve the right to terminate your Contract and pay you the Market Value, less any applicable withdrawal fees and withholding taxes. Payment of this balance will discharge our obligations under the Contract.

6 GUARANTEE OPTIONS

6.1 General Information

We offer BMO GIF in three different Guarantee Options – GIF 75/75, GIF 75/100, and GIF 100/100. The Guarantee Option you hold determines the benefits under your Contract. GIF 75/75 provides a 75% guarantee on maturity and 75% guarantee on death. GIF 75/100 and 75/100 Plus provide a 75% guarantee on maturity and 100% guarantee on death, subject to certain conditions. GIF 75/100 Plus is a sub-set of the GIF 75/100 Guarantee Option. For funds designated as being 75/100 Plus, the 100% guarantee on death will be calculated including Deposits made up to the Annuitant's 85th birthday, rather than 80th birthday. Refer to the Fund Facts for the funds eligible for 75/100 Plus. GIF 100/100 provides a 100% guarantee on maturity and a 100% guarantee on death, subject to certain conditions. The dates on which the guarantees become effective may also vary by Guarantee Option. We may, at any time, decide that any of the Guarantee Options will no longer be available for new Deposits.

The following sections 7, 8, and 9 describe the guarantees that apply to each Guarantee Option. Please read the section that applies to the Guarantee Option you purchased. You will find the Guarantee Option you hold in the confirmation notice you will receive when we issue your Contract and on statements.

6.2 Choosing a Guarantee Option

Each Guarantee Option is issued separately as distinct Contracts. You may only hold one Guarantee Option in a Contract. At the time of applying for your BMO GIF, you choose the Guarantee Option you wish to receive.

The table below gives you an overview of the primary features of each Guarantee Option.

MATURITY BENEFIT		
GIF 75/75	**GIF 75/100**	**GIF 100/100**
On the Contract Maturity Date, we will calculate the Maturity Benefit. The Maturity Benefit is the greater of: • The Market Value of the Contract; and • The Maturity Guarantee Amount, calculated as: – 75% of the Deposits; – reduced proportionately by withdrawals. *Please refer to section 7 for full details.*	On the Contract Maturity Date, we will calculate the Maturity Benefit. The Maturity Benefit is the greater of: • The Market Value of the Contract; and • The Maturity Guarantee Amount, calculated as: – 75% of Deposits; – reduced proportionately by withdrawals. *Please refer to section 8 for full details.*	On the Maturity Date or the Contract Maturity Date, we will calculate the Maturity Benefit. The Maturity Benefit is the greater of: • The Market Value of the Contract; and • The Maturity Guarantee Amount, calculated as the sum of: – 100% of Deposits made at least 15 years before a Maturity Date or the Contract Maturity Date; – 75% of Deposits made less than 15 years before a Maturity Date or the Contract Maturity Date. – It is reduced proportionately by withdrawals. The Maturity Guarantee Amount has the potential to increase by Maturity Guarantee Resets. It is a standard feature for GIF 100/100. You do not directly pay fees for Maturity Guarantee Resets. They are included in the MER. *Please refer to section 9 for full details.*

6 GUARANTEE OPTIONS

DEATH BENEFIT		
GIF 75/75	**GIF 75/100**	**GIF 100/100**
On the Death Benefit Date, we will calculate the Death Benefit. The Death Benefit is the greater of: • The Market Value of the Contract; and • The Death Guarantee Amount, calculated as: – 75% of Deposits; – reduced proportionately by withdrawals. *Please refer to section 7 for full details.*	On the Death Benefit Date, we will calculate the Death Benefit. The Death Benefit is the greater of: • The Market Value of the Contract; and • The Death Guarantee Amount, calculated as the sum of: – 100% of Deposits made before the Annuitant's 80th birthday (85th birthday for GIF 75/100 Plus); – 75% of Deposits made on or after age 80 (85th birthday for GIF 75/100 Plus); – It is reduced proportionately by withdrawals. The Death Guarantee Amount has the potential to increase by Death Guarantee Resets. It is a standard feature and is included as a benefit when you select the GIF 75/100 Guarantee Option. You do not directly pay fees for this reset feature. They are included in the MER. Death Guarantee Resets occur automatically on every third Policy Anniversary until the Annuitant's 80th birthday. A final reset is performed on the last Policy Anniversary before the Annuitant's 80th birthday. *Please refer to section 8 for full details.*	On the Death Benefit Date, we will calculate the Death Benefit. The Death Benefit is the greater of: • The Market Value of the Contract; and • The Death Guarantee Amount, calculated as the sum of: – 100% of Deposits made before the Annuitant's 80th birthday; – 75% of Deposits made on or after age 80; – It is reduced proportionately by withdrawals. The Death Guarantee Amount has the potential to increase by the Death Guarantee Resets. The reset for GIF 100/100 is an optional feature that you select when you apply. Separate fees are charged for this feature. Death Guarantee Resets occur automatically on every third Policy Anniversary until the Annuitant's 80th birthday. A final reset is performed on the last Policy Anniversary before the Annuitant's 80th birthday. *Please refer to section 9 for full details.*

7 MATURITY BENEFIT & DEATH BENEFIT – GIF 75/75

7.1 General Information

If you selected the GIF 75/75 Guarantee Option, your Contract provides guarantees at maturity and death. We calculate the maturity guarantee on the Contract Maturity Date and the death guarantee on the Death Benefit Date. The terms that apply to the GIF 75/75 Guarantee Option are outlined below.

MATURITY BENEFIT – GIF 75/75

7.2 Contract Maturity Date

The Contract Maturity Date is December 31 of the year the Annuitant turns 100, or the last Valuation Day of the year if December 31 is not a Valuation Day. The Contract Maturity Date will be earlier if required by pension law. *Refer to section 10 Contract Maturity Date and Payout Annuity for the Contract Maturity Date of all plan types.*

7.2.1 Calculation of Maturity Benefit – GIF 75/75

The Maturity Benefit for a GIF 75/75 Contract is the greater of:

a) the Maturity Guarantee Amount; and

b) the Market Value of the Contract. *Refer to section 13.4 – Market Value for details.*

7.2.1.1 Calculation of Maturity Guarantee Amount – GIF 75/75

The Maturity Guarantee Amount for a GIF 75/75 Contract is calculated as:

a) 75% of all Deposits;

b) Reduced proportionately by withdrawals. *Refer to section 7.2.1.2, Reduction by Withdrawals – Impact of Withdrawals on Guarantees for more information.*

If the Market Value of the Contract is less than the Maturity Guarantee Amount, we will deposit the difference (the "**top-up**") in a Money Market Fund so that the Market Value of the Contract is equal to the Maturity Guarantee Amount. There may be tax consequences when a top-up is paid.

The following example illustrates how a 75% Maturity Guarantee Amount is calculated on the following deposits.

Date	Deposit	Maturity Guarantee Amount
Apr. 5, 2023	$40,000	$30,000 [$40,000 × 75%]
Jun. 7, 2028	$10,000	$7,500 [$10,000 × 75%]
Total Maturity Guarantee Amount		$37,500 ($30,000 + $7,500)

7.2.1.2 Reduction by Withdrawals – Impact of Withdrawals on Guarantees

The proportionate reduction of the Maturity Guarantee Amount (including the Death Guarantee Amount) is based on the following formula:

Proportionate reduction = G × W/MV where:

G = Maturity Guarantee Amount or Death Guarantee Amount before the withdrawal

W = Withdrawal Amount

MV = Market Value of the Contract immediately before the withdrawal

Examples of how deposits and withdrawals impact the Maturity Guarantee Amount

Scenario 1 illustrates the calculation of proportionate withdrawal when the Market Value of the Contract has gone up.

Date	Transaction	Amount	Maturity Guarantee before transaction	Market Value before transaction	Maturity Guarantee after transaction
May 2, 2023	Initial Deposit	$100,000	N/A	$100,000	$75,000 ($100,000 × 75%)
Jan. 5, 2024	Withdrawal	$10,000	$75,000	$120,000	$68,750[1] ($75,000 – $6,250)

[1] Proportionate reduction = $75,000(G) × $10,000(W) / $120,000(MV) = $6,250

Scenario 2 illustrates the calculation of the proportionate withdrawal when the Market Value of the Contract has gone down.

Date	Transaction	Amount	Maturity Guarantee before transaction	Market Value before transaction	Maturity Guarantee after transaction
May 2, 2023	Initial Deposit	$100,000	N/A	$100,000	$75,000 ($100,000 × 75%)
Jan. 5, 2024	Withdrawal	$10,000	$75,000	$90,000	$66,667[1] ($75,000 – $8,333)

[1] Proportionate reduction = $75,000(G) × $10,000(W) / $90,000(MV) = $8,333

7.2.2 Maturity Options – GIF 75/75

On the Contract Maturity Date you may, subject to legislation:

a) request the payment of the Maturity Benefit in a lump sum; or

b) purchase a payout annuity.

7.2.2.1 Request a Lump sum

To receive the Maturity Benefit in a lump sum, you must make the request in writing at least 30 days before the Contract Maturity Date. We will pay you the Maturity Benefit, less applicable fees or taxes that must be withheld. The lump sum payment of the Maturity Benefit will discharge our obligations under the Contract.

7.2.2.2 Payout Annuity

At the Contract Maturity Date, you may select an annuity from the types of annuities we offer at the time you make your selection. If you do not make a selection or give us instructions on how you want to receive the Maturity Benefit, the Contract will be amended to provide a single life annuity according to the terms set out in section 10 – *Contract Maturity Date and Payout Annuity*.

DEATH BENEFIT – GIF 75/75

7.3 Death Benefit Date

We calculate the Death Benefit on the date we receive proof, satisfactory to us, of the last surviving Annuitant's death. This date is called "Death Benefit Date".

7.3.1 Calculation of Death Benefit – GIF 75/75

The Death Benefit for a GIF 75/75 Contract is the greater of:

a) the Death Guarantee Amount; and

b) the Market Value of the Contract on the Valuation Day coinciding with or immediately following the Death Benefit Date. *Refer to section 13.4 – Market Value for details*.

7.3.1.1 Calculation of Death Guarantee Amount – GIF 75/75

The Death Guarantee Amount for a GIF 75/75 Contract is calculated as:

a) 75% of all Deposits;

b) Reduced proportionately by withdrawals. *Refer to section 7.2.1.2, Reduction by Withdrawals – Impact of Withdrawals on Guarantees for more information.*

Example: Death Guarantee Amount – GIF 75/75

Date	Deposit	Death Guarantee Amount
Apr. 5, 2023	$20,000	$15,000 [$20,000 × 75%]
Jun. 7, 2028	$10,000	$7,500 [$10,000 × 75%]
Total Death Guarantee Amount		$22,500 ($15,000 + $7,500)

7.3.2 Payment of Death Benefit

On the Death Benefit date, we will switch all the Units in your Contract to the BMO Money Market GIF. If the Market Value of the Contract is less than the Death Guarantee Amount, we will deposit the difference (the "top-up") into the BMO Money Market GIF. There may be tax consequences when a top-up is paid. No further transaction can be made after the Death Benefit Date.

When we receive all required documentation, including proof of death of Annuitant (or of the last surviving Annuitant if there is a Successor Annuitant) and of the claimant's right to the proceeds, we will pay to the Beneficiary or if no beneficiary was designated, the estate of the Policy owner(s), the Market Value of the BMO Money Market GIF allocated to the Contract in a lump sum or if you selected the Annuity Settlement Option (as described below), in a series of income payments under an annuity. *Refer to section 7.3.2.1, Annuity Settlement Option.* The Death Benefit will be paid in a lump sum if you do not specify the manner in which the Death Benefit is to be paid. If no beneficiary is designated, the Death Benefit will be paid in a lump sum to the estate of the Policy owner(s).

The Market Value of the BMO Money Market GIF may be adjusted for payments made between the Death Benefit Date and the date the Death Benefit is paid. We do not deduct sales charges from the Death Benefit.

Payment of the Death Benefit will discharge our obligations under the Contract.

7.3.2.1 Annuity Settlement Option

You may request that the Death Benefit payable to one or more Beneficiaries be made in a series of income payments under an annuity (the "Annuity Settlement Option"). The request must be made before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant).

You may revoke the Annuity Settlement Option or change the type of annuity or frequency of payments at any time before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant). The revocation or change may be subject to the rights of an irrevocable Beneficiary or an assignee.

If the Policy is held in nominee name, the Annuity Settlement Option is only available if the Policy is non-registered and a beneficiary is designated.

If you have elected the Annuity Settlement Option, we will apply the Death Benefit to set up a separate annuity for each Beneficiary as follows:

a) The annuity will be based on the life and age of the Beneficiary at the annuity rates in effect at the time the annuity is set up. Before annuity payments commence, we require proof of age, the Social Insurance Number of the beneficiary or any other information as set out in our then Administrative Rules. If the information is not provided, we reserve the right to pay the Death Benefit in a lump sum.

b) Payments under the annuity will start on the date set out in our then Administrative Rules.

c) The annuity is non-commutable (non-cashable, non-transferable) and non-assignable.

d) The annuity is subject to minimum and maximum premium amounts, payment amounts and age of the Beneficiary in effect at the time the annuity is set-up. If these requirements are not met, we reserve the right to pay the Death Benefit in a lump sum.

e) The annuity is subject to legislation that may provide for payment methods that take precedence over the Annuity Settlement Option. In that case, the Death Benefit will be paid in accordance with legislation.

8.1 General Information

If you selected the GIF 75/100 Guarantee Option, your Contract provides guarantees at maturity and death. We calculate the maturity guarantee on the Contract Maturity Date and the death guarantee on the Death Benefit Date. The terms that apply to the GIF 75/100 Guarantee Option are outlined below.

MATURITY BENEFIT – GIF 75/100

8.2 Contract Maturity Date

The Contract Maturity Date is December 31 of the year the Annuitant turns 100, or the last Valuation Day of the year if December 31 is not a Valuation Day. The Contract Maturity Date will be earlier if required by pension law. *Refer to section 10 Contract Maturity Date and Payout Annuity for the Contract Maturity Date of all plan types.*

8.2.1 Calculation of Maturity Benefit – GIF 75/100

The Maturity Benefit for a GIF 75/100 is the greater of:

a) the Maturity Guarantee Amount; and

b) the Market Value of the Contract. *Refer to section 13.4 – Market Value for details.*

8.2.1.1 Calculation of Maturity Guarantee Amount – GIF 75/100

The Maturity Guarantee Amount for a GIF 75/100 Contract is calculated as:

a) 75% of all Deposits;

b) Reduced proportionately by withdrawals. *Refer to section 8.2.1.2, Reduction by Withdrawals – Impact of Withdrawals on Guarantees for more information.*

If the Market Value of the Contract is less than the Maturity Guarantee Amount, we will deposit the difference (the "**top-up**") in a Money Market Fund to increase the Market Value of the Contract to equal the Maturity Guarantee Amount. There may be tax consequences when a top-up is paid.

The following example illustrates how a 75% Maturity Guarantee Amount is calculated on the following deposits:

Date	Deposit	Maturity Guarantee Amount
Apr. 5, 2023	$40,000	$30,000 [$40,000 × 75%]
Jun. 7, 2028	$10,000	$7,500 [$10,000 × 75%]
Total Maturity Guarantee Amount		$37,500 ($30,000 + $7,500)

8.2.1.2 Reduction by Withdrawals – Impact of Withdrawals on Guarantees

The proportionate reduction of the Maturity Guarantee Amount (including the Death Guarantee Amount) is based on the following formula:

Proportionate reduction = G × W/MV where:

G = Maturity Guarantee Amount or Death Guarantee Amount before the withdrawal

W = Withdrawal Amount

MV = Market Value of the Contract immediately before the withdrawal

Examples of how deposits and withdrawals impact the Maturity Guarantee Amount

Scenario 1 illustrates the calculation of proportionate withdrawal when the Market Value of the Contract has gone up.

Date	Transaction	Amount	Maturity Guarantee before transaction	Market Value before transaction	Maturity Guarantee after transaction
May 2, 2023	Initial Deposit	$100,000	N/A	$100,000	$75,000 ($100,000 × 75%)
Jan. 5, 2024	Withdrawal	$10,000	$75,000	$120,000	$68,750[1] ($75,000 – $6,250)

[1] Proportionate reduction = $75,000(G) × $10,000(W) / $120,000(MV) = $6,250

Scenario 2 illustrates the calculation of the proportionate withdrawal when the Market Value of the Contract has gone down.

Date	Transaction	Amount	Maturity Guarantee before transaction	Market Value before transaction	Maturity Guarantee after transaction
May 2, 2023	Initial Deposit	$100,000	N/A	$100,000	$75,000 ($100,000 × 75%)
Jan. 5, 2024	Withdrawal	$10,000	$75,000	$90,000	$66,667[1] ($75,000 – $8,333)

[1] Proportionate reduction = $75,000(G) × $10,000(W) / $90,000(MV) = $8,333

8.2.2 Maturity Options – GIF 75/100

On the Contract Maturity Date you may, subject to legislation:

a) request the payment of the Maturity Benefit in a lump sum; or

b) purchase a payout annuity.

8.2.2.1 Request a Lump sum

To receive the Maturity Benefit in a lump sum, you must make the request in writing at least 30 days before the Contract Maturity Date. We will pay you the Maturity Benefit, less applicable fees or taxes that must be withheld. The lump sum payment of the Maturity Benefit will discharge our obligations under the Contract.

8.2.2.2 Payout Annuity

At the Contract Maturity Date, you may select an annuity from the types of annuities we offer at the time you make your selection. If you do not make a selection or give us instructions on how you want to receive the Maturity Benefit, the Contract will be amended to provide a single life annuity according to the terms set out in section 10 *(Contract Maturity Date and Payout Annuity for details on the annuity)*.

DEATH BENEFIT – GIF 75/100

8.3 Death Benefit Date

We calculate the Death Benefit on the date we receive proof, satisfactory to us, of the last surviving Annuitant's death. This date is called "Death Benefit Date".

8.3.1 Calculation of Death Benefit – GIF 75/100

The Death Benefit for a GIF 75/100 Contract is the greater of:

a) the Death Guarantee Amount; and

b) the Market Value of the Contract on the Valuation Day coinciding with or immediately following the Death Benefit Date. *Refer to section 13.4 – Market Value for details.*

8.3.1.1 Calculation of Death Guarantee Amount

The Death Guarantee Amount for a GIF 75/100 is the sum of:

a) 100% of all Deposits made before the Annuitant's 80th birthday (85th birthday for GIF 75/100 Plus), with the potential to increase by resets. *Refer to section 8.3.1.2;* and

b) 75% of all Deposits made on or after the Annuitant's 80th birthday (85th birthday for GIF 75/100 Plus).

The Death Guarantee Amount is reduced proportionately for withdrawals. *Refer to section 8.2.1.2, Reduction by Withdrawals – Impact of Withdrawals on Guarantees for more information.*

Example: Death Guarantee Amount – GIF 75/100

In this example, the policy owner makes two deposits; the first one on April 5, 2023 (before she turns 80) and the second on June 7, 2028 (after her 80th birthday). Because the first deposit is made before the policy owner turns 80, it is guaranteed at 100%. The second deposit is made after she turns 80 and is therefore guaranteed at 75%.

Date	Deposit	Death Guarantee Amount
Apr. 5, 2023	$20,000	$20,000 (100%)
Jun. 7, 2028	$10,000	$7,500 [$10,000 × 75%]
Total Death Guarantee Amount		$27,500 ($20,000 + $7,500)

For funds designated as being 75/100 Plus, the 100% guarantee on death will be calculated including Deposits made up to the Annuitant's 85th birthday, rather than 80th birthday. Refer to the Fund Facts for the funds eligible for 75/100 Plus.

8.3.1.2 Increase by Death Guarantee Resets

The Death Guarantee Amount for Deposits guaranteed at 100% **only** (made before the Annuitant's 80th birthday) can increase by Death Guarantee Resets if the Market Value of the Contract increases. The Death Guarantee Resets will **automatically** be performed every three years on the Policy Anniversary Date until the Annuitant's 80th birthday ("**Death Reset Date**"). A final reset is performed on the last Policy Anniversary Date immediately before the Annuitant's 80th birthday or on the previous Valuation Day if the Policy Anniversary Date is not a Valuation Day. Death Guarantee Resets are a standard feature and are included when you select the GIF 75/100 Guarantee Option. You do not directly pay fees for the Death Guarantee Resets. They are included in the MER.

Example: Reset of Death Guarantee Amount – GIF 75/100

This example illustrates the reset of the Death Guarantee Amount for Deposits guaranteed at 100%, using May 7, 1954 as the Annuitant's date of birth.

Date	Age	Transaction	Market Value	Previous Death Guarantee Amount	New Death Guarantee Amount
Apr. 5, 2023	68	Initial Deposit	$20,000	N/A	$20,000
Apr. 5, 2026	71	Automatic Death Guarantee Reset	$30,000	$20,000	$30,000
Apr. 5, 2029	74	Automatic Death Guarantee Reset	$25,000	$30,000	$30,000[1]
Apr. 5, 2032	77	Automatic Death Guarantee Reset	$35,000	$30,000	$35,000
Apr. 5, 2034	79	Final reset on last Policy Anniversary	$50,000	$35,000	$50,000[2]

[1] No Death Guarantee Reset is exercised as the Market Value is lower than the previous Death Guarantee Amount.
[2] This is the last Policy Anniversary Date before the Annuitant's 80th birthday. A final Death Guarantee Reset is performed even though the Policy Anniversary Date does not fall on the normal 3 year cycle.

8.3.2 Payment of Death Benefit

On the Death Benefit Date, we will switch all the Units in your Contract to the BMO Money Market GIF. If the Market Value of the Contract is less than the Death Guarantee Amount, we will deposit the difference (the "top-up") into the BMO Money Market GIF. There may be tax consequences when a top-up is paid. No further transaction can be made after the Death Benefit Date.

When we receive all required documentation, including proof of death of Annuitant (or of the last surviving Annuitant if there is a Successor Annuitant) and of the claimant's right to the proceeds, we will pay to the Beneficiary or if no beneficiary was designated, the estate of the Policy owner(s), the Market Value of the BMO Money Market GIF allocated to the Contract in a lump sum or if you selected the Annuity Settlement Option (as described below), in a series of income payments under an annuity. *Refer to section 8.3.2.1, Annuity Settlement Option.* The Death Benefit will be paid in a lump sum if you do not specify the manner in which the Death Benefit is to be paid. If no beneficiary is designated, the Death Benefit will be paid in a lump sum to the estate of the Policy owner(s).

The Market Value of the BMO Money Market GIF may be adjusted for payments made between the Death Benefit Date and the date the Death Benefit is paid. We do not deduct sales charges from the Death Benefit.

Payment of the Death Benefit will discharge our obligations under the Contract.

8.3.2.1 Annuity Settlement Option

You may request that the Death Benefit payable to one or more Beneficiaries be made in a series of income payments under an annuity (the "Annuity Settlement Option"). The request must be made before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant).

You may revoke the Annuity Settlement Option or change the type of annuity or frequency of payments at any time before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant). The revocation or change may be subject to the rights of an irrevocable Beneficiary or an assignee.

If the Policy is held in nominee name, the Annuity Settlement Option is only available if the Policy is non-registered and a beneficiary is designated.

If you have elected the Annuity Settlement Option, we will apply the Death Benefit to set up a separate annuity for each Beneficiary as follows:

a) The annuity will be based on the life and age of the Beneficiary at the annuity rates in effect at the time the annuity is set up. Before annuity payments commence, we require proof of age, the Social Insurance Number of the beneficiary or any other information as set out in our then Administrative Rules. If the information is not provided, we reserve the right to pay the Death Benefit in a lump sum.

b) Payments under the annuity will start on the date set out in our then Administrative Rules.

c) The annuity is non-commutable (non-cashable, non-transferable) and non-assignable.

d) The annuity is subject to minimum and maximum premium amounts, payment amounts and age of the Beneficiary in effect at the time the annuity is set-up. If these requirements are not met, we reserve the right to pay the Death Benefit in a lump sum.

e) The annuity is subject to legislation that may provide for payment methods that take precedence over the Annuity Settlement Option. In that case, the Death Benefit will be paid in accordance with legislation.

9.1 General Information

If you selected the GIF 100/100 Guarantee Option, your Contract provides guarantees at maturity and death. We calculate the maturity guarantee on the Maturity Date and Contract Maturity Date and the death guarantee on the Death Benefit Date. The terms that apply to the GIF 100/100 Guarantee Option are outlined below.

MATURITY BENEFIT – GIF 100/100

9.2 Maturity Date

You may have multiple Maturity Dates throughout the term of your Contract. The maturity date that you select when you apply for a BMO GIF is the Initial Maturity Date. When the Initial Maturity Date is reached (or any following Maturity Date), you have the option to renew the Maturity Date. The new Maturity Date is called the Subsequent Maturity Date.

9.2.1 Initial Maturity Date

The Initial Maturity Date cannot be changed and must meet all of the conditions below:

a) falls on December 31st,

b) is for a term of at least 15 years but not more than 25 years from December 31st of the year the Contract takes effect or the last Valuation Day of the year if December 31st is not a Valuation Day. *Refer to section 3.3 for details on the Effective Date of the Contract;* and

c) is not later than the Contract Maturity Date.

For example, if your Contract has an Effective Date of June 15, 2023 and you select a 15 year term, the Maturity Date will be December 31, 2038.

If you do not select an Initial Maturity Date, your Contract will automatically be issued for a term of 15 years from December 31st of the year your Contract takes effect.

9.2.2 Subsequent Maturity Date

The Subsequent Maturity Date must be at least 15 years but not more than 25 years from the previous Maturity Date, except if following a renewal, there is less than 15 years until the Contract Maturity Date. The Subsequent Maturity Date must also meet the conditions in 9.2.1.

If you do not elect to renew a Maturity Date or request the payment of the Maturity Benefit as permitted under applicable law, your Contract will automatically be renewed for another 15 year term. A Subsequent Maturity Date must meet the conditions in section 9.2.1. If on renewal, there is less than 15 years remaining to the Contract Maturity Date, the Contract will be renewed for a term that ends on the Contract Maturity Date.

9.2.3 Selecting a Maturity Date and Impact on Maturity Guarantee Amount

When you renew the Maturity Date and set a Subsequent Maturity Date, the Contract will continue and an amount called the "Renewal Deposit" will be set to calculate the Maturity Guarantee Amount for the Subsequent Maturity Date. The Renewal Deposit is equal to the Maturity Benefit on the expired Maturity Date which is the greater of:

a) the Maturity Guarantee Amount, and

b) the Market Value of your Contract on the expired Maturity Date.

The Maturity Guarantee Amount for the Subsequent Maturity Date varies depending on whether the Renewal Deposit is for a term of 15 years or less. If the term of the renewal is less than 15 years, the Maturity Guarantee Amount will be 75% of the Renewal Deposit.

Among other factors, when selecting a Subsequent Maturity Date you should consider your age, the age you will be when you reach the Subsequent Maturity Date and the difference between the Subsequent Maturity Date and the Contract Maturity Date as these factors will impact the Maturity Guarantee Amount and the Death Guarantee Amount.

You should review the impact of this feature with your advisor in selecting Maturity Dates throughout the term of your Contract.

Examples of impact of a maturity term

The following two scenarios illustrate the importance of carefully selecting a Maturity Date. In both scenarios, assume you are an 81 year old Annuitant and you establish a Contract on October 31, 2023. The amount of the Deposit is $10,000 and there were no withdrawals.

Scenario 1 – Maturity period of 15 years and Subsequent Renewal

If you select a 15 year term, the initial Maturity Date will occur on December 31, 2038 (when you are 96 years old). Assuming that you renew the Contract one more time, the maximum renewal period is 4 years to coincide with the year you turn 100 (when the Contract terminates on December 31, 2042). If the Renewal Deposit is $10,000 on December 31, 2038, the Maturity Guarantee Amount payable on December 31, 2042, based on a maturity guarantee level of 75% is $7,500.

Scenario 2 – Maturity period of 19 years

If you select a 19 year term, the Maturity Date will occur on December 31, 2042 (when you are 100 years old). Since the term is more than 15 years, the maturity guarantee level is 100% and the Maturity Guarantee Amount payable on December 31, 2042 is $10,000.

9.2.4 Calculation of Maturity Benefit – GIF 100/100

The Maturity Benefit is the greater of:

a) the Maturity Guarantee Amount; and

b) the Market Value of the Contract on the Maturity Date or Contract Maturity Date, as applicable. *Refer to section 13.4 – Market Value for details.*

9.2.4.1 Maturity Guarantee Amount

The Maturity Guarantee Amount is the sum of:

a) 100% of all Deposits or Renewal Deposits made at least 15 years before the Maturity Date, Subsequent Maturity Date or Contract Maturity Date (whichever date applies); and

b) 75% of all Deposits or Renewal Deposits made less than 15 years before the Maturity Date, Subsequent Maturity Date or Contract Maturity Date (whichever date applies)

It is reduced proportionately by withdrawals.

For example, if the Maturity Date is in 2038, Deposits made in 2023 (at least 15 years to the Maturity Date) will be guaranteed at 100%, but Deposits paid in 2024 (less than 15 years to the Maturity Date) will have a 75% guarantee.

If the Market Value of the Contract is lower than the Maturity Guarantee Amount, we will deposit the difference (the "**top-up**"), in a Money Market Fund to increase the Market Value of the Contract to equal the Maturity Guarantee Amount. There may be tax consequences when a top-up is paid.

9.2.4.2 Reduction by Withdrawals – Impact of Withdrawals on Guarantees

Withdrawals you make will reduce the Maturity Guarantee Amount on a proportionate basis. The proportionate reduction of the Maturity Guarantee Amount is based on the following formula:

Proportionate reduction = G × W/MV where:

G = Maturity Guarantee Amount before the withdrawal

W = Withdrawal Amount

MV = Market Value of the Contract immediately before the withdrawal

Examples how deposits and withdrawals impact the Maturity Guarantee Amount

Scenario 1 – illustrates the calculation of the proportionate withdrawal when the Market Value of the Contract has gone up.

Date	Transaction	Amount	Maturity Guarantee before transaction	Market Value before transaction	Maturity Guarantee after transaction
May 2, 2023	Initial Deposit	$100,000	n/a	$100,000	$100,000
Jan. 5, 2024	Withdrawal	$10,000	$100,000	$120,000	$91,667[1] ($100,000 − $8,333)

[1] Proportionate reduction = $100,000(G) × $10,000(W) / $120,000(MV) = $8,333

Scenario 2 – illustrates the calculation of the proportionate withdrawal when the Market Value of the Contract has gone down.

Date	Transaction	Amount	Maturity Guarantee before transaction	Market Value before transaction	Maturity Guarantee after transaction
May 2, 2023	Initial Deposit	$100,000	n/a	$100,000	$100,000
Jan. 5, 2024	Withdrawal	$10,000	$100,000	$90,000	$88,889[1] ($100,000 – $11,111)

[1] Proportionate reduction = $100,000(G) × $10,000(W) / $90,000(MV) = $11,111

9.2.4.3 Increase by Maturity Guarantee Resets

For GIF 100/100, the Maturity Guarantee Amount has the potential to increase by monthly resets (the "**Maturity Guarantee Resets**"). Maturity Guarantee Resets are calculated separately for Deposits guaranteed at 100% and Deposits guaranteed at 75%.

a) **100% Maturity Guarantee Amount**
If on a Maturity Reset Date, 100% of the Market Value of Deposits guaranteed at 100% is higher than the 100% Maturity Guarantee Amount, we will increase the 100% Maturity Guarantee Amount to equal 100% of the Market Value of those Deposits.

b) **75% Maturity Guarantee Amount**
If on a Maturity Reset Date, 75% of the Market Value of Deposits guaranteed at 75% is higher than the 75% Maturity Guarantee Amount, we will increase the 75% Maturity Guarantee Amount to equal 75% of the Market Value of those Deposits.

Maturity Guarantee Resets will automatically be performed on the last Valuation Day of each month up to and including 10 years before the Maturity Date or Contract Maturity Date (each called a "**Maturity Reset Date**").

Maturity Guarantee Resets are performed separately for Deposits guaranteed at 100% and Deposits guaranteed at 75%. The sum of both determines the Maturity Guarantee Amount for the Contract. You do not directly pay fees for Maturity Guarantee Resets.

Example of how Maturity Guarantee Resets work

The following example shows how Maturity Guarantee Resets are performed for Deposits guaranteed at 100% and Deposits guaranteed at 75%.

Assume you are a 50 year old. The Contract is issued on December 15, 2023 with a Deposit of $10,000 and with a Maturity Date of December 31, 2043. On January 14, 2030, you make a second Deposit of $8,000 and a third Deposit of $2,000 is made on March 10, 2035.

Deposits made between December 15, 2023 and December 31, 2028, inclusively, are guaranteed at 100% because they are made at least 15 years before the Maturity Date; therefore, the $10,000 Deposit will be guaranteed at 100%. The second and third Deposits made in 2030 and 2035 will be guaranteed at 75%.

Maturity Guarantee Resets will apply to Deposits made from December 15, 2023 to December 31, 2033, inclusively, and will apply to the $10,000 and $8,000 Deposits. Maturity Guarantee Resets will not apply to the third Deposit as it was made less than 10 years from the Maturity Date.

The table below illustrates the operation of Maturity Guarantee Resets for the Initial Deposit and second Deposit for the first 6 months in 2030. The example assumes that in 2030, the Market Value of the $10,000 Initial Deposit has increased resulting in a Maturity Guarantee Amount of $14,000.

	Deposits at 100%			Deposits at 75%			
Maturity Reset Date (Year 2030)	**Maturity Guarantee Amount before Maturity Reset Date**	**Market Value of Deposits on Maturity Reset Date**	**Maturity Guarantee Amount after Maturity Reset Date**	**Maturity Guarantee Amount before Maturity Reset Date[2]**	**Market Value of Deposits On Maturity Reset Date**	**Adjusted Market Value of Deposits on Maturity Reset Date[2]**	**Maturity Guarantee Amount after Maturity Reset Date**
Jan. 31	$14,000	$14,200	$14,200	$6,000	$8,000	$6,000 (75% × $8,000)	$6,000[1]
Feb. 28	$14,200	$14,100	$14,200[1]	$6,000	$9,000	$6,750 (75% × $9,000)	$6,750
Mar. 31	$14,200	$14,600	$14,600	$6,750	$8,000	$6,000 (75% × $8,000)	$6,750[1]
Apr. 30	$14,600	$15,300	$15,300	$6,750	$9,500	$7,125 (75% × $9,500)	$7,125
May 31	$15,300	$15,000	$15,300[1]	$7,125	$9,500	$7,125 (75% × $9,500)	$7,125[1]
Jun. 30	$15,300	$15,400	$15,400	$7,125	$10,000	$7,500 (75% × $10,000)	$7,500

[1] No Maturity Guarantee Reset is exercised as the Market Value or Adjusted Market Value is lower than or equal to the Maturity Guarantee Amount. The Maturity Guarantee Amount before the Maturity Guarantee Reset is maintained.

[2] The Market Value of Deposits is adjusted to determine whether a Maturity Guarantee Reset of the 75% guarantee level is applicable. To do that, we compare the Maturity Guarantee Amount before the Maturity Reset Date and the Adjusted Market Value of Deposits on the Maturity Reset Date.

9.2.5 Maturity Options – GIF 100/100

On each Maturity Date, you may, subject to legislation:

a) request the payment of the Maturity Benefit in a lump sum.

b) purchase a payout annuity; or

c) except on the Contract Maturity Date, renew the Maturity Date and continue the Contract.

9.2.5.1 Request a Lump Sum

To receive the Maturity Benefit in a lump sum, you must make the request in writing at least 30 days before the Maturity Date or Contract Maturity Date. We will pay you the Maturity Benefit, less applicable fees, including sales charges or taxes that must be withheld. The lump sum payment of the Maturity Benefit will discharge our obligations under the Contract.

9.2.5.2 Payout Annuity

You may select an annuity from the types of annuities we offer at the time you make your selection. If the Maturity Benefit is paid on the Contract Maturity Date and you do not give us written instructions on how to settle your Contract, the Contract will be amended to provide a single life annuity according to the terms set out in section 10 (*Contract Maturity Date and Payout Annuity for details on the annuity*).

9.2.5.3 Renewal of the Maturity Date and Renewal Deposits

You may renew the Maturity Date and set a Subsequent Maturity Date. The Contract will continue and an amount called the “Renewal Deposit” will be set to calculate the Maturity Guarantee Amount for the Subsequent Maturity Date.

The Renewal Deposit is equal to the Maturity Benefit on the expired Maturity Date which is the greater of:

a) the Maturity Guarantee Amount, and

b) Market Value of your Contract on the expired Maturity Date. *Refer to section 13.4 – Market Value for details.*

The Maturity Guarantee Amount for the Subsequent Maturity Date is 100% of the Renewal Deposit, except if the Subsequent Maturity Date coincides with the Contract Maturity Date and is less than 15 years later. In that case, the Maturity Guarantee Amount is 75% of the Renewal Deposit.

Examples of how we calculate the Renewal Deposit and the Maturity Guarantee Amount

In the example below you are a 50 year old. The Maturity Date is December 31, 2043.

First Renewal – Renewal at 100%

The first renewal is on December 31, 2043 when you are 70 years old. You elect to renew the Maturity Date for another 20 year maturity period. The Subsequent Maturity Date is set for December 31, 2063.

The following table illustrates how we calculate the guarantee amounts when the Contract is first renewed on December 31, 2043 and for the Subsequent Maturity Date.

Maturity Date	Maturity Guarantee Amount on Maturity Date	Death Guarantee Amount on Maturity Date	Market Value of Contract on Maturity Date	Top-up Payment	Maturity Benefit paid on Maturity Date	Renewal Deposit	Maturity Guarantee Amount for Subsequent Maturity Date (Dec. 31, 2063)	Death Guarantee Amount for Subsequent Maturity Date (Dec. 31, 2063)
Dec. 31, 2043	$24,000	$10,000	$32,000	Nil	$32,000	$32,000	$32,000	$32,000

a) When the Contract matures on December 31, 2043, the Maturity Guarantee Amount is $24,000.

b) Since the Market Value of the Contract at $32,000 is greater than the Maturity Guarantee Amount, there is no top-up payment and the Maturity Benefit is equal to the Market Value of $32,000.

c) The Renewal Deposit is equal to the amount of the Maturity Benefit (i.e. $32,000).

d) The Maturity Guarantee Amount for the subsequent term is 100% of the Renewal Deposit of $32,000 since the Subsequent Maturity Date of December 31, 2063 is at least 15 years from the previous Maturity Date of December 31, 2043.

e) Since you are younger than 80 years old at renewal, the Death Guarantee Amount for the Subsequent Maturity Date is $32,000, which is the greater of:

   i) $32,000 (100% of the Renewal Deposit); and

   ii) $10,000 (Death Guarantee Amount for the previous term).

Second Renewal – Renewal at 75%

Continuing with this example, at the Subsequent Maturity Date of December 31, 2063, you are 90 years old. Assuming that there were no additional Deposits and assuming that the Contract is automatically renewed for another term, the subsequent term will coincide with the Contract Maturity Date of December 31, 2073. The subsequent term is 10 years.

The following table illustrates how we calculate the guarantee amounts on the second renewal (December 31, 2063), and the guarantee amounts for the Subsequent Maturity Date which coincides with the Contract Maturity Date.

Subsequent Maturity Date	Maturity Guarantee Amount on Subsequent Maturity Date	Death Guarantee Amount on Subsequent Maturity Date	Market Value of Contract on Subsequent Maturity Date	Top-up Payment	Maturity Benefit paid on Maturity Date	Renewal Deposit	Maturity Guarantee Amount for Subsequent Maturity Date (Dec. 31, 2073)	Death Guarantee Amount for Subsequent Maturity Date (Dec. 31, 2073)
Dec. 31, 2063	$48,000	$32,000	$44,000	$4,000	$48,000	$48,000	$36,000 (75% × $48,000)	$32,000

a) When the Contract matures on December 31, 2063, the Maturity Guarantee Amount is $48,000.

b) Since the Market Value of the Contract at $44,000 is lower than the Maturity Guarantee Amount, there is a top-up payment of $4,000 resulting in a Maturity Benefit of $48,000.

c) The Renewal Deposit is equal to the amount of the Maturity Benefit, i.e. $48,000.

d) The Maturity Guarantee Amount for the subsequent term is 75% of the Renewal Deposit of $48,000 ($36,000) since the Contract Maturity Date of December 31, 2073 is less than 15 years from the previous Maturity Date of December 31, 2063.

e) The Death Guarantee Amount for the subsequent term will be maintained at the same amount of $32,000 and will not change since you are over 80 years when the Contract is renewed.

DEATH BENEFIT – GIF 100/100

9.3 Death Benefit Date

If the last surviving Annuitant dies before the Maturity Date or the Contract Maturity Date, as applicable, we will pay the Death Benefit to the Beneficiary. We calculate the Death Benefit on the date we receive proof, satisfactory to us, of the last surviving Annuitant's death. This date is called "Death Benefit Date".

9.3.1 Calculation of Death Benefit – GIF 100/100

The Death Benefit for a GIF 100/100 Contract is the greater of:

a) the Death Guarantee Amount; and

b) the Market Value of the Contract on the Valuation Day coinciding with or immediately following the Death Benefit Date. *Refer to section 13.4 – Market Value for details.*

9.3.1.1 Calculation of Death Guarantee Amount – GIF 100/100

The Death Guarantee Amount for a GIF 100/100 Contract is the sum of:

a) 100% of all Deposits made before the Annuitant's 80th birthday. These Deposits have the potential to increase by resets. *Refer to section 9.3.1.3. for information on the Death Guarantee Reset option*; and

b) 75% of all Deposits made on or after the Annuitant's 80th birthday.

The Death Guarantee Amount is reduced proportionately for withdrawals.

9.3.1.2 Reduction by Withdrawals – Impact of Withdrawals on Guarantees

The proportionate reduction of the Death Guarantee Amount is based on the following formula:

Proportionate reduction = G × W/MV where:

G = Death Guarantee Amount before the withdrawal

W = Withdrawal Amount

MV = Market Value of the Contract immediately before the withdrawal

Examples how deposits and withdrawals impact the Death Guarantee Amount (100% guarantee)

Scenario 1 – illustrates the calculation of the proportionate withdrawal when the Market Value of the Contract has gone up.

Date	Transaction	Amount	Death Guarantee before transaction	Market Value before transaction	Death Guarantee after transaction
May 2, 2023	Initial Deposit	$100,000	n/a	$100,000	$100,000
Jan. 5, 2024	Withdrawal	$10,000	$100,000	$120,000	$91,667[1] ($100,000 – $8,333)

[1] Proportionate reduction = $100,000(G) × $10,000(W) / $120,000(MV) = $8,333

Scenario 2 – illustrates the calculation of the proportionate withdrawal when the Market Value of the Contract has gone down.

Date	Transaction	Amount	Death Guarantee before transaction	Market Value before transaction	Death Guarantee after transaction
May 2, 2023	Initial Deposit	$100,000	n/a	$100,000	$100,000
Jan. 5, 2024	Withdrawal	$10,000	$100,000	$90,000	$88,889[1] ($100,000 – $11,111)

[1] Proportionate reduction = $100,000(G) × $10,000(W) / $90,000(MV) =$11,111

9.3.1.3 Increase by Death Guarantee Resets

The Death Guarantee Amount for Deposits guaranteed at 100% **only** (made before the Annuitant's 80th birthday) has the potential to increase by the Death Guarantee Resets if the Market Value of the Contract increases.

For a GIF 100/100 Contract, the Death Guarantee Reset is an optional feature. You may elect the Death Guarantee Reset Option only when you apply for the Contract. You may cancel the Death Guarantee Reset Option at any time; however, once cancelled, you cannot select the Death Guarantee Reset Option again. There is an additional fee for this option. *Refer to section 9.3.1.4 Death Guarantee Reset Option Fees.*

If you exercise this option, Death Guarantee Resets will be performed automatically every three years on the Policy Anniversary Date before the Annuitant's 80th birthday (each called "Death Reset Date"). A final reset is performed on the last Policy Anniversary Date immediately before the Annuitant's 80th birthday. If a Policy Anniversary Date is not a Valuation Day, the Death Guarantee Reset option will be performed on the previous Valuation Day.

On each Death Reset Date, we will automatically compare the total Death Guarantee Amount for Deposits guaranteed at 100% with the corresponding Market Value of those Deposits. We will increase the Death Guarantee Amount to equal the Market Value, if it is higher.

Example of how Death Guarantee Reset Option works

The following example shows how the Death Guarantee Reset Option works. In this example, you are a 66 year old who establishes a Contract on October 15, 2023 with a Deposit of $25,000 and a Maturity Date of December 31, 2043. Since you made the Deposit before age 80, it is guaranteed at 100%.

The table below illustrates the operation of Death Guarantee Resets for GIF 100/100:

Death Reset Date	Annuitant Age	Death Guarantee Amount before Death Reset Date	Market Value of Deposits on Death Reset Date	Death Guarantee Amount after Death Reset Date
Oct. 15, 2026	69	$25,000	$33,000	$33,000
Oct. 15, 2029	72	$33,000	$39,000	$39,000
Oct. 15, 2032	75	$39,000	$37,000	$39,000[1]
Oct. 15, 2035	78	$39,000	$48,000	$48,000
Oct. 15, 2036	79	$48,000	$52,000	$52,000[2]
Oct. 15, 2038	81	$52,000	$54,000	$52,000[3]

[1] No Death Guarantee Reset option is exercised as the Market Value is lower than or equal to the Death Guarantee Amount. The Death Guarantee Amount before the Death Guarantee Reset is maintained.

[2] This is the last Policy Anniversary Date before the Annuitant's 80th birthday. A final Death Guarantee Reset is performed even though the Policy Anniversary Date does not fall on the normal 3 year cycle.

[3] No Death Guarantee Resets are performed on or after the Annuitant's 80th birthday.

9.3.1.4 Death Guarantee Reset Option Fees

If you have selected the Death Guarantee Reset Option, you will be charged a Death Guarantee Reset Option fee. The Death Guarantee Reset Option fee is a percentage of the Market Value of each Fund and may vary from Fund to Fund. The fee does not apply to BMO Money Market GIF. Please see the table below for the Death Guarantee Reset Option fee rate.

The fee is calculated daily and is collected through the withdrawal of Units from each Fund held in the Contract up to the Annuitant's 80^{th} birthday.

Collection of the fee will occur semi-annually on June 30^{th} or December 31^{st} or earlier as set out below. If June 30^{th} or December 31^{st} is not a Valuation Day, the fee will be collected on the previous Valuation Day.

Should you withdraw, switch or transfer all or some of the Units of a Fund, the Death Guarantee Reset Option fee will be collected on the Valuation Day the transaction is processed. If the value of your Units of a Fund is insufficient to pay for the fee, we reserve the right to collect the fee by withdrawing your Units in another Fund according to our Administrative Rules.

Any withdrawal made to pay for the Death Guarantee Reset Option fees will be identified in your statement. You will not receive other confirmation of the withdrawal.

The withdrawal of Units to pay for the Death Guarantee Reset Option fee will not reduce the Maturity and Death Guarantee Amounts and will not be subject to withdrawal fees.

The Death Guarantee Reset Option fee is not subject to GST or HST. The withdrawal of Units to pay for the Death Guarantee Reset Option fee will result in a taxable disposition and may create capital gains or capital losses that will be reported to you.

We reserve the right to change the Death Guarantee Reset Option fee for each Fund from time to time. If we increase the Death Guarantee Reset Option fee above the Death Guarantee Reset Option fee limit, this will be considered a Fundamental Change and we will give you 60 days' prior written notice.

Refer to section 17.1 Fundamental Changes for more information. If the increase is within the insurance Death Guarantee Reset Option fee limit, we will inform you of the change in regular communications that we send to you from time to time.

Guaranteed Investment Fund	Death Guarantee Reset Option Fee	Death Guarantee Reset Option Fee Limit
BMO Canadian Balanced Growth GIF	0.20%	0.30%
BMO Conservative ETF Portfolio GIF	0.20%	0.30%
BMO Balanced ETF Portfolio GIF	0.20%	0.30%
BMO Monthly Income GIF	0.20%	0.30%
BMO U.S. Balanced Growth GIF	0.20%	0.30%
BMO Canadian Income Strategy GIF	0.15%	0.30%
BMO North American Income Strategy GIF	0.15%	0.30%
BMO Asset Allocation GIF	0.20%	0.30%
BMO Sustainable Global Balanced GIF	0.20%	0.30%
BMO Concentrated Global Balanced GIF	0.20%	0.30%
BMO Balanced ESG ETF GIF	0.20%	0.30%
BMO Sustainable Global Multi-Sector Bond GIF	0.15%	0.30%
BMO Aggregate Bond Index ETF GIF	0.15%	0.30%

9.3.1.5 Calculation of GIF 100/100 Death Guarantee Amount – Maturity Date Renewal

When the Maturity Date is renewed, we recalculate the Death Guarantee Amount for the renewal term (ending on the Subsequent Maturity Date). The Death Guarantee Amount on renewal varies depending on the age of the Annuitant when the previous Maturity Date is renewed.

a) If the renewal is before the Annuitant turns 80, the Death Guarantee Amount is calculated as the greater of: (i) 100% of the Renewal Deposits; (ii) the Death Guarantee Amount in effect on the previous Maturity Date.

b) If the renewal is on or after the Annuitant turns 80, the Death Guarantee Amount in effect on the previous Maturity Date continues to apply.

For more information about renewal deposits, see section 9.2.5.3

9.3.2 Payment of the Death Benefit

On the Death Benefit Date, we will switch all the Units in your Contract to BMO Money Market GIF. If the Market Value of the Contract is less than the Death Guarantee Amount, we will deposit the difference (the "top-up") into the BMO Money Market GIF. There may be tax consequences when a top-up is paid. No further transaction can be made after the Death Benefit Date.

When we receive all required documentation, including proof of death of Annuitant (or of the last surviving Annuitant if there is a Successor Annuitant) and of the claimant's right to the proceeds, we will pay to the Beneficiary or if no beneficiary was designated, the estate of the Policy owner(s), the Market Value of the BMO Money Market GIF allocated to the Contract in a lump sum or if you selected the Annuity Settlement Option (as described below), in a series of income payments under an annuity. *Refer to section 9.3.2.1, Annuity Settlement Option.* The Death Benefit will be paid in a lump sum if you do not specify the manner in which the Death Benefit is to be paid. If no beneficiary is designated, the Death Benefit will be paid in a lump sum to the estate of the Policy owner(s).

The Market Value of BMO Money Market GIF may be adjusted for payments made between the Death Benefit Date and the date the Death Benefit is paid. We do not deduct sales charges from the Death Benefit.

Payment of the Death Benefit will discharge our obligations under the Contract.

9.3.2.1 Annuity Settlement Option

You may request that the Death Benefit payable to one or more Beneficiaries be made in a series of income payments under an annuity (the "Annuity Settlement Option"). The request must be made before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant).

You may revoke the Annuity Settlement Option or change the type of annuity or frequency of payments at any time before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant). The revocation or change may be subject to the rights of an irrevocable Beneficiary or an assignee.

If the Policy is held in nominee name, the Annuity Settlement Option is only available if the Policy is non-registered and a beneficiary is designated.

If you have elected the Annuity Settlement Option, we will apply the Death Benefit to set up a separate annuity for each Beneficiary as follows:

a) The annuity will be based on the life and age of the Beneficiary at the annuity rates in effect at the time the annuity is set up. Before annuity payments commence, we require proof of age, the Social Insurance Number of the beneficiary or any other information as set out in our then Administrative Rules. If the information is not provided, we reserve the right to pay the Death Benefit in a lump sum.

b) Payments under the annuity will start on the date set out in our then Administrative Rules.

c) The annuity is non-commutable (non-cashable, non-transferable) and non-assignable.

d) The annuity is subject to minimum and maximum premium amounts, payment amounts and age of the Beneficiary in effect at the time the annuity is set-up. If these requirements are not met, we reserve the right to pay the Death Benefit in a lump sum.

e) The annuity is subject to legislation that may provide for payment methods that take precedence over the Annuity Settlement Option. In that case, the Death Benefit will be paid in accordance with legislation.

10 CONTRACT MATURITY DATE & PAYOUT ANNUITY

10.1 General Information

The Contract Maturity Date is the last day you can hold the Contract. On the Contract Maturity Date, annuity payments will begin.

10.2 Contract Maturity Date by type of Contract

The Contract Maturity Date for your Contract is December 31 of the year the Annuitant turns 100, or the last Valuation Day of the year if December 31 is not a Valuation Day.

The Contract Maturity Date for a RSP Contract (or LIRA, LRSP and RLSP) that has been converted to a RIF Contract including any of a LIF, PRIF, RLIF or LRIF Contract when the Annuitant reaches age 71 (or the latest age to hold an RSP under the Tax Act) is also December 31 of the year the Annuitant turns 100. *Refer to section 2.3.3 for information on conversion from a RSP, LIRA, LRSP or RLSP to a RIF*.

10.3 Payout Annuity

On the Contract Maturity Date, annuity payments will begin unless you tell us otherwise in writing. We will apply the Maturity Benefit to provide you with a single life annuity with ten year guarantee. The annuity will be based on your life, payable to you in equal annual payments and will be based on our annuity rates in effect at the time the annuity is issued.

For Contracts issued in Quebec only, annuity payments for a single life, age 65, payable annually will be calculated at the following rates per $10,000: $397.95 (male) and $362.89 (female). If annuity rates in effect at the time the annuity is issued are higher, the higher rates will apply.

11 FEES AND CHARGES

11.1 General Information

Each Fund pays a management fee for the investment management and operating expenses associated with the Fund. The Fund also pays an insurance fee to provide the insurance benefits under the Contract.

As part of the Contract, you may have to pay some charges directly, such as Death Guarantee Reset Option fees (GIF 100/100), short-term trading fees, front-end sales charges, and deferred sales charges, if applicable.

You may have to pay sales charges when depositing or withdrawing from your Contract. Sales charge options are front-end load and no load.

11.2 Fees and Expenses paid by the Fund

11.2.1 Management Fees, Insurance Fees, Operating Expenses

Each Fund pays a management fee and an insurance fee for the management of the Fund and the costs of the guarantee benefits under the Contract. For more information on the current management fee and insurance fee for each Fund, refer to the Fund Facts.

Management fees and insurance fees are determined for each Series of a Fund and are expressed as a percentage of the net asset value of that Series. Management fees and insurance fees are calculated and accrued on a daily basis and are paid out before the Unit Value of that Series is calculated. When a Fund invests in an Underlying Fund, the management fee of the Fund includes the management fee and expenses charged by the Underlying Fund(s). There is no duplication of management fees. *Refer to section 13.3 for details on Unit Value*.

BMO Insurance pays certain operating expenses including audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the Funds; including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports and other types of reports, required to comply with applicable regulatory requirements, filing fees and statements and communications to policyholders (collectively the "**Administration Expenses**"). In return, each Fund pays BMO Insurance an administration fee of 0.25% (the "**Administration Fee**"). The Administration Fee is an annual percentage of the net asset value of the Fund. The Administration Fee is subject to change upon 60 days prior written notice and will take effect after a completed financial year. *Refer to section 13.3 for details on the net asset value.*

Administration Expenses do not include taxes of all kinds to which the Fund is or might be subject; borrowing costs incurred by the Funds from time to time; and any new types of costs, expenses or fee not incurred prior to the date of this Information Folder, including arising from new government or regulatory requirements. These fees or costs are charged directly to the Fund.

BMO Insurance reserves the right to change this Administration Fee methodology to a cost allocation for charging operating expenses at any time. Any change in the methodology will only be made after a completed financial year.

All fees are subject to GST or HST, as applicable. You do not directly pay the management fee, insurance fee, Administrative Fees, or applicable taxes. They are deducted from the Fund on each Valuation Day before the Unit Value is calculated and are payable to BMO Insurance and further distributed as appropriate.

11.2.1.1 Management Expense Ratio

The Management Expense Ratio (MER) is the cost of investing in a Fund Series. It represents the total of management fees, insurance fees, administration fees and taxes payable for each Series of a Fund. A MER is calculated for each Series and is expressed as a percentage of the net asset value for that Series. You do not directly pay the MER. The MER is paid by the Fund Series before a Unit Value of the Series is calculated. *Refer to section 13.3 for details on Unit Value.*

The MER includes the MER of any Underlying Fund and any fees or sales charges associated with that Underlying Fund. There is no duplication of fees or sales charges for the same service.

11.2.2 Changes to the Management Fee or Insurance Fee

We reserve the right to change the management fee and the insurance fee for any Series of a Fund. If we increase the management fee, or in the case of an insurance fee, the increase is over the insurance fee limit, it is a Fundamental Change and we will give you 60 days prior written notice. *Refer to section 17.1 Fundamental Changes for more information*. If the increase in insurance fee is within the insurance fee limit, we will inform you of the change in regular communications that we send to you from time to time.

11.3 Fees paid out of your Contract

There are certain fees that are paid out of your Contract by withdrawing the appropriate number of Units. The withdrawal of Units to pay for these fees does not affect guarantees. The fees you may have to pay are:

a) Death Guarantee Reset Option fees (GIF 100/100). *Refer to section 9.3.1.4 for more information.*

b) Sale charges. *Refer to section 12 for more information.*

c) Short term trading fees. *Refer to section 5.3 for more information.*

d) Switch fees. *Refer to section 4 for more information.*

e) Expenses and losses recovered, including NSF cheques. *Refer to section 5.5 for more information.*

f) Class F in client name. *Refer to section 3.7.1 for more information.*

12 SALES CHARGES

12.1 General Information

You can purchase Class A and Class A Prestige Units of a Fund under two sales charge options:

a) front-end sales charge; and

b) no-load sales charge.

As of June 1, 2023 the deferred sales charge (DSC) option which was previously offered will not be available for new contract purchases or Deposits. Your choice of sales charge option will determine how your distributor or advisor is compensated. The sales charge option you select depends on several variables, including your risk tolerance, investment objectives and investment time-frame. You should consult your licensed insurance advisor to determine which sales charge option meets your needs.

We reserve the right to remove a Fund, Class or Series from a sales charge option at any time.

12.1.1 Front-end Sales Charge

If you choose the front-end sales charge option, a sales charge of between 0% and 5% (depending on the amount you negotiate with your advisor) will be paid to your advisor and deducted from the Deposit before it is allocated to the Fund you select. Under this option, no fees apply when you make withdrawals.

The Maturity Guarantee Amount and Death Guarantee Amount are calculated based on the amount of the Deposit before the front-end sales charge is deducted.

Moving from DSC to front-end sales charge will be processed as a sell and a buy. This transaction may reduce the Maturity and Death Guarantee Amounts, and may trigger a capital gain or loss for non-registered Contracts.

12.1.2 No-load Sales Charge

Under the no-load sales charge option, there are no upfront sales charges, and no deferred sales charges. Your entire Deposit will be allocated to your Contract. There are no sales charges when you make withdrawals.

12.1.3 Deferred Sales Charge

Effective June 1, 2023 there was no DSC option. Deposits made prior to June 1, 2023 under the DSC option, will be allocated to your Contract, but you will pay a sales charge if you withdraw Units within 7 years of purchasing them in excess of DSC-free Units. The amount of the sales charge declines over time and no charge is payable 7 years after the applicable Initial or Subsequent Deposit.

The deferred sales charge you pay depends on the date the Units were allocated to the Contract and the Market Value of the Units being withdrawn at the time of the withdrawal. Sales charges will apply to the earliest deposits first, and then to withdrawals that exceed the DSC-free units for the calendar year. Switches between Funds under the DSC option do not affect the age of the deposit.

We reserve the right to waive the DSC at our discretion.

Period during which withdrawal is made following date of Deposit	DSC expressed as % of Market Value of Units at time of withdrawal
Year 1	5.0%
Year 2	5.0%
Year 3	5.0%
Year 4	4.0%
Year 5	4.0%
Year 6	3.0%
Year 7	2.0%
Thereafter	0.0%

DSC applies to the withdrawal of Units to pay the Maturity Benefit, but no sales charge is applicable on a top-up of the maturity guarantee. DSC also applies if the switch out of Class A or Class A Prestige Units to Class F occurs before the expiry of the deferred sales charges schedule. In that case, you will have to pay an amount equal to the withdrawal fees or sales charges that would otherwise apply had the Class A or Class A Prestige Units been withdrawn.

DSC is not charged on the payment of the Death Benefit or on the withdrawal of Units to pay for the Death Guarantee Reset Option fee (GIF 100/100).

12.2 No Sale Charge on Class F Units

If you purchase Class F Units in nominee name, you pay sales charges and other fees directly to your distributor and you do not pay sales charges to us when you make Deposits or withdrawals.

If you purchase Class F Units in client name, you do not pay sales charges to us when you make Deposits or withdrawals but Units are withdrawn to pay the negotiated fees to your distributor. The fees are accrued daily and collected monthly through the withdrawal of Units from each Fund held in the Contract. Withdrawals to pay for distributor fees will not reduce the Maturity and Death Guarantee Amounts and will not be subject to withdrawal fees.

Withdrawal of Units to pay for distributor fees will result in a taxable disposition and may create capital gains or capital losses that will be reported to you. Withdrawals to pay for distributor fees will be identified in your statement. You will not receive other confirmation of withdrawals.

13 VALUATION

13.1 Frequency of Valuation

The valuation of Units in each Series of a Fund is determined at 4.00 p.m. EST on each Valuation Day or an earlier deadline if the Toronto Stock Exchange closes earlier than 4:00 p.m. EST (the "Cut-off Time"). A Valuation Day is any day that the Toronto Stock Exchange is open for trading and a value is available for the applicable Underlying Fund or other assets of the Fund. We reserve the right to change the frequency of the valuation of the Funds in which case you will have the rights under the Fundamental Changes rule. In no case will the Funds be valued less frequently than monthly.

The Valuation Day may be postponed or the frequency could be changed due to events beyond our control.

13.2 Valuation of Transactions (deposits, switch, withdrawal)

A transaction request received in accordance with our Administrative Rules before the Cut-off Time will be processed based on the Unit Value of the Series of the Fund in effect on that day. If the request is received after the Cut-Off Time, the transaction will be processed at the Unit Value for that Series on the next Valuation Day.

13.3 Unit Value

On each Valuation Day, we calculate a separate Unit Value for each Series of a Fund. The Unit Value of a Fund Series is determined by dividing the proportionate share of the net asset value of that Fund Series by the number of Units in that Series as at the Cut-off Time. The net asset value is the total market value of the assets in the Series less liabilities attributed to that Series (e.g. management and insurance fees, operating expenses). The Unit Value of a Fund Series remains in effect until the next Valuation Day.

All earnings of a Fund are allocated to the Policyholders and are reflected in the Unit Value of the Fund.

13.4 Market Value of your Contract

The Market Value of the Contract on any Valuation Day is the total value of the Units of all Funds in the Contract.

The Market Value is not guaranteed and may increase or decrease in value.

14 INVESTMENT OPTIONS

14.1 General Information

Each Contract gives you access to a number of Funds and Fund Series to which you can allocate your Deposits. Please consult the Fund Facts for a list of Funds available at the time you purchase the Contract. The Fund Facts are also available on BMO Insurance website at www.bmoinsurance.com/GIF or upon request by contacting our BMO GIF Administrative and Services Office. *Refer to the Key Facts for contact information.*

A Fund's exposure to any one issuer will not exceed 10% of the book value of the Fund at the time of investment. Furthermore, the percentage of securities for any one corporate issue that may be acquired is limited to 10% of each class of securities of any one corporate issue, but does not apply to securities guaranteed by a government authority in Canada. We will not, in respect of any Fund, invest in securities of an issuer for the purpose of exercising control or management. The Funds do not currently use leverage.

The earnings of each Fund are reinvested in the same Fund according to its investment objectives and investment strategies. The Funds may lend securities in a manner that is prudent, in the interest of the Fund, and in compliance with any applicable laws.

14.2 Changes to the Funds

We reserve the right to close, add or merge Funds, Classes or Series of a Fund offered under the Contract. If a Fund, Class or Series of a Fund is to be closed, we will provide you with at least 60 days' notice before the closure. You may, subject to regulatory requirements and our Administrative Rules, switch the Units from the discontinued Fund or Series to another Fund or Series subject to minimum deposit requirements without incurring fees. If we do not receive any instructions, we will, in accordance with our Administrative Rules, withdraw your units in the discontinued Fund or Series and reallocate its value to another Fund or Series indicated for that purpose in the notice informing you of the closure. *See section 17.1 Fundamental changes for more information.*

BMO Insurance may increase the number of Units of a Fund by splitting a Unit into two or more Units, or decrease the number of Units by merging two or more Units. We will provide you with at least 60 days' notice before the Fund is split or merged. The Market Value of the Fund in your Contract will not change, but your Unit Value will change.

14.3 Investment Policies

Each Fund has a fundamental investment objective, which determines the investment strategies and restrictions of the Fund. We may change the investment strategy of a Fund at any time within reasonable limits. For a summary of a Fund's investment objective, see the Fund Facts. A detailed description of each Fund's investment objective and strategies is available upon by contacting the BMO GIF Administrative and Services Office. *Refer to the Key Facts for contact information.*

Each Fund may seek to achieve its investment objectives by investing directly in stocks, bonds, marketable securities or in securities of one or more Underlying Funds, including Exchange Traded Funds (ETFs) that have investment objectives consistent with the investment objectives of the Fund.

14.4 Investment in an Underlying Fund

When a Fund invests in an Underlying Fund, you are not a security holder or owner of the underlying security in which the Fund assets may be invested. A change to the fundamental investment objective of an Underlying Fund can be made with the approval of the Underlying Fund security holders. If such a change is approved, we will give you notice of such change along with regular communication sent to you. The Underlying Funds may invest in derivatives.

You may request a copy of the simplified prospectus, audited financial statements, or other required disclosure documents for each of the Underlying Funds by contacting the BMO GIF Administrative and Services Office. *Refer to the Key Facts for contact information.*

We may change, remove or add, at our discretion, the Underlying Funds in which the Funds invest at any time to better achieve the investment objective of the Fund.

14.5 Investment Management

We have the right to appoint or change investment managers to provide investment management, investment advisory and related services necessary for the investment and management of Fund property. We will advise you of any change to an investment manager. We currently are retaining as investment manager, BMO Asset Management Inc. located at 1 First Canadian Place, 100 King Street West, Toronto, Ontario.

14.6 Principal Risks

The value of a Fund's units is directly related to the market value of the Fund's investment and will increase or decrease with the market value of such securities. The market value of the securities will fluctuate with economic conditions such as the general level of interest rates, stock market trends (including the suspension of normal trading resulting from a pandemic or endemic like the Coronavirus 2019 pandemic (COVID-19)), currency exchange rates, corporate earnings, dividends and other factors. Therefore, the value of any Units in your Contract may at any time be higher or lower than when you purchased them.

The volatility of a Fund depends on the kinds of investments it makes. There are a number of common risks of investing that may cause the value of funds to change, including market risk, interest rate risk, manager risk, inflation risk, derivative risk, currency risk, credit risk, sovereign risk, small company risk, fund closure risk, and legislative change risk. We describe the risks that may affect the Funds below. Not all risks apply to all Funds. If a Fund invests in an Underlying Fund, the risks of investing in the Fund are similar to the risks of investing in the Underlying Fund.

On each Fund Facts page, the Fund has been rated as to how risky it is. Please consult your advisor who can help you determine your appropriate risk level.

Commodity Risk

If a Fund or Underlying Fund has direct exposure to commodities or to a company whose business is dependent on commodities such as oil or gold, the value of the Fund's or Underlying Fund's portfolio may be affected by movements in the price of commodities. If commodity prices decline, a negative impact can be expected on the earnings of companies whose businesses are dependent on commodities and on the performance of funds that invest in such companies.

Credit Risk

Credit risk is the risk that the company, government or other entity (including a special purpose vehicle) that issued a bond or other fixed income security (including asset-backed and mortgage-backed securities) can't pay interest or repay principal when it's due. This risk is lowest among issuers that have a high credit rating from a credit rating agency. It's highest among issuers that have a low credit rating or no credit rating. Investments with a lower credit rating usually offer a better return than higher-grade investments, but have the potential for substantial loss as well as gain, as will the funds that buy them.

High yielding, higher risk income securities in which some of the funds may invest are subject to greater risk of loss of principal and income than higher rated fixed income securities, and are considered to be less certain with respect to the issuer's capacity to pay interest and repay principal.

A specialized credit rating agency, such as Standard & Poor's or DBRS, may reduce the credit rating of an issuer's debt securities. Unexpected downgrades in credit rating typically decrease the value of such securities.

Currency Risk

Funds that invest in foreign securities buy them using foreign currency. For example, funds use U.S. dollars to buy U.S. stocks or bonds. Because currencies change in value against each other, it's possible that an unfavourable move in the exchange rate may reduce, or even eliminate, any increase in the value of that investment. The opposite can also be true – the Fund or Underlying Fund can benefit from changes in exchange rates.

Cybersecurity Risk

With the increased use of technologies such as the Internet to conduct business, the investment manager and each of the funds are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users). Cyber incidents have the ability to cause disruptions and impact the business operations, potentially resulting in financial losses, interference with the funds' ability to calculate their net asset value, impediments to trading, the inability of holders of the funds to transact business with the funds and the inability of the funds to process transactions including redeeming units. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the funds invest and counterparties with which the funds engage in transactions. In addition, substantial costs may be incurred to prevent any cyber incidents in the future.

Derivatives Risk

A derivative is a security whose value is derived from an underlying interest such as an asset, interest rate, exchange rate or a market index. There are four general categories of derivatives contracts: interest rate, foreign exchange, equity and commodity. Within these categories of derivatives contracts there are different types of derivatives including futures. While derivatives can be useful for hedging against losses or as a substitute for the underlying assets, they involve a number of risks:

- the hedging strategy used by a fund may not be effective and can limit a fund's potential to make a gain, or can increase potential losses;
- there is no guarantee that a market will exist when a fund wants to close or sell its position on a derivative contract. An exchange could also impose trading limits. These possibilities could prevent the fund from making a profit or limiting its losses;
- another party to a derivative contract may not be able to meet its obligations, such as making payments on time, to complete the transaction;
- the price of stock index options may be distorted if trading in some or all of the stocks that make up the index is interrupted. If a fund could not close out its position in these options because of interruptions or imposed restrictions, it may experience losses;
- the price of a derivative may not accurately reflect the value of the underlying security or index;
- an acceptable counterparty may not be willing to enter into contracts that would allow a fund to link its performance to the underlying security;
- if a fund is required to give a security interest in order to enter into a derivative, there is a risk that the other party may try to enforce the security interest against a fund's assets; and
- the cost of the derivative contracts may increase.

Equity Risk

Businesses issue equity securities, such as shares or units, to help pay for their operations and finance future growth. Funds that buy equities become part owners of the company that issued the securities. Changes in the value of the businesses change the value of the fund. The price of a security is influenced by the outlook for the particular business, by the market activity and by the larger economic picture, both at home and abroad. When the economy is expanding, the outlook for many businesses may also be good and the value of their securities may rise. The opposite is also true.

Funds that invest in limited partnership units or trust units, such as oil and gas royalty trusts, real estate investment trusts and income trusts, will have varying degrees of risk depending on the sector and the underlying asset or business and may therefore be susceptible to risks associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors.

Fluctuations in NAV and NAV per Unit

The NAV per unit of an Underlying Fund will vary according to, among other things, the value of the securities held by the Underlying Fund that could invest in BMO ETFs. The Underlying Fund manager and the ETFs have no control over the factors that affect the value of the securities held by the BMO ETFs, including factors that affect the equity and bond markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to each constituent issuer such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

Foreign Investment Risk

When a fund invests in foreign securities, its value is affected by financial markets and general economic trends in the countries where the securities are issued. While the U.S. market has standards that are similar to those in Canada, other foreign markets may not. For example, some foreign markets may not be as strictly regulated as Canadian and U.S. markets. Their laws might make it difficult to protect investor rights. The political climate might be less stable and social, religious and regional tensions may exist. Business disclosure and accounting standards may be less stringent than in Canada and the U.S., making it difficult to obtain complete information about a potential investment. Securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. As a result, the value of foreign securities, and the value of funds that hold them, may rise or fall more rapidly and to a greater degree than Canadian and U.S. investments. In general, securities issued in more developed markets have lower foreign investment risk. Securities issued in emerging or developing markets have higher foreign investment risk.

Funds that concentrate their investments in a single country or region of the world tend to be riskier than funds with greater geographic diversification because prices of securities in the same markets tend to move up and down together.

Indexing Risk

Certain funds, including index funds and certain ETFs, use a variety of indexing strategies or have exposure to an underlying fund that is a mutual fund that uses indexing strategies. Indexing strategies involve tracking the performance of an index by tracking the performance of the investments included in the index. It's unlikely that a Fund or an Underlying Fund will be able to track an index perfectly because each of the Fund and Underlying Fund has its own operating and trading costs, which lower returns. Indices don't have these costs.

Also, a Fund or an Underlying Fund may, in basing its investment decisions on an index, have more of its assets invested in one or more issuers than is usually permitted for a fund. In these circumstances, the Fund or Underlying Fund may tend to be more volatile and less liquid than more diversified funds as it is affected more by the performance of individual issuers.

Further, concentrating its investments in the securities of a particular index allows a Fund or Underlying Fund to focus on that index's potential, but it also means that the Fund or Underlying Fund may tend to be more volatile than a Fund or Underlying Fund that invests in the securities of a variety of indices because prices of securities on the same index tend to move up and down together. If required by its investment objectives, the Fund or Underlying Fund must continue to invest in the securities of the index, even if the index is performing poorly. That means the Fund or Underlying Fund won't be able to reduce risk by diversifying its investments into securities listed on other indices. Also, if the stock market upon which the index is based is not open, the Fund or Underlying Fund may be unable to determine its net asset value per security, and so may be unable to satisfy redemption requests.

Interest Rate Risk

The value of funds that invest in fixed income securities can move up or down as interest rates change. Here's why: Fixed income securities – including bonds, mortgages, treasury bills and commercial paper – pay a rate of interest that's fixed when they're issued. Their value tends to move in the opposite direction to interest rate changes. For example, when interest rates rise, the value of an existing bond will fall because the interest rate on that bond is less than the market rate. The opposite is also true. These changes in turn affect the value of any fund investing in fixed income securities. In the case of money market funds, a fund's yield is affected by short-term interest rates, and will vary.

Issuer Concentration Risk

Some funds concentrate their investments in a particular issuer. This allows them to focus on that issuer's potential, but it also means that they tend to be more volatile than more diversified funds. Their liquidity, and therefore their ability to satisfy redemption requests, may be adversely affected. And because these funds invest in fewer issuers, they're affected more by the performance of individual issuers. These funds may be riskier than other funds that hold a greater number of issuers in their portfolios.

Large Transaction Risk

A fund may have one or more investors who hold or acquire a significant amount of securities of the fund, including another mutual fund. For example, a financial institution may buy or sell large amounts of the securities of a fund to hedge its obligations relating to a guaranteed investment product whose performance is linked to the performance of the fund. As well, certain mutual funds, may invest directly in the funds. If one or more of these investors (including these investing funds) decides to redeem its investment in a fund, the fund may have to make large sales of securities to meet these requests. The investment manager may have to change the composition of the fund's portfolio significantly or may be forced to sell investments at unfavourable prices, which can negatively impact the fund's returns. Conversely, if one or more of these investors decides to increase its investment in a fund, the fund may have to hold a relatively large position in cash for a period of time while the investment manager attempts to find suitable investments. This could negatively impact the fund's return.

Portfolio Composition Risk

The investment manager may use a tactical asset allocation strategy and model to reduce equity exposure and increase fixed income holdings during periods of above average stock market volatility in order to lower the volatility of the fund's return over the long-term. The proportion of equities versus fixed income assets in the Fund may change frequently depending upon the volatility of current market conditions. When the stock market is experiencing high volatility, the model will reduce the Fund's exposure to a stock market decline by selling equity holdings and buying more fixed income holdings. In periods when stock market volatility is average or below average, the model will reduce the Fund's fixed income and increase its equity holdings in anticipation of stock market gains.

There is a risk that the direction of the stock market moves differently than the model recommended. For example, the model could increase the Fund's equity exposure and the market declined, resulting in more exposure to falling stock prices. Or the model could reduce equity exposure and the market rallied, resulting in lost opportunity for more gains. If this occurred frequently, the Fund would underperform a typical fixed allocation balanced fund. On average though, the Fund's tactical asset allocation strategy should result in reduced equity exposure in stock market declines, benefit from stock market recoveries and demonstrate lower return volatility over the long-term.

Securities Lending, Repurchase and Reverse Repurchase Transactions Risk

The Funds may engage in securities lending, repurchase and reverse repurchase transactions. Securities lending is an agreement whereby a fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral. Under a repurchase transaction, a fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for cash (usually at a higher price) at a later date. A reverse repurchase transaction is a transaction pursuant to which a fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the fund is forced to make a claim in order to recover its investment. In a securities lending or a repurchase transaction, a fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the fund. In the case of a reverse repurchase transaction, a fund could incur a loss if the value of the securities purchased by the fund decreases in value relative to the value of the collateral held by the fund.

To limit these risks:

- the collateral held by the Fund must equal at least 102% of the market value of the security sold, loaned or cash paid (the collateral is adjusted on each business day to ensure that this value is maintained);
- repurchase transactions and securities lending agreements are limited to 50% of the Fund's assets. Collateral held for loaned securities and cash paid for received securities are not included when making this calculation;
- we only enter into such transactions with parties who appear to have the resources and the financial strength to fulfill the terms of the agreements.

Series Risk

The Underlying Funds issue more than one series of securities. Each series has its own fees and expenses, which are tracked separately; however, if a series can't meet its financial obligations, the other series are responsible for making up the difference. This is because the Underlying Fund as a whole is legally responsible for the financial obligations of all of the series.

Short Selling Risk

Certain Underlying Funds may engage in short selling strategies that can provide the Underlying Fund with an opportunity to manage volatility and enhance performance in declining or volatile markets. Short selling securities involves risk because there is no assurance that securities will sufficiently decline in value during the period of the short sale to offset the interest paid by the Underlying Fund and make a profit for that fund. Securities sold short may instead increase in value. The Underlying Fund may also experience difficulties repurchasing and returning the borrowed securities. The borrowing agent from whom the Underlying Fund has borrowed securities may go bankrupt and the fund may lose the collateral it has deposited with the borrowing agent.

To limit these risks, the Underlying Fund will implement controls when conducting a short sale:

- the security sold short must not be an illiquid asset;
- at the time the Fund sells the security short – the Underlying Fund has borrowed or arranged to borrow the security from a borrowing agent;
- the aggregate market value of all securities of the issuer of the securities sold short by the Underlying Fund does not exceed 5% of the net asset value of the Underlying Fund;
- the aggregate market value of all securities sold short by the Underlying Fund does not exceed 20% of the net asset value of the Underlying Fund;
- the Underlying Fund must hold cash cover that, together with the portfolio assets deposited with the borrowing agents as security for the short sales by the Fund, is at least 150% of the aggregate market value of all securities sold short by the fund on a daily mark-to-market basis; and
- the Underlying Fund must not use the cash cover from a short sale to enter into a long position in a security, other than a security that qualifies as cash cover.

Tax Treatment of Options Risk

In determining its income for tax purposes, an Underlying Fund will treat the option premiums received from writing covered put and call options and any gains or losses realized from closing out the options as capital gains or losses in accordance with the Canada Revenue Agency's published administrative practice. The Canada Revenue Agency's practice is not to grant advance income tax rulings on the characterization of items as capital or income. Accordingly, there is a risk that the Canada Revenue Agency may disagree with the tax treatment adopted by the

Underlying Fund. In such case, the net income of the fund for tax purposes and the taxable component amounts allocated to you could subsequently be determined to be more than originally reported. You could be reassessed by the Canada Revenue Agency.

Trading Price of Units

If a Fund invests in Underlying Funds which are ETFs, units of the ETFs may trade in the market at a premium or discount to the NAV per unit. There can be no assurance that units of the Underlying Fund will trade at prices that reflect their NAV. The trading price of the units will fluctuate in accordance with changes in the BMO ETF's NAV, as well as market supply and demand on the TSX. However, given that generally only a prescribed number of units of the Underlying Fund are issued to designated brokers and dealers, and that holders of a prescribed number of units (or an integral multiple thereof) may redeem such units at their NAV, the manager of the Underlying Fund believes that large discounts or premiums to the NAV of the units should not be sustained.

Underlying Fund Risk

The Funds invest directly in, or obtain exposure to, other investment funds as part of their investment strategy. Therefore, the Funds will be subject to the risks of the Underlying Funds. The Underlying Funds may invest in derivatives and therefore subject to the derivative risks. Also, if an Underlying Fund suspends redemptions, the Fund that invests in the underlying fund will be unable to value part of its portfolio and may be unable to redeem securities.

14.7 Key Parties

The following entities play a key role in the operation of each Fund:

14.7.1 BMO Asset Management Inc. ("BMO AM")

BMO AM is the portfolio manager of the Fund. In such capacity, BMO AM advises us regarding the selection of the Underlying Funds and makes certain investment decisions by applying the asset allocation strategies described in the Fund descriptions above. BMO AM may engage sub-advisors to manage the Underlying Funds. BMO AM also participates in the promotion of the Fund.

14.7.2 BMO Insurance

BMO Insurance is the issuer of the individual variable insurance contract and the guarantor in respect of the benefits described in this Information Folder. BMO Insurance determines the mandate of the Fund that guides all investment decisions. BMO Insurance implements the investment strategy including allocating assets between different categories of assets (namely, equity, fixed income and money market) by applying the investment models it developed.

14.7.3 CIBC Mellon

CIBC Mellon is custodian of the Fund, and as such has custody over any securities and cash of the Fund.

14.7.4 Investment Funds Group ("IFG")

IFG is a group of BMO Financial Group that manages the day to day operations of the Funds. This includes customer service, advisor compensation and internal record keeping which are performed by employees of IFG who have been seconded to BMO Insurance.

15 TAX DISCLOSURE

15.1 General Information

This is a general summary of income tax considerations for Canadian resident individuals (other than trusts). It is based on the current provisions of the Tax Act and does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations. This summary is not intended to be legal or tax advice and does not include all possible tax considerations. **You should consult your own tax adviser about your particular circumstances.**

15.2 Tax Status of the Funds

Each Fund is a "segregated fund" as defined in the Tax Act and is treated as a separate trust for tax purposes. Each Fund is required to calculate its net income, capital gains and capital losses each year. However, a Fund generally does not pay income tax because its net income and realized capital gains and capital losses are allocated to policyholders. A Fund may realize capital gains and capital losses on the disposition of units of Underlying Funds as a result of rebalancing transactions which will be allocated to policyholders. You may be allocated a share of the net income earned and the capital gains realized by a Fund before Units are credited to your Contract, even though such amounts are reflected in the Unit Value.

15.3 Non-Registered Contracts

This part of the summary applies if you own a Non-Registered Contract. You must take into account in the calculation of your income for tax purposes the net income, capital gains and capital losses of a Fund allocated to you. There is no change in Unit Value, or any change in the number of Units allocated to your Contract, as a result of such allocations. Canadian dividends and foreign source income retain their character when allocated to you. You may include foreign taxes allocated to you in calculating your foreign tax credit.

Net income and capital gains of a Fund allocated to you will increase the adjusted cost base of your Units of the Fund. Capital losses of a Fund allocated to you will decrease the adjusted cost base of your Units of the Fund.

You must take into account any capital gain or capital loss realized on a withdrawal of Units including on a switch (other than a reclassification of Units), to pay fees, on a transfer or at maturity. Your capital gain (or capital loss) will generally be the amount by which the withdrawal proceeds exceed (or are less than) the adjusted cost base of the Units withdrawn.

A switch of Units of a Fund for Units of a second Fund will be treated as a withdrawal of Units of the first Fund and purchase of Units of the second Fund.

A switch of Units of a Fund for Units of a different Class of the same Fund will be processed as a reclassification of Units except that the following will be processed as a withdrawal and purchase of Units giving rise to a taxable disposition: (i) a switch from Class F (nominee) to Class A under the no-load option, or (ii) a switch from Class F (client name) to Class A or from Class A or Class A Prestige to Class F (client name).

Acquisition fees, which include front-end sales charges and deferred sales charges, are not included in the adjusted cost base of your Units of a Fund but can be deducted by you as a capital loss in the year and to the extent that you dispose of your Units.

We will send you tax slips annually that show the amounts that must be reported for income tax purposes.

The tax information that we provide will not include adjustments for any transactions that create superficial losses under the Tax Act. To avoid the creation of superficial losses that will be denied for income tax purposes, we recommend that you avoid allocating Deposits to a Fund within 30 days before or after withdrawing Units of that same Fund.

The treatment of a top-up Maturity Benefit or Death Benefit guarantee payment is not certain at this time. We will report such payments based on our understanding of the Tax Act and the administrative position of the Canada Revenue Agency at the time of payment. We currently intend to report a top-up payment as a capital gain. However, you are responsible for the proper reporting of all income and the payment of all related taxes. We recommend that you consult your own tax advisor regarding the tax treatment of top-up payments in your particular circumstances.

15.4 Registered Contracts

15.4.1 RRSP

If your Contract is a RSP Contract, Deposits paid under the Contract by you or your spouse or common law partner will be tax deductible within certain limits. Net income and capital gains allocated to your RSP Contract by a Fund, and capital gains realized on a disposition of Units allocated to your RSP Contract, will not be subject to tax. Amounts withdrawn from your RSP Contract must be included in income and we are required to withhold tax on such amounts. A top-up Maturity Benefit or Death Benefit guarantee payment paid to your RSP Contract will not be taxable when made but will be taxable when withdrawn. On your death, the value of your RSP Contract is taxable unless certain conditions are met.

15.4.2 RRIF

If your Contract is a RIF Contract, you can transfer money to it from another registered retirement income fund or registered retirement savings plan under which you are the Annuitant. Net income and capital gains allocated to your RIF Contract by a Fund, and capital gains realized on a disposition of Units allocated to your RIF Contract, will not be subject to tax. Amounts withdrawn from the RIF Contract must be included in income and we are required to withhold tax on amounts withdrawn from the RIF Contract in excess of the minimum payment required to be withdrawn. A top-up Maturity Benefit or Death Benefit guarantee payment paid into the RIF Contract will not be taxable when made but will be taxable when withdrawn. On your death, the value of your RIF Contract is taxable unless certain conditions are met.

15.5 TFSA

If your Contract is a TFSA Contract, you may make Deposits within certain limits under the Tax Act. Deposits are not tax deductible. Net income and capital gains allocated to your TFSA Contract by a Fund, and capital gains realized on a disposition of Units allocated to your TFSA Contract, will not be subject to tax. Amounts withdrawn from your TFSA Contract will not be included in income. Amounts withdrawn from a TFSA Contract may not be eligible to be re-contributed until the following calendar year. A top-up Maturity Benefit or Death Benefit guarantee payment paid into the TFSA Contract will not be taxable. Your TFSA Contract ceases to be “tax-free savings account” on the death of the last policy owner (referred to in the Tax Act as the holder). In certain circumstances, an amount paid to a beneficiary may be taxable.

16 COMPENSATION PAID TO YOUR ADVISOR

16.1 General Information

BMO GIF Contracts are sold through licensed insurance advisors. Your advisor will be compensated for the advice and services they provide to you.

16.2 Sales Commissions

The amount of sales commission you will pay will vary on the sales charge you select.

Front-end sales charge: We deduct front-end sales charges from your Deposit and pay them to your advisor or to the distributor your advisor is associated with.

No-Load sales charge: We pay commission to your advisor but you do not pay a sales charge when you make withdrawals.

If you purchased Class F Units, we do not pay any sales commission to your advisor or distributor.

As of June 1, 2023 the deferred sales charge option which was previously offered will not be used to provide compensation to your advisor or the distributor your advisor is associated with.

16.3 Servicing Commissions

We pay a servicing commission to your advisor or distributor, except in the case of Class F Units. Servicing commissions pay for the ongoing service or advice that your advisor provides.

17 GENERAL PROVISIONS

17.1 Fundamental Changes

The following are fundamental changes:

a) an increase in the management fee of a Class of a Fund;

b) a change to the fundamental investment objective of a Fund;

c) a decrease in the frequency with which the Units of the Funds are valued;

d) an increase in the insurance fee limit or Death Guarantee Reset Option fee limit, if the insurance fee or Death Guarantee Reset Option fee limit, as applicable, is presented separately from the management fee; and

e) a Fund closure.

We reserve the right to make a fundamental change from time to time. In the event of a fundamental change, we will give you 60 days written notice before the fundamental change is effective. We will send the written notice to the last known address we have for you in our records. The notice will outline the changes and your options. You will have the right to:

a) switch the value of the Units in the impacted Fund to a similar Fund available under the Contract that is not subject to the fundamental change without incurring a sales charge and without affecting any of your other rights and obligations under your Contract; or

b) if we do not offer a similar Fund, you may have the right to withdraw the Units in the impacted Fund without incurring any sales charges.

The options apply only if you notify us of your election at least 5 days before the notice period expires. During the notice period, you will not be permitted to switch into the impacted Fund unless you waive your rights under the fundamental change section.

A similar fund is a fund that has comparable fundamental investment objectives, is in the same investment fund category, and has the same or a lower management and insurance fees as the original Fund in effect at the time.

The switch or withdrawal of Units may trigger a capital gain or loss.

17.2 Material Contracts

BMO Insurance has entered into a Services Agreement with the Investment Funds Group of BMO Financial Group to administer the Contracts.

There are no other material facts relating to the Contracts that have not been disclosed in the Information Folder.

17.3 Interest of Management

No broker, director, senior officer, associate or affiliate of BMO Life Assurance Company has had any material interest, direct or indirect, in any transactions, or in any proposed transactions within 3 years prior to the date of filing this Information Folder, that would or will materially affect BMO Insurance, or any of its affiliates, with respect to the Funds.

17.4 Custodian and Auditor of Funds

CIBC Mellon Trust Company, 1 York Street,Toronto, Ontario, M5J 0B6 has custody and control of cash and securities of the Funds. KPMG, 333 Bay Street, Toronto, Ontario, M5H 2S5, is the independent auditor of the Funds.

17.5 Exchange of Tax Information

We will comply with the due diligence and reporting obligations imposed on a reporting Canadian financial institution contemplated by provisions of the Tax Act that implement the Intergovernmental Agreement for the Enhanced Exchange of Tax Information signed by Canada and the United States on February 5, 2014. You may be asked to provide additional information to us in order that we may identify U.S. persons holding, directly or indirectly, a Contract and we are required to provide certain information to the CRA about such persons which will be provided to the Internal Revenue Service pursuant to the exchange of information provisions of the Canada-U.S. Tax Convention. If your Contract is registered as an RSP, RIF or TFSA, such information need not be provided.

We will also comply with the due diligence and reporting obligations imposed on a reporting financial institution contemplated by provisions of the Tax Act that implement the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (“CRS”). You may be asked to provide additional information to us in order that we may identify persons who are resident in a country other than Canada or the United States, holding, directly or indirectly, a Contract and we are required to provide certain information to the CRA about such persons which may be provided to the tax authorities of the countries in which they are resident. If your Contract is registered as an RSP, RIF or TFSA, such information need not be provided.

17.6 Privacy

To learn more about how we collect, use, disclose and safeguard your personal information, your choices, and the rights you have, please see our Privacy Code (available at bmo.com/privacy). BMO Insurance has requested personal information in respect of your application for insurance. BMO Insurance will use this information and information in its existing files to assess risk, process your application, administer any policy, if issued and to investigate claims. BMO Insurance will also use and collect additional information from third parties to evaluate and investigate claims. BMO Insurance will keep your information in a file in its offices and will not disclose the information in that file except to those BMO Insurance employees, advisors, its affiliates, administrators or reinsurers who need access to assess risk and investigate claims. From time to time, BMO Insurance may wish to offer you upgrades to your coverage and additional products and services. You may ask us not to make these offers to you by writing to our Privacy Officer at the address below. You may also request, upon presentation of proper identification and proof of entitlement, to review and if appropriate, correct, your personal information in our possession by writing to Privacy Officer, BMO Insurance, 60 Yonge St., Toronto, ON, M5E 1H5.

17.7 Events Beyond Our Control

We reserve the right to delay the execution, settlement, effective date of any transactions and the payment arising thereof solely to the extent, and for as long as, such delay is caused by events beyond our control.

Events beyond our control include, without limitation, the nationalization, expropriation, devaluation, seizure, or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, levies or other charges affecting values under the Policy; or any order or regulation of any banking, insurance or securities industry including changes in market rules or market conditions affecting the execution or settlement of transactions; or the breakdown, failure or malfunction of any utilities or telecommunications systems; or any cybersecurity incident or event affecting information technology systems; or acts of war, terrorism, insurrection or revolution; or epidemics, pandemics, quarantine; or acts of God, natural disasters or any other similar event. This right supersedes any provision to the contrary in this Policy that describe effective dates.

BMO Guaranteed Investment Funds

POLICY PROVISIONS

BMO Life Assurance Company is the issuer of the BMO Guaranteed Investment Funds individual variable insurance contract and the guarantor of the benefits outlined in the Policy Provisions.

Any amount that is allocated to a segregated fund is invested at your risk and may increase or decrease in value.

Rohit Thomas
President and Chief Executive Officer

Timothy Cavallin
Vice President & Chief Financial Officer

October 16, 2023

1 GENERAL

1.1 Definitions

In this Contract "you" and "your" refer to the Policy owner of the Contract. "We", "us", "our" and "BMO Insurance" refer to BMO Life Assurance Company.

Administrative Rules means internal rules, policies and procedures that apply to the administration of this Contract and the Funds. They are in addition to terms outlined in the Policy Provisions, Information Folder and Fund Facts and can be changed from time to time, without notice. The applicable Administrative Rules are those in effect at the time the Administrative Rules are being applied.

Annuitant means the person on whose life the Maturity Benefit and Death Benefit are determined.

Annuity Settlement Option means an election that you can make to request the payment of the Death Benefit to one or more of your beneficiaries in the form of income payments under an annuity.

Beneficiary means the person or entity entitled to receive the Death Benefit.

Class or Fund Class means the notional division of Funds for purposes of determining the management fee.

Contract means the BMO Guaranteed Investment Funds Policy Provisions, including the application, any endorsements attached to the Contract when issued and any subsequent amendments agreed to by BMO Insurance in writing, but not including the Information Folder and except as otherwise provided, the Fund Facts.

Contract Maturity Date means the last day this Contract can be in force. *Refer to section 10 for the Contract Maturity Date for each plan type*.

Cut-off Time means 4:00 p.m. EST on each Valuation Day or an earlier deadline if the Toronto Stock Exchange closes earlier than 4:00 p.m. EST.

Death Benefit means the amount payable on the last surviving annuitant's death less any required taxes or fees. It varies by Guarantee Option as set out in sections 7, 8, and 9.

Death Benefit Date means the date we receive satisfactory notification of the death of the Annuitant or the last surviving Annuitant according to our Administrative Rules.

Death Guarantee Amount means the amount guaranteed on the last surviving annuitant's death. It varies by Guarantee Option as set out in sections 7, 8, and 9.

Death Guarantee Reset applies to GIF 75/100 and GIF 100/100. It is a standard feature in GIF 75/100 and an optional feature in GIF 100/100.

Death Reset Date applies to GIF 75/100 and GIF 100/100 and has the meaning set out in sections 8 and 9.

Deposit(s) means the amount you pay into the Contract to be allocated to the Fund(s). The term "Deposit" includes the "Initial Deposit", the "Subsequent Deposit" and the "Renewal Deposit".

Effective Date means the date the Contract comes into force and it is the date when we allocate the Initial Deposit to a Fund(s).

Fund(s) means the segregated funds offered under the Contract.

Guarantee Option means one of the following: GIF 75/75, GIF 75/100, and GIF 100/100. The Guarantee Option you choose determines the features and guarantees that apply to your Contract. It also defines the insurance fees associated with the features and guarantees.

Initial Deposit means the first Deposit paid into the Contract that sets the Contract into force, subject to meeting all requirements under our Administrative Rules for a Contract set up.

Joint Owners means two persons who are Policy owners of the Contract.

Locked-in Plan means a Contract where Deposits originate from a pension plan and is subject to restrictions and limitations imposed by pension legislation. The types of locked-in plans currently available under this Contract are LIRA, LRSP, RLSP, LIF, PRIF, LRIF and RLIF.

Market Value means the basis under which the value of the Contract, a transaction or a Fund is calculated.

Maturity Benefit means the amount payable on the Maturity Date or Contract Maturity Date less any required taxes or fees. The amount and the timing of payment vary by Guarantee Option as set out in sections 7, 8, and 9.

Maturity Date applies to GIF 100/100 and means the date the Maturity Benefit is payable. It includes a Maturity Date resulting from a renewal, also referred to as a **Subsequent Maturity Date**. A Maturity Date can coincide with the Contract Maturity Date.

Maturity Guarantee Amount means the amount guaranteed on the Maturity Date or Contract Maturity Date. The amount and the timing of payment vary by Guarantee Option as set out in sections 7, 8, and 9.

Maturity Guarantee Reset applies to GIF 100/100 and has the meaning set out in section 9.3.1.2.

Maturity Reset Date applies to GIF 100/100 and has the meaning described in section 9.3.1.2.

Policy Anniversary Date is the anniversary of the Effective Date of the Contract.

Policy owner ("you" or "your") means the person or entity that may exercise all rights and privileges under the Contract. If the Contract is held jointly, the term "Policy owner" refers to both persons and entities. The Policy owner must be a Canadian resident for income tax purposes when the Contract is issued.

Primary Annuitant means the original Annuitant.

Renewal Deposit means a deposit that is notionally paid to your Contract on the renewal of a Maturity Date. It is an amount determined under section 9.3.2.3.

Series means the notional division of a Fund Class for purposes of determining the level of guarantee and fees.

Spousal RIF means a RIF purchased with money transferred from a Spousal RSP.

Spousal RSP means an RSP owned by you and into which your spouse pays Deposits.

Subsequent Deposit means a deposit made after the Initial Deposit or Renewal Deposit.

Successor Annuitant means the person you name to become the Annuitant when the Primary Annuitant dies.

Successor Owner means the person you designate to become the Owner when you die (referred to as a subrogated policyholder in Quebec).

Tax Act means the *Income Tax Act (Canada)*, as amended from time to time.

Underlying Fund means the mutual fund, pooled fund or other investments in which the Fund invests all or part of its assets.

Unit means the notional measurement used to determine your insurance benefits and to record your interest in the Contract.

Unit Value means the notional measurement to calculate the value of a Unit of a Fund.

Valuation Day means any day that the Toronto Stock Exchange is open for trading and a value is available for the applicable Underlying Fund or other assets of the Fund.

1.2 Owner

You may exercise every right as the Policy owner of this Contract, subject to any limitation under applicable law. Your rights may be restricted if a Beneficiary has been irrevocably appointed or if this Contract has been hypothecated or assigned as collateral.

You may designate a Successor Owner to become the Policy owner of this Contract when you die (referred to as a subrogated policyholder in Quebec). A Successor Owner can be named only for a non-registered Contract.

Except for Contracts issued in Quebec, there is an automatic right of survivorship unless tenancy in common is specifically selected. Automatic survivorship rights do not apply to Contracts issued in Quebec and to elect survivorship each Joint Owner must designate each other a "subrogated policyholder". Survivorship means that on the death of one Joint Owner, the Contract will automatically be transferred to the surviving Joint Owner.

If tenancy in common is selected, each Joint Owner has a specific share of the Contract and there is no right of survivorship. If the share of each Joint Owner is not specified, ownership will be in equal shares.

1.3 Annuitant

The Annuitant is the person on whose life the Maturity Benefit and Death Benefit and age-based transactions are measured. The Annuitant can be you, the Policy owner, or a person you designate.

You may also appoint a Successor Annuitant to replace a deceased Annuitant (the "Primary Annuitant"). The Successor Annuitant must be named before the death of the Primary Annuitant. You may name a Successor Annuitant for a non-registered, RIF or TFSA Contract (in the case of a TFSA, the Successor Annuitant is referred to as the "successor holder"). For a RIF or TFSA Contract, only a spouse or common-law partner can be named. If you named a Successor Annuitant who is still alive when the Annuitant dies, the Contract will continue. The Death Benefit will be payable on the death of the Successor Annuitant.

1.4 Beneficiary

You may name one or more Beneficiaries to receive any amounts payable under the Contract upon the death of the last surviving Annuitant. The designation will remain in effect unless changed, so far as the applicable laws allow.

In order to change the Beneficiary, you must send a written request to the BMO Guaranteed Investment Funds ("BMO GIF") Administrative and Services Office. The Beneficiary's consent to such change is not required unless the Beneficiary was irrevocably designated. The change will take effect as of the date you sign the Beneficiary change, whether or not it is received by us. However, we are not liable for any payment made before the change is received in our BMO GIF Administrative and Services Office. If you have named more than one Beneficiary without indicating how the proceeds are to be divided, the proceeds will be divided equally among the surviving Beneficiaries.

If the Contract is a Locked-in Plan, under applicable pension legislation, the interest of your spouse, civil union spouse or common law partner can take priority over a beneficiary you designate.

In the event of a dispute concerning who is legally authorized to apply for and accept receipt of any amounts payable under this Contract, we are entitled either to apply to the court for directions or to pay the Contract proceeds into the court and, in either case, fully recover any legal costs we incur in this regard as expenses. We are authorized to release any information about the Contract and any amounts payable hereunder, after your death, to either your estate or your designated Beneficiary, or both, as we deem fit.

1.5 Overview of BMO GIF and Classification of the Funds into Classes and Series

The BMO GIF Contract gives you access to various Funds and different contractual provisions, such as Maturity and Death guarantees. When you apply for a BMO GIF Contract, you select a Guarantee Option. The Guarantee Option you hold determines the benefits under your Contract and the insurance fee associated with those benefits. You are limited to one Guarantee Option per Contract.

Each Fund is a segregated fund that is a pool of assets, owned by BMO Insurance and kept separate from its other assets. A Policy owner has no direct claim or property interests in the Fund and has no right to direct the investment of the assets of the Fund.

Each Fund is divided into Series with each Series associated with a Guarantee Option and a Class of a Fund. Each Series is further divided into Units to determine the value of benefits under the Contract. There are nine Series of a Fund each representing one of three Guarantee Options (GIF 75/75, GIF 75/100, and GIF 100/100) and one of four Classes (Class A, Class F, Class A Prestige, or Class F Prestige). GIF 75/100 Plus is a sub-set of the GIF 75/100 Guarantee Option. For funds designated as being 75/100 Plus, the death benefit will be calculated including Deposits made up to the Annuitant's 85th birthday, rather than 80th birthday. Refer to the Fund Facts for the funds eligible for 75/100 Plus. We may add more Fund Classes. *Refer to the Fund Facts for a list of available Funds.*

The Series currently available are:

Guarantee Option	Series A	Series A Prestige	Series F	Series F Prestige
75/75	√	√	√	√
75/100	√	√	√	N/A
100/100	√	√	√	N/A

We reserve the right to close add or merge Funds, Classes or Series of a Fund offered under the Contract. If a Fund, Class or Series of a Fund is to be closed, we will provide you with at least 60 days' notice before the closure. You may, subject to regulatory requirements and our Administrative Rules, switch the Units from the discontinued Fund, Class or Series to another Fund, Class or Series subject to minimum deposit requirements without incurring fees. If we do not receive any instructions, we will, in accordance with our Administrative Rules, withdraw your units in the discontinued Fund, Class or Series and reallocate its value to another Fund or Series indicated for that purpose in the notice informing you of the closure. We also reserve the right to limit the number of Classes in any one Contract.

Certain changes to the Funds are considered a fundamental change in which case the fundamental change provisions will apply. We may also change the Underlying Fund in which the Fund invests. We will inform you of the change through regular communications sent to you unless the change is considered a fundamental change, in which case, the fundamental change provisions will apply.
Refer to section 13.1 for your rights when a fundamental change occurs.

2 TYPES OF CONTRACTS AVAILABLE

2.1 General Overview

This Contract is the formal contractual agreement between you and us. It consists of the Policy Provisions, the application, endorsements or written amendments thereto. The following information from the Fund Facts also forms a part of the Contract. It complies with the requirements of the Canadian Life and Health Insurance Association Guidelines G2, form 1, Part H and is accurate as of the date it was prepared:

- Name of the Contract and the Funds
- Management Expense Ratio ("**MER**")
- Risk disclosure
- Fees and expenses; and
- Right to cancel

If there is an error in the Fund Facts, we will take reasonable measures to correct the error, but you will not have the right to specific performance.

We are not bound by any amendments unless they are agreed to in writing and signed by two officers of BMO Insurance.

The Contract may be registered or non-registered. The registration types are: Tax-free savings account ("**TFSA**") , a retirement savings plan ("**RSP**"), a Spousal RSP, a Locked-in Retirement Account ("**LIRA**"), a Locked-in RRSP ("**LRSP**"), a Restricted Locked-in Retirement Savings Plan ("**RLSP**"), a Retirement Income Fund ("**RIF**"), a Spousal RIF, a Life Income Fund ("**LIF**"), a Prescribed Retirement Income Fund ("**PRIF**"), a Restricted Life Income Fund ("**RLIF**") or a Locked-in Retirement Income Fund ("**LRIF**").

Depending on the source of the Deposit and the applicable legislation, not all plan types may be available to you.

2.2 Non-Registered Contract

A non-registered Contract may be owned by a single individual, jointly by two individuals, an entity or held in nominee name or in any other form of ownership that we offer and is permitted under applicable laws. Either the Annuitant or a third party may be the Policy owner of a non-registered Contract.

The ownership of a non-registered Contract may be transferred in accordance with applicable laws and the Administrative Rules. We reserve the right to restrict a transfer of ownership.

If a non-registered Contract is in force at the Contract Maturity Date, we will redeem all the Units allocated to the non-registered Contract on the Valuation Day immediately preceding with or coinciding with the Contract Maturity Date. *Refer to sections 7, 8, and 9 for the calculation of the Maturity Benefit on the Contract Maturity Date.*

You cannot borrow money directly from a non-registered Contract. You may use a non-registered Contract as security for a loan by assigning it to the lender. The rights of the lender may take priority over your rights or the rights of any other person claiming any amounts payable under the Contract. An assignment of a non-registered Contract may restrict or delay certain transactions otherwise permitted.

2.3 Registered Contract

Under a registered Contract you are the Policy owner and the Annuitant.

A registered Contract is subject to the additional provisions of the registered (RSP, RIF, TFSA) or locked-in plan endorsement, which forms part of the Contract. The endorsement takes precedence over any conflicting section of the Contract.

You cannot borrow money from a registered Contract and, except for a TFSA, it cannot be assigned or used as security for a loan.

A Locked-in Plan is a type of RSP or RIF that is subject to pension laws.

2.3.1 Registered RSP, LIRA, LRSP, RLSP Contracts

You may make Deposits to an RSP in a lump sum or at regular intervals. Deposits to a LIRA, LRSP, and RLSP can only be made in a lump sum with funds that originated from a pension. If your spouse or common-law partner makes contributions to your RSP, it is a Spousal RSP. You are responsible for ensuring that Deposits do not exceed the applicable limits prescribed by the Tax Act.

If your RSP, LIRA or RLSP Contract is in force on December 31 of the year you reach 71 years of age, or the latest age to own an RSP under the Tax Act you must:

a) convert the RSP to a RIF or if you have a RSP that is locked-in under pension legislation, the Contract will be amended to become a LIF, LRIF or other locked-in income plan, as applicable under pension legislation;

b) convert the RSP to an immediate annuity; or

c) terminate the Contract and make a withdrawal of the full value of the Contract, subject to any applicable fees and withholding taxes. If you hold a LIRA, LRSP or RLSP, you cannot take the proceeds in cash, unless permitted by applicable pension legislation.

If no election is made, we will automatically amend the registration type of your Contract from an RSP to a RIF. If you hold a LIRA, RLSP or LRSP, the Contract will be amended to a LIF or other Locked-in Plan as provided under pension legislation. *Refer to section 2.3.3.*

2.3.2 RIF, LIF, LRIF, PRIF, RLIF Contracts

You may purchase a RIF with money transferred from your RSP, another RIF or otherwise as permitted by the Tax Act. A LIF or other similar locked-in income plan is established with pension funds.

The Tax Act specifies that a minimum amount must be taken from your RIF as retirement income payments every year after the year in which it is established. A LIF, LRIF or RLIF is similar to a RIF, except that it also imposes the maximum that can be paid out each year. The PRIF has no maximum annual withdrawal limit.

Some jurisdictions require that you obtain spousal consent before the assets in a LIRA, LRSP or RLSP can be transferred to a LIF, LRIF, PRIF or RLIF.

If your Contract registered as a RIF, LIF, LRIF, PRIF or RLIF is in force on the Contract Maturity Date, all the Units allocated to that Contract will be redeemed on the Valuation Day immediately preceding or coinciding with the Contract Maturity Date. *Refer to sections 7, 8 and 9 for the calculation of the Maturity Benefit on the Contract Maturity Date.*

2.3.3 Conversion of an RSP, LIRA, LRSP, RLSP to a RIF

The terms below apply when you request a conversion of your RSP to a RIF (or locked-in savings plan to a locked-in income plan) or when we exercise the automatic amendment described in section 2.3.1.:

a) the provisions of your RSP Contract relating to its status as an RSP will terminate and the provisions of the corresponding RIF Contract will become effective;

b) the value of the Units in each Fund or allocated to the RIF Contract immediately after the conversion will be equal to the value of the Units in the same Fund previously allocated to your RSP Contract immediately before the amendment;

c) the Maturity Date under the previous RSP Contract will become the Maturity Date under the RIF Contract;

d) the guarantees under the previous RSP Contract will become the guarantees under the RIF Contract;

e) any Beneficiary designation under the previous RSP Contract will continue to be in effect under the RIF Contract;

f) on January 1 of each calendar year following the conversion date, we will calculate the RIF minimum withdrawal applicable to that year;

g) if the RIF minimum withdrawal applicable in a calendar year is not withdrawn in the calendar year by December 31 we will pay you the RIF minimum amount required by law according to the terms of section 5.3.1.

2.4 Contracts Held As Self-Directed RSP, RIF or TFSA (nominee name)

If your Contract is held in a self-directed RSP, RIF or TFSA plan (nominee name), your Contract will be non-registered at BMO Insurance. The trustee of your plan is required to satisfy the requirements necessary to comply with the Tax Act applicable to your plan, including the payment of minimum payments under a RIF.

2.5 TFSA

Under a TFSA Contract, you are the Policy owner (referred to as the “holder” in the Tax Act) and the Annuitant of a TFSA. You can name your spouse as the Successor Annuitant of your TFSA (referred to as “successor holder”) who on your death will become the Annuitant and Policy owner of the TFSA Contract.

Deposits allocated to your TFSA Contract are not tax deductible and there is a maximum amount you can contribute each year under the Tax Act.

You cannot borrow money from a TFSA Contract, but you may assign your Contract as security for a loan.

3 DEPOSITS

3.1 General Information

Deposits can be made on a regular scheduled basis or as unscheduled lump sum payments. You may make Deposits at any time up to the latest age to make Deposits, as described in section 3.2 below. You may also elect to make Deposits under one of two sales charge options (Front-end load or No-Load). As of June 1, 2023 the deferred sales charge (DSC) option which was previously offered will not be available for new contract purchases or Deposits. There is no sales charge paid to us if the Deposit is to Class F. *Refer to section 3.7 for more details on Class F.*

We reserve the right to reject a Deposit; change minimum and impose maximum Deposit amounts; close Funds, Class or Series of a Fund to additional Deposits; limit the amount of Deposits to a Fund, Class or Series, limit the number of Contracts owned by you or the number of Classes that can be held in any one Contract. We reserve the right to impose conditions, such as prior approval or fund diversification on Deposits that exceed amounts outlined in our Administrative Rules. We may waive these rules based on each case, in our sole discretion.

Cheques for Deposits must be payable to BMO Life Assurance Company. All Deposits must be paid in Canadian dollars. If your Deposits come back to us marked (NSF) (Non-Sufficient Funds), we reserve the right to charge a fee to cover our expenses.

3.2 Age Limits

You may purchase a Contract, make a Deposit and hold this Contract in accordance with our Administrative Rules. The latest age to hold a Contract for all contract types is December 31 of the year the Annuitant turns 100. The latest age for policy issue and to make subsequent Deposits depends on the contract type and the Guarantee Option as follows:

	Latest age for new policy issue by Guarantee Option[1]			
Contract Type	**GIF 75/75**	**GIF 75/100**	**GIF 75/100 Plus**	**GIF 100/100**
Non-registered, TFSA, RIF	90	<80[2]	<85[2]	85
RSP, LIRA, LRSP, RLSP	71 or other maturity date under the Tax Act	71 or other maturity date under the Tax Act	71 or other maturity date under the Tax Act	71 or other maturity date under the Tax Act
LIF, PRIF, LRIF, RLIF	90	<80[2]	<85[2]	85

[1] All ages as of December 31 (unless otherwise noted).

[2] Age as of actual date of birth.

	Latest Age for subsequent Deposits[1]	
Contract Type	**GIF 75/75 & GIF 75/100**	**GIF 100/100**
Non-registered, TFSA, RIF	90	85
RSP, LIRA, LRSP, RLSP	71 or other maturity date under the Tax Act	71 or other maturity date under the Tax Act
LIF, PRIF, LRIF, RLIF	90	85

[1] All ages as of December 31.

Such age limits are in addition to, and may be modified by, any age restrictions respecting Deposits that arise from applicable law, including the Tax Act.

3.3 Effective Date of the Contract and Minimum Initial Deposit

We will issue your Contract on the Valuation Day we receive your application and Initial Deposit provided all requirements to set up a Contract under our Administrative Rules have been met. The Valuation Day we issue your Contract is the Effective Date of your Contract. The Effective Date is set out in the confirmation notice that will be sent to you.

The minimum Initial Deposit amount is:

a) Non-registered, TFSA or RSP Contracts – $500 per Fund (or $50 per PAD in the case of scheduled payments);

b) LIRA, LRSP and RLSP Contracts – $500 per Fund; and

c) RIF including LIF, PRIF, RLIF and LRIF Contracts – $10,000.

Refer to section 3.6 for eligibility requirements to invest in the Class A Prestige.

3.4 Subsequent Deposits

While the Contract is in effect, you may make Subsequent Deposits to the Contract according to our Administrative Rules provided the age limitations are not exceeded and minimum amounts are met. The minimum Subsequent Deposit is:

a) Non-registered, TFSA or RSP Contracts – $100 per Fund (or $50 per PAD in the case of scheduled payments);

b) LIRA, LRSP and RLSP Contracts – $100 per Fund; or

c) RIF including LIF, PRIF, RLIF and LRIF Contracts – $500 per Fund.

We will send you confirmation of any Deposits when they are accepted.

Any Deposit allocated to a segregated fund is invested at your risk and may increase or decrease in value.

3.5 Allocating Deposits

We will purchase Units at the Unit Value of the Series of the Fund you select on the applicable Valuation Day. *Refer to section 12.2 Valuation of Transactions, for more information.*

3.5.1 Deposits by PAD

You can make scheduled Deposits by authorizing us to make regular withdrawals from your bank using pre-authorized debits ("PAD"), also known as "PAC". We have the right to cancel your scheduled Deposits at any time or direct your scheduled Deposits to a different Fund or Class, in which case we will provide you with notice of our intent and the options available to you. If you want to make a change to your PAD we require a minimum of 10 days' notice from you of any change to your PAD. The PAD option is not available for a RRIF or a Locked-in Plan.

3.6 Deposits to Class A Prestige

Class A Prestige is offered in all 3 Guarantee Options (GIF 75/75, GIF 75/100, GIF 100/100). You may make Deposits to Funds in the Class A Prestige if you meet the minimum investment threshold. Class A Prestige has lower management fees than Class A.

3.6.1 Minimum Requirement and Automatic Switch

Class A Prestige is available if the total Market Value of your BMO GIF Contracts is at least $250,000. We will automatically switch all Class A Units in all your Contracts to the Class A Prestige equivalent of the same Fund when the minimum Market Value is reached. The sales charge option and Guarantee Option will remain the same. This transaction will be processed as a reclassification of Units. A reclassification of Units will not trigger a taxable disposition and does not impact maturity and death guarantees. *Refer to section 4.2 Tax Treatment of Switches and Impact of Switches on Guarantees.*

3.6.2 Failure to Maintain Minimum Amount in the Class A Prestige

If the Market Value of your Contracts drops below $250,000 as a result of a withdrawal, all Units invested in Class A Prestige will be switched to Units of Class A (same sales charge option). This transaction will be processed as a reclassification of Units. A reclassification of Units will not trigger a taxable disposition and does not impact maturity and death guarantees. *Refer to section 4.2 Tax Treatment of Switches and Impact of Switches on Guarantees.*

A drop below the minimum Market Value of $250,000 caused by market fluctuations, payment of RIF Minimum amounts or the Death Guarantee Reset option fee (GIF 100/100) will not trigger a switch out of Class A Prestige.

BMO Insurance may from time to time change the minimum amount required or change the product eligibility requirements.

3.7 Deposits to Class F

Class F Funds are currently offered in all 3 Guarantee Options (GIF 75/75, GIF 75/100, GIF 100/100).

3.7.1 Eligibility Requirements for Class F

You are eligible to make deposits to Class F if you have a fee-based account with your distributor and your Contract is held in nominee name or have an F Class in client name Contract through your distributor. A distributor's ability to distribute Class F is also subject to terms and conditions set out in a Class F agreement between your distributor and BMO Insurance.

When you deposit to Class F in client name, Units are withdrawn each month from each Fund held in the Contract to pay fees to your distributor. The amount you pay is negotiated between you and your distributor.

When you deposit to Class F in nominee name, you pay sales charges directly to your distributor and not from this Contract when you make deposits or withdrawals. The amount you pay is negotiated between you and your distributor. You may still have to pay certain fees out of your Contract, for example the Death Benefit Reset Option fee.

3.7.2 Failing to qualify for Class F in Nominee Name

If we are notified that (a) you no longer have a fee-based account with your distributor; or (b) you have changed your Contract from nominee-name to client name, we reserve the right to switch your Class F Units to Class A Units of the same Fund in accordance with our administrative rules. The Class A Units will be under the front-end sales charge option, with a sales charge of zero. This transaction will be processed as a reclassification of Units. If we switch your Class F Units to Class A Units and you meet the minimum investment threshold for Class A Prestige, we will automatically switch all Class A Units to the Class A Prestige equivalent of the same Fund.

If you request that the switch out of Class F be made to the no-load option of Class A, the transaction will be processed as a sell and a buy. A sell and a buy may impact maturity and death guarantees. It is a taxable disposition and may result in a capital gain or capital loss in a non-registered Contract. The transaction may also trigger withdrawal or short-term trading fees. *Refer to section 4.2.2, Switches between Classes*

3.8 Class F Prestige

Class F Prestige is offered in the 75/75 Guarantee Options in both nominee and client name. You may make Deposits to Funds in the Class F Prestige if you meet the minimum investment threshold. Class F Prestige has lower management fees than Class F.

3.8.1 Minimum Requirement and Automatic Switch

Class F Prestige is available if the total Market Value of your BMO GIF Contracts is at least $250,000. We will automatically switch all Class F Units in all your Contracts to the Class F Prestige equivalent of the same Fund when the minimum Market Value is reached. The Guarantee Option will remain the same. This transaction will be processed as a reclassification of Units. A reclassification of Units will not trigger a taxable disposition and does not impact maturity and death guarantees. Refer to section 4.2 Tax Treatment of Switches and Impact of Switches on Guarantees.

3.9 Cancellation Rights

You can change your mind about purchasing the Contract by sending us a written notice within two business days of the earlier of:

a) the date you receive the notice of confirmation of the Effective Date; or

b) five business days after the notice of confirmation is mailed.

You also have the right to cancel a Deposit by sending us a written notice within two business days of the earlier of the date you received confirmation of the applicable transaction; and five business days after the notice of confirmation is mailed. In that case, the right to cancel will apply to the transaction and not to the entire Contract. The right to cancel a Deposit does not apply to regularly scheduled deposits (PAD) for which confirmation notices are not issued at the time of the Deposit.

We will refund you the lesser of the amount of the Deposit and the Market Value of the Units on the Valuation Day following the day we receive your notice to cancel. We reserve the right to defer payment of any value under the cancellation right for 30 days following the day we receive your notice to cancel. The amount returned will include a refund of any sales charges or other fees you paid. There may be tax consequences to a cancellation.

4 SWITCHES

4.1 General Information

A switch means moving your holdings in one Fund or Class to another Fund or Class.

When you make a switch, your oldest Units will be switched first. Switches are done at the Unit Value of the Fund Series on the Valuation Day of the switch according to our Administrative Rules. The minimum amount for a switch on an unscheduled basis is $500 per Fund. You may switch all or a portion of your investment in a Fund or the entire Market Value of your Contract if it is less than $500.

A switch may be subject to a short-term trading fee of up to 2% of the amount switched if it is made within 90 days of purchasing Units of the Fund. Any short-term trading fee is in addition to any other withdrawal or other fees that may apply. *Please see section 5.7 Short-term Trading Fee, for more information.*

You can arrange for regularly scheduled switches between your holdings in BMO Money Market GIF into another Fund(s). The minimum initial investment in the BMO Money Market GIF is $1,000 and the minimum amount you can switch to any one Fund is $50. Scheduled switches are only available for new Deposits.

We reserve the right to limit the number of switches in a calendar year, change the minimum amount of a switch, close a Fund, Class or Series to switches, charge a fee for each unscheduled switch, and cancel scheduled switches or direct scheduled switches to a similar Fund. Switches may be suspended in exceptional circumstances. *Please see section 5.5 Suspension of Transactions.*

A switch between Contracts is not allowed.

4.2 Tax Treatment of Switches and Impact of Switches on Guarantees

4.2.1 Switching between Funds

A switch between Funds under the same sales charge option does not affect the Maturity Guarantee Amount or the Death Guarantee Amount. No sales charges will apply to such switches. If the switch is between Funds under the deferred sales charge option, the new Units will have the same withdrawal schedule as your old Units.

Moving between Funds under different sales charge options is not a switch but a sell and a buy. This means that Units will be withdrawn and the proceeds used to purchase new Units. A sell and a buy may take place on multiple Valuation Days and may impact maturity and death guarantees. It could also trigger withdrawal fees or short-term trading fees.

A switch between Funds under the same sales charge option or move between Funds under different sales charge options is a taxable disposition in a non-registered Contract and may result in a capital gain or loss.

4.2.2 Switching between Classes

A switch between Classes of the same Fund is processed as a reclassification of Units, except in the cases below. A reclassification of Units does not affect maturity and death guarantees and is not a taxable disposition.

Exception – A switch is processed as a sell and a buy if the switch is from Class F (nominee) to Class A under the no-load option and is a taxable disposition in a non-registered Contract and may result in a capital gain or loss.

For greater certainty, a switch from Class F (nominee) to Class A (front-end sales charge) or from Class A or Class A Prestige to Class F (nominee) is processed as a reclassification of Units and is not a taxable disposition.

Exception – A switch in processed as a sell and a buy if the switch is from Class F (client name) to Class A or from Class A or Class A Prestige to Class F (client name). This is a taxable disposition in a non-registered Contract and may result in a capital gain or loss.

If the switch out of Class A or Class A Prestige Units purchased under the deferred sales charge option occurs before the expiry of the deferred sales charges schedule, you will have to pay an amount equal to the withdrawal fees or sales charges that would otherwise apply had the Class A or Class A Prestige Units been withdrawn.

5 WITHDRAWALS

5.1 General Information

Withdrawals can be made on a scheduled basis under a scheduled withdrawal plan (SWP) or on an unscheduled basis. If you own a RIF Contract, including a LIF, PRIF, RLIF and LRIF Contract, you will have SWPs made for you. Requests for withdrawals must meet the minimum withdrawal amounts applicable at the time you make the request. The minimum withdrawal amounts are set out below. If the value of your Units in the Fund on a Valuation Day is not sufficient to permit us to make the requested withdrawal, we will make a withdrawal according to our Administrative Rules.

Unless restricted by legislation, you may request a partial or full withdrawal of the Market Value of your Contract at any time while the Contract is in force. A full withdrawal of your Contract results in the termination of your Contract and termination of all rights under the Contract. We have the right to refuse your request for a withdrawal or to require that your Contract be cancelled if the minimum balance requirements are not met.

We will pay you an amount represented by the value of the Units withdrawn on the day the withdrawal is processed, less fees and applicable taxes that must be withheld. *Refer to section 12.2 Valuation of Transactions, for more information.*

Withdrawals from a non-registered Contract may result in a capital gain or loss. Withdrawals from a registered Contract (other than a TFSA) must be included in income and, other than the required minimum amount from a RIF Contract or a withdrawal from a TFSA, are subject to withholding tax.

Withdrawals will reduce the Maturity Guarantee Amount and Death Guarantee Amount proportionately.

5.2 Unscheduled Withdrawals

An unscheduled withdrawal may be requested upon notice to us. The minimum unscheduled withdrawal payment is $500 per Fund.

5.3 Scheduled Withdrawals

A scheduled withdrawal plan (SWP) is available from non-registered, TFSA or RIF Contracts. If your Contract is a RIF Contract including a LIF, PRIF, RLIF, LRIF Contract, SWPs are referred to as retirement income payments. The minimum SWP is $100 per payment or the RIF minimum for RIF contracts. SWPs are not available from RSP Contracts including, LIRA, LRSP and RLSP Contracts. *Refer to section 5.3.1 Retirement Income Payments for further information*.

SWPs are made in the amount and frequency (weekly, bi-weekly, monthly, quarterly, semi-annually, or annually) you select. If the selected date is not a Valuation Day, the withdrawal will be processed on the previous Valuation Day. *Refer to section 12.2 Valuation of Transactions, for more information.*

You may, at the time of applying for the Contract, request that SWPs be made. You may also change the frequency of the SWP in accordance with our Administrative Rules by providing written notice to us.

5.3.1 Retirement Income Payments

In the year you purchase your RIF, LIF or other similar retirement income Contract you are not required to make a withdrawal from your Contract. For the calendar years following the year you entered into your RIF, LIF PRIF, RLIF or LRIF Contract, you will be required to withdraw a minimum amount calculated by multiplying the Market Value of the Contract as at January 1 of the year by the percentage determined in the formula provided under the Tax Act.

If the minimum amount for a calendar year is not withdrawn, we will pay you the required minimum before the end of the calendar year in accordance with our Administrative Rules. Withdrawals in excess of the required minimum amount are subject to a withholding tax.

Retirement income payments for a LIF, RLIF or LRIF Contract are also subject to a maximum amount. The amount is calculated according to the applicable pension legislation. The PRIF has no annual maximum withdrawal limit.

5.4 Withdrawal Fees or Sales Charges

There are no charges on withdrawal of Units purchased under the front-end sales charge or no-load sales charge, or on DSC-free units. There is also no sales charge when you withdraw Class F units. *Refer to section 3.7 for information on Class F and 11.1.3 for information on deferred sales charges.* A withdrawal fee or sales charges apply to the withdrawal of Units bought under the deferred sales charge ("DSC") option prior to June 1, 2023 and before the sales charge rate scale has expired.

5.5 Suspension of Transactions

We may suspend the right to make withdrawals and switches if normal trading is suspended on an exchange in Canada or outside of Canada in which securities or derivatives that make up more than 50% of the value or underlying exposure of the Fund's total assets are traded; and those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund. Normal trading may be suspended resulting from a pandemic or endemic like the Coronavirus 2019 pandemic (COVID-19).

5.6 Recovery of Expenses or Investment Losses

If you make an error, such as NSF payments or incorrect instructions, we reserve the right to charge you for any expenses or investment losses that occur as a result of the error. Any charges passed on to you will be commensurate with the expenses or losses incurred by us.

5.7 Short-term Trading Fee

To discourage activity that may negatively impact the Fund or other Policyholders, we may charge a short-term trading fee of up to 2% of the amount withdrawn or switched if you have held the Units for less than 90 days. The short-term trading fee is in addition to any applicable sales charges and any redemption, withdrawal or other fees that may apply. The short-term trading fee does not apply to SWPs or scheduled switches.

5.8 Minimum Balance Requirement

You must maintain a minimum Market Value of $1,000 in your Contract. If this minimum Market Value is not met, we reserve the right to terminate your Contract and pay you the Market Value, less any applicable withdrawal fees and withholding taxes. Payment of this balance will discharge our obligations under the Contract.

6 GUARANTEE OPTIONS

6.1 General Information

We offer BMO GIF in three different Guarantee Options – GIF 75/75, GIF 75/100, and GIF 100/100. The Guarantee Option you hold determines the benefits under your Contract. GIF 75/75 provides a 75% on maturity or 75% guarantee on death. GIF 75/100 provides a 75% guarantee on maturity or 100% guarantee on death, subject to certain conditions. GIF 75/100 Plus is a sub-set of the GIF 75/100 Guarantee Option. For funds designated as being 75/100 Plus, the death benefit will be calculated including Deposits made up to the Annuitant's 85th birthday, rather than 80th birthday. Refer to the Fund Facts for the funds eligible for 75/100 Plus.

GIF 100/100 provides a 100% guarantee on maturity and/or a 100% guarantee on death, subject to certain conditions. The dates on which the guarantees become effective may also vary by Guarantee Option. We may, at any time, decide that any of the Guarantee Options will no longer be available for new Deposits.

You select the Guarantee Option applicable to your Contract at time of application. You may only hold one Guarantee Option in a Contract.

The following sections 7, 8, and 9 describe the guarantees that apply to each Guarantee Option. Please read the section that applies to the Guarantee Option you selected. You will find the Guarantee Option you hold in the confirmation notice you will receive when we issue your Contract and on statements.

7 MATURITY BENEFIT & DEATH BENEFIT – GIF 75/75

7.1 General Information

If you selected the GIF 75/75 Guarantee Option, your Contract provides guarantees at maturity and death. We calculate the maturity guarantee on the Contract Maturity Date and the death guarantee on the Death Benefit Date. The terms that apply to the GIF 75/75 Guarantee Option are outlined below.

MATURITY BENEFIT – GIF 75/75

7.2 Contract Maturity Date

The Contract Maturity Date is December 31 of the year the Annuitant turns 100, or the last Valuation Day of the year if December 31 is not a Valuation Day. The Contract Maturity Date will be earlier if required by pension law. *Refer to section 10, Contract Maturity Date and Payout Annuity for the Contract Maturity Date of all plan types.*

7.2.1 Calculation of Maturity Benefit – GIF 75/75

The Maturity Benefit for a GIF 75/75 Contract is the greater of:

a) the Maturity Guarantee Amount; and

b) the Market Value of the Contract. *Refer to section 12.4 – Market Value for details.*

7.2.1.1 Calculation of Maturity Guarantee Amount – GIF 75/75

The Maturity Guarantee Amount for a GIF 75/75 Contract is calculated as:

a) 75% of all Deposits;

b) reduced proportionately by withdrawals. *Refer to section 7.2.1.2, Reduction by Withdrawals – Impact of Withdrawals on Guarantees for more information.*

If the Market Value of the Contract is less than the Maturity Guarantee Amount, we will deposit the difference (the "**top-up**") in a Money Market Fund so that the Market Value of the Contract is equal to the Maturity Guarantee Amount. There may be tax consequences when a top-up is paid.

7.2.1.2 Reduction by Withdrawals – Impact of Withdrawals on Guarantees

The proportionate reduction of the Maturity Guarantee Amount (including the Death Guarantee Amount) is based on the following formula:

Proportionate reduction = $G \times W/MV$ where:

G = Maturity Guarantee Amount or Death Guarantee Amount before the withdrawal

W = Withdrawal Amount

MV = Market Value of the Contract immediately before the withdrawal.

7.2.2 Maturity Options – GIF 75/75

On the Contract Maturity Date you may, subject to legislation:

a) request the payment of the Maturity Benefit in a lump sum; or

b) purchase a payout annuity.

7.2.2.1 Request a Lump Sum

To receive the Maturity Benefit in a lump sum, you must make the request in writing at least 30 days before the Contract Maturity Date. We will pay you the Maturity Benefit, less applicable fees or taxes that must be withheld. The lump sum payment of the Maturity Benefit will discharge our obligations under the Contract.

7.2.2.2 Payout Annuity

At the Contract Maturity Date, you may select an annuity from the types of annuities we offer at the time you make your selection. If you do not make a selection or give us instructions on how you want to receive the Maturity Benefit, the Contract will be amended to provide a single life annuity according to the terms set out in section 10 *(Contract Maturity Date and Payout Annuity)*.

DEATH BENEFIT – GIF 75/75

7.3 Death Benefit Date

We calculate the Death Benefit on the date we receive proof, satisfactory to us, of the last surviving Annuitant's death. This date is called "Death Benefit Date".

7.3.1 Calculation of Death Benefit – GIF 75/75

The Death Benefit for a GIF 75/75 Contract is the greater of:

a) the Death Guarantee Amount; and

b) the Market Value of the Contract on the Valuation Day coinciding with or immediately following the Death Benefit Date. *Refer to section 12.4 – Market Value for details.*

7.3.1.1 Calculation of Death Guarantee Amount – GIF 75/75

The Death Guarantee Amount for a GIF 75/75 Contract is calculated as:

a) 75% of all Deposits;

b) reduced proportionately by withdrawals. *Refer to section 7.2.1.2, Reduction by Withdrawals – Impact of Withdrawals on Guarantees for more information.*

7.3.2 Payment of Death Benefit

On the Death Benefit Date, we will switch all the Units in your Contract to the BMO Money Market GIF. If the Market Value of the Contract is less than the Death Guarantee Amount, we will deposit the difference (the "top-up") into the BMO Money Market GIF. There may be tax consequences when a top-up is paid. No further transaction can be made after the Death Benefit Date.

When we receive all required documentation, including proof of death of Annuitant (or of the last surviving Annuitant if there is a Successor Annuitant) and of the claimant's right to the proceeds, we will pay to the Beneficiary or if no beneficiary was designated, the estate of the Policy owner(s), the Market Value of the BMO Money Market GIF allocated to the Contract in a lump sum or if you selected the Annuity Settlement Option (as described below), in a series of income payments under an annuity. *Refer to section 7.3.2.1, Annuity Settlement Option*. The Death Benefit will be paid in a lump sum if you do not specify the manner in which the Death Benefit is to be paid. If no beneficiary is designated, the Death Benefit will be paid in a lump sum to the estate of the Policy owner(s).

The Market Value of the BMO Money Market GIF may be adjusted for payments made between the Death Benefit Date and the date the Death Benefit is paid. We do not deduct sales charges from the Death Benefit.

Payment of the Death Benefit will discharge our obligations under the Contract.

7.3.2.1 Annuity Settlement Option

You may request that the Death Benefit payable to one or more Beneficiaries be made in a series of income payments under an annuity (the "Annuity Settlement Option"). The request must be made before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant).

You may revoke the Annuity Settlement Option or change the type of annuity or frequency of payments at any time before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant). The revocation or change may be subject to the rights of an irrevocable Beneficiary or an assignee.

If the Policy is held in nominee name, the Annuity Settlement Option is only available if the Policy is non-registered and a beneficiary is designated.

If you have elected the Annuity Settlement Option, we will apply the Death Benefit to set up a separate annuity for each Beneficiary as follows:

a) The annuity will be based on the life and age of the Beneficiary at the annuity rates in effect at the time the annuity is set up. Before annuity payments commence, we require proof of age, the Social Insurance Number of the beneficiary or any other information as set out in our then Administrative Rules. If the information is not provided, we reserve the right to pay the Death Benefit in a lump sum.

b) Payments under the annuity will start on the date set out in our then Administrative Rules.

c) The annuity is non-commutable (non-cashable, non-transferable) and non-assignable.

d) The annuity is subject to minimum and maximum premium amounts, payment amounts and age of the Beneficiary in effect at the time the annuity is set-up. If these requirements are not met, we reserve the right to pay the Death Benefit in a lump sum.

e) The annuity is subject to legislation that may provide for payment methods that take precedence over the Annuity Settlement Option. In that case, the Death Benefit will be paid in accordance with legislation.

8 MATURITY BENEFIT & DEATH BENEFIT – GIF 75/100

8.1 General Information

If you selected the GIF 75/100 Guarantee Option, your Contract provides guarantees at maturity and death. We calculate the maturity guarantee on the Contract Maturity Date and the death guarantee on the Death Benefit Date. The terms that apply to the GIF 75/100 Guarantee Option are outlined below.

MATURITY BENEFIT – GIF 75/100

8.2 Contract Maturity Date

The Contract Maturity Date is December 31 of the year the Annuitant turns 100, or the last Valuation Day of the year if December 31 is not a Valuation Day. The Contract Maturity Date will be earlier if required by pension law. *Refer to section 10 Contract Maturity Date and Payout Annuity for the Contract Maturity Date of all plan types.*

8.2.1 Calculation of Maturity Benefit – GIF 75/100

The Maturity Benefit for a GIF 75/100 Contract is the greater of:

a) the Maturity Guarantee Amount; and

b) the Market Value of the Contract. *Refer to section 12.4 – Market Value for details.*

8.2.1.1 Calculation of Maturity Guarantee Amount – GIF 75/100

The Maturity Guarantee Amount for a GIF 75/100 Contract is calculated as:

a) 75% of all Deposits;

b) Reduced proportionately by withdrawals. *Refer to section 8.2.1.2, Reduction by Withdrawals – Impact of Withdrawals on Guarantees for more information.*

If the Market Value of the Contract is less than the Maturity Guarantee Amount, we will deposit the difference (the "**top-up**") in a Money Market Fund to increase the Market Value of the Contract to equal the Maturity Guarantee Amount. There may be tax consequences when a top-up is paid.

8.2.1.2 Reduction by Withdrawals – Impact of Withdrawals on Guarantees

The proportionate reduction of the Maturity Guarantee Amount (including the Death Guarantee Amount) is based on the following formula:

Proportionate reduction = G × W/MV where:

G = Maturity Guarantee Amount or Death Guarantee Amount before the withdrawal

W = Withdrawal Amount

MV = Market Value of the Contract immediately before the withdrawal.

8.2.2 Maturity Options – GIF 75/100

On the Contract Maturity Date you may, subject to legislation:

a) request the payment of the Maturity Benefit in a lump sum; or

b) purchase a payout annuity.

8.2.2.1 Request a Lump Sum

To receive the Maturity Benefit in a lump sum, you must make the request in writing at least 30 days before the Contract Maturity Date. We will pay you the Maturity Benefit, less applicable fees or taxes that must be withheld. The lump sum payment of the Maturity Benefit will discharge our obligations under the Contract.

8.2.2.2 Payout Annuity

At the Contract Maturity Date, you may select an annuity from the types of annuities we offer at the time you make your selection. If you do not make a selection or give us instructions on how you want to receive the Maturity Benefit, the Contract will be amended to provide a single life annuity according to the terms set out in section 10 *(Contract Maturity Date and Payout Annuity).*

DEATH BENEFIT – GIF 75/100

8.3 Death Benefit Date

We calculate the Death Benefit on the date we receive proof, satisfactory to us, of the last surviving Annuitant's death. This date is called "Death Benefit Date".

8.3.1 Calculation of Death Benefit – GIF 75/100

The Death Benefit for a GIF 75/100 Contract is the greater of:

a) the Death Guarantee Amount; and

b) the Market Value of the Contract on the Valuation Day coinciding with or immediately following the Death Benefit Date. *Refer to section 12.4 – Market Value for details.*

8.3.1.1 Calculation of Death Guarantee Amount

The Death Guarantee Amount for a GIF 75/100 is the sum of:

a) 100% of all Deposits made before the Annuitant's 80th birthday (85th birthday for GIF 75/100 Plus), with the potential to increase by resets. *Refer to section 8.3.1.2, Increase by Death Guarantee Resets for details;* and

b) 75% of all Deposits made on or after the Annuitant's 80th birthday (85th birthday for GIF 75/100 Plus).

GIF 75/100 Plus is a sub-set of the GIF 75/100 Guarantee Option. For funds designated as being 75/100 Plus, the 100% guarantee on death will be calculated including Deposits made up to the Annuitant's 85th birthday, rather than 80th birthday. Refer to the Fund Facts for the funds eligible for 75/100 Plus.

The Death Guarantee Amount is reduced proportionately by withdrawals. *Refer to section 8.2.1.2, Reduction by Withdrawals – Impact of Withdrawals on Guarantees for details.*

8.3.1.2 Increase by Death Guarantee Resets

The Death Guarantee Amount for Deposits guaranteed at 100% only (made before the Annuitant's 80th birthday) can increase by Death Guarantee Resets if the Market Value of the Contract increases. The Death Guarantee Resets will **automatically** be performed every three years on the Policy Anniversary Date until the Annuitant's 80th birthday ("**Death Reset Date**"). A final reset is performed on the last Policy Anniversary Date immediately before the Annuitant's 80th birthday or the previous Valuation Day if the Policy Anniversary Date is not a Valuation Day.

Death Guarantee Resets are a standard feature and are included when you select the GIF 75/100 Guarantee Option. You do not directly pay fees for the Death Guarantee Resets. They are included in the MER.

8.3.2 Payment of Death Benefit

On the Death Benefit Date, we will switch all the Units in your Contract to the BMO Money Market GIF. If the Market Value of the Contract is less than the Death Guarantee Amount, we will deposit the difference (the "top-up") into the BMO Money Market GIF. There may be tax consequences when a top-up is paid. No further transaction can be made after the Death Benefit Date.

When we receive all required documentation, including proof of death of Annuitant (or of the last surviving Annuitant if there is a Successor Annuitant) and of the claimant's right to the proceeds, we will pay to the Beneficiary or if no beneficiary was designated, the estate of the Policy owner(s), the Market Value of the BMO Money Market GIF allocated to the Contract in a lump sum or if you selected the Annuity Settlement Option (as described below), in a series of income payments under an annuity. *Refer to section 8.3.2.1, Annuity Settlement Option*. The Death Benefit will be paid in a lump sum if you do not specify the manner in which the Death Benefit is to be paid. If no beneficiary is designated, the Death Benefit will be paid in a lump sum to the estate of the Policy owner(s).

The Market Value of the BMO Money Market GIF may be adjusted for payments made between the Death Benefit Date and the date the Death Benefit is paid. We do not deduct sales charges from the Death Benefit.

Payment of the Death Benefit will discharge our obligations under the Contract.

8.3.2.1 Annuity Settlement Option

You may request that the Death Benefit payable to one or more Beneficiaries be made in a series of income payments under an annuity (the "Annuity Settlement Option"). The request must be made before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant).

You may revoke the Annuity Settlement Option or change the type of annuity or frequency of payments at any time before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant). The revocation or change may be subject to the rights of an irrevocable Beneficiary or an assignee.

If the Policy is held in nominee name, the Annuity Settlement Option is only available if the Policy is non-registered and a beneficiary is designated.

If you have elected the Annuity Settlement Option, we will apply the Death Benefit to set up a separate annuity for each Beneficiary as follows:

a) The annuity will be based on the life and age of the Beneficiary at the annuity rates in effect at the time the annuity is set up. Before annuity payments commence, we require proof of age, the Social Insurance Number of the beneficiary or any other information as set out in our then Administrative Rules. If the information is not provided, we reserve the right to pay the Death Benefit in a lump sum.

b) Payments under the annuity will start on the date set out in our then Administrative Rules.

c) The annuity is non-commutable (non-cashable, non-transferable) and non-assignable.

d) The annuity is subject to minimum and maximum premium amounts, payment amounts and age of the Beneficiary in effect at the time the annuity is set-up. If these requirements are not met, we reserve the right to pay the Death Benefit in a lump sum.

e) The annuity is subject to legislation that may provide for payment methods that take precedence over the Annuity Settlement Option. In that case, the Death Benefit will be paid in accordance with legislation.

9.1 General Information

If you selected the GIF 100/100 Guarantee Option, your Contract provides guarantees at maturity and death. We calculate the maturity guarantee on the Maturity Date and Contract Maturity Date and the death guarantee on the Death Benefit Date. The terms that apply to the GIF 100/100 Guarantee Option are outlined below.

MATURITY BENEFIT – GIF 100/100

9.2 Maturity Date

You may have multiple Maturity Dates throughout the term of your Contract. The maturity date that you select when you apply for a BMO GIF is the Initial Maturity Date. When the Initial Maturity Date is reached (or any following Maturity Date), you have the option to renew the Maturity Date. The new Maturity Date is called the Subsequent Maturity Date.

9.2.1 Initial Maturity Date

The Initial Maturity Date cannot be changed and must meet all of the conditions below:

a) falls on December 31st,

b) is for a term of at least 15 years but not more than 25 years from December 31st of the year the Contract takes effect or the last Valuation Day of the year if December 31st is not a Valuation Day. *Refer to section 3.3 for details on the Effective Date of the Contract*; and

c) is not later than the Contract Maturity Date.

For example, if your Contract has an Effective Date of June 15, 2023 and you select a 15 year term, the Maturity Date will be December 31, 2038.

If you do not select an Initial Maturity Date, your Contract will automatically be issued for a term of 15 years from December 31st of the year your Contract takes effect.

9.2.2 Subsequent Maturity Date

The Subsequent Maturity Date must be at least 15 years but not more than 25 years from the previous Maturity Date, except if following a renewal, there is less than 15 years until the Contract Maturity Date. The Subsequent Maturity Date must also meet the conditions in 9.2.1.

If you do not elect to renew a Maturity Date or request the payment of the Maturity Benefit if permitted under applicable law, your Contract will automatically be renewed for another 15 year term. A Subsequent Maturity Date must meet the conditions in section 9.2.1. If on renewal, there is less than 15 years remaining to the Contract Maturity Date, the Contract will be renewed for a term that ends on the Contract Maturity Date.

9.2.3 Selecting a Subsequent Maturity Date and Impact on Maturity Guarantee Amount

When you renew the Maturity Date and set a Subsequent Maturity Date, the Contract will continue and an amount called the "Renewal Deposit" will be set to calculate the Maturity Guarantee Amount for the Subsequent Maturity Date. The Renewal Deposit is the greater of:

a) the Maturity Guarantee Amount, and

b) the Market Value of your Contract on the expired Maturity Date. *Refer to section 12.4 – Market Value for details.*

The Maturity Guarantee Amount for the Subsequent Maturity Date varies depending on whether the Renewal Deposit is for a term of 15 years or less. If the term of the renewal is less than 15 years, the Maturity Guarantee Amount will be 75% of the Renewal Deposit.

Among other factors, when selecting a Subsequent Maturity Date you should consider your age, the age you will be when you reach the Subsequent Maturity Date and the difference between the Subsequent Maturity Date and the Contract Maturity Date as these factors will impact the Maturity Guarantee Amount and the Death Guarantee Amount.

You should review the impact of this feature with your advisor in selecting Maturity Dates throughout the term of your Contract.

9.3 Calculation of Maturity Benefit – GIF 100/100

The Maturity Benefit for a GIF 100/100 Contract is the greater of:

a) the Maturity Guarantee Amount; and

b) the Market Value of the Contract on the Maturity Date or Contract Maturity Date, as applicable. *Refer to section 12.4 – Market Value for details.*

9.3.1 Calculation of Maturity Guarantee Amount – GIF 100/100

The Maturity Guarantee Amount for a GIF 100/100 Contract is the sum of:

a) 100% of all Deposits or Renewal Deposits made at least 15 years before the Maturity Date, Subsequent Maturity or Contract Maturity Date (whichever date applies); and

b) 75% of all Deposits or Renewal Deposits made less than 15 years before the Maturity Date, Subsequent Maturity or Contract Maturity Date (whichever date applies).

The Maturity Guarantee Amount is reduced proportionately by withdrawals. *Refer to section 9.3.1.1, Reduction by Withdrawals – Impact of Withdrawals on Guarantees.*

For example, if the Maturity Date is in 2038, Deposits made in 2023 will be guaranteed at 100%, but Deposits paid in 2024 will have a 75% guarantee.

If the Market Value of the Contract is lower than the Maturity Guarantee Amount, we will deposit the difference (the "**top-up**"), in a Money Market Fund to increase the Market Value of the Contract to equal the Maturity Guarantee Amount. There may be tax consequences when a top-up is paid.

9.3.1.1 Reduction by Withdrawals – Impact of Withdrawals on Guarantees

Withdrawals you make will reduce the Maturity Guarantee Amount on a proportionate basis. The proportionate reduction of the Maturity Guarantee Amount is based on the following formula:

Proportionate reduction = G × W/MV where:

G = Maturity Guarantee Amount before the withdrawal

W = Withdrawal Amount

MV = Market Value of the Contract immediately before the withdrawal

9.3.1.2 Increase by Maturity Guarantee Resets

For GIF 100/100, the Maturity Guarantee Amount has the potential to increase by monthly resets (the "**Maturity Guarantee Resets**").

Maturity Guarantee Resets are calculated separately for Deposits guaranteed at 100% and Deposits guaranteed at 75%.

a) **100% Maturity Guarantee Amount**
If on a Maturity Reset Date, 100% of the Market Value of Deposits guaranteed at 100% is higher than the 100% Maturity Guarantee Amount, we will increase the 100% Maturity Guarantee Amount to equal 100% of the Market Value of those Deposits.

b) **75% Maturity Guarantee Amount**
If on a Maturity Reset Date, 75% of the Market Value of Deposits guaranteed at 75% is higher than the 75% Maturity Guarantee Amount, we will increase the 75% Maturity Guarantee Amount to equal 75% of the Market Value of those Deposits.

Maturity Guarantee Resets will automatically be performed on the last Valuation Day of each month up to and including 10 years before the Maturity Date or Contract Maturity Date (each called a "**Maturity Reset Date**").

Maturity Guarantee Resets are performed separately for Deposits guaranteed at 100% and Deposits guaranteed at 75%. The sum of both determines the Maturity Guarantee Amount for the Contract.

You do not directly pay fees for Maturity Guarantee Resets. They are included in the MER.

9.3.2 Maturity Options – GIF 100/100

On each Maturity Date, you may, subject to legislation:

a) request the payment of the Maturity Benefit in a lump sum.

b) purchase a payout annuity; or

c) except on the Contract Maturity Date, renew the Maturity Date and continue the Contract.

9.3.2.1 Request a Lump Sum

To receive the Maturity Benefit in a lump sum, you must make the request in writing at least 30 days before the Maturity Date or Contract Maturity Date. We will pay you the Maturity Benefit, less applicable fees, including sales charges or taxes that must be withheld. The lump sum payment of the Maturity Benefit will discharge our obligations under the Contract.

9.3.2.2 Payout Annuity

You may select an annuity from the types of annuities we offer at the time you make your selection. If the Maturity Benefit is paid on the Contract Maturity Date and you do not give us written instructions on how to settle your Contract, the Contract will be amended to provide a single life annuity according to the terms set out in section 10 *(Contract Maturity Date and Payout Annuity)*.

9.3.2.3 Renewal of the Maturity Date and Renewal Deposit

You may renew the Maturity Date and set a Subsequent Maturity Date. The Contract will continue and an amount called the "Renewal Deposit" will be set to calculate the Maturity Guarantee Amount for the Subsequent Maturity Date.

The Renewal Deposit is equal to the Maturity Benefit on the expired Maturity Date which is the greater of:

a) the Maturity Guarantee Amount on the expired Maturity Date; and

b) the Market Value of your Contract on the expired Maturity Date.

The Maturity Guarantee Amount for the Subsequent Maturity Date is 100% of the Renewal Deposit, except if the Subsequent Maturity Date coincides with the Contract Maturity Date and is less than 15 years. In that case, the Maturity Guarantee Amount is 75% of the Renewal Deposit.

DEATH BENEFIT – GIF 100/100

9.4 Death Benefit Date

If the last surviving Annuitant dies before the Maturity Date or the Contract Maturity Date, as applicable, we will pay the Death Benefit to the Beneficiary. We calculate the Death Benefit on the date we receive proof, satisfactory to us, of the last surviving Annuitant's death. This date is called "Death Benefit Date".

9.4.1 Calculation of Death Benefit – GIF 100/100

The Death Benefit for a GIF 100/100 Contract is the greater of:

a) the Death Guarantee Amount; and

b) the Market Value of the Contract on the Valuation Day coinciding with or immediately following the Death Benefit Date. *Refer to section 12.4 – Market Value for details.*

9.4.1.1 Calculation of Death Guarantee Amount – GIF 100/100

The Death Guarantee Amount for a GIF 100/100 Contract is the sum of:

a) 100% of all Deposits made before the Annuitant's 80th birthday. These Deposits have the potential to increase by resets. *Refer to section 9.4.1.3, Increase by Death Guarantee Resets for more information*; and

b) 75% of all Deposits made on or after the Annuitant's 80th birthday.

The Death Guarantee Amount is reduced proportionately for withdrawals.

9.4.1.2 Reduction by Withdrawals – Impact of Withdrawals on Guarantees

The Death Guarantee Amount is reduced proportionately for withdrawals. The proportionate reduction of the Death Guarantee Amount is based on the following formula:

Proportionate reduction = G × W/MV where:

G = Death Guarantee Amount before the withdrawal

W = Withdrawal Amount

MV = Market Value of the Contract immediately before the withdrawal

9.4.1.3 Increase by Death Guarantee Resets

The Death Guarantee Amount for Deposits guaranteed at 100% only (made before the Annuitant's 80th birthday) has the potential to increase by the Death Guarantee Resets if the Market Value of the Contract increases.

For a GIF 100/100 Contract, the Death Guarantee Reset is an optional feature. You may elect the Death Guarantee Reset Option only when you apply for the Contract. You may cancel the Death Guarantee Reset Option at any time; however, once cancelled, you cannot select the Death Guarantee Reset Option again. There is an additional fee for this option. *Refer to section 9.4.1.4 Death Guarantee Reset Option Fees.*

If you exercise this option, Death Guarantee Resets will be performed automatically every three years on the Policy Anniversary Date before the Annuitant's 80th birthday (each called a "Death Reset Date"). A final reset is performed on the last Policy Anniversary Date immediately before the Annuitant's 80th birthday. If a Policy Anniversary Date is not a Valuation Day, the Death Guarantee Reset option will be performed on the previous Valuation Day.

On each Death Reset Date, we will automatically compare the total Death Guarantee Amount for Deposits guaranteed at 100% with the corresponding Market Value of those Deposits. We will increase the Death Guarantee Amount to equal the Market Value, if it is higher.

9.4.1.4 Death Guarantee Reset Option Fees

If you have selected the Death Guarantee Reset Option, you will be charged a Death Guarantee Reset Option fee.

The Death Guarantee Reset Option fee is a percentage of the Market Value of Units of each Fund Class and may vary from Fund to Fund. The fee does not apply to the BMO Money Market GIF. Please refer to the Information Folder for the Death Guarantee Reset Option fee rate for each Fund.

The fee is calculated daily and is collected through the withdrawal of Units from each Fund Class held in the Contract up to the Annuitant's 80th birthday.

Collection of the fee will occur semi-annually on June 30th or December 31st or earlier as set out below. If June 30th or December 31st is not a Valuation Day, the fee will be collected on the previous Valuation Day.

Should you withdraw, switch or transfer all or some of the Units of a Fund, the Death Guarantee Reset Option fee will be collected on the Valuation Day the transaction is processed. If the value of your Units of a Fund is insufficient to pay for the fee, we reserve the right to collect the fee by withdrawing your Units in another Fund Class or another Fund according to our Administrative Rules.

Any withdrawal made to pay for the Death Guarantee Reset Option fees will be identified in your statement. You will not receive other confirmation of the withdrawal.

The withdrawal of Units to pay for the Death Guarantee Reset Option fee will not reduce the Maturity and Death Guarantee Amounts and will not be subject to withdrawal fees.

The Death Guarantee Reset Option fee is not subject to GST or HST. The withdrawal of Units to pay for the Death Guarantee Reset Option fee will result in a taxable disposition and may create capital gains or capital losses that will be reported to you.

We reserve the right to change the Death Guarantee Reset Option fee for each Fund from time to time. If we increase the Death Guarantee Reset Option fee above the Death Guarantee Reset Option fee limit, this will be considered a Fundamental Change and we will give you 60 days' prior written notice. *Refer to section 13.1 Fundamental Changes for more information*. If the increase is within the insurance Death Guarantee Reset Option fee limit, we will inform you of the change in regular communications that we send to you from time to time.

9.4.1.5 Calculation of Death Guarantee Amount for a GIF 100/100 Contract on Maturity Date Renewal

When the Maturity Date is renewed, we recalculate the Death Guarantee Amount for the renewal term ending on the Subsequent Maturity Date. The Death Guarantee Amount on renewal varies depending on the age of the Annuitant when the previous Maturity Date is renewed.

a) if the renewal is before the Annuitant turns 80, the Death Guarantee Amount is calculated as the greater of: (i) 100% of the Renewal Deposits; and (ii) the Death Guarantee Amount in effect on the previous Maturity Date.

b) if the renewal is on or after the Annuitant turns 80, the Death Guarantee Amount in effect on the previous Maturity Date continues to apply.

For more information about the renewal of a Maturity Date, see section 9.3.2.3.

9.4.2 Payment of the Death Benefit

On the Death Benefit Date, we will switch all the Units in your Contract to the BMO Money Market GIF. If the Market Value of the Contract is less than the Death Guarantee Amount, we will deposit the difference (the "top-up") into the BMO Money Market GIF. There may be tax consequences when a top-up is paid. No further transaction can be made after the Death Benefit Date.

When we receive all required documentation, including proof of death of Annuitant (or of the last surviving Annuitant if there is a Successor Annuitant) and of the claimant's right to the proceeds, we will pay to the Beneficiary or if no beneficiary was designated, the estate of the Policy owner(s), the Market Value of the BMO Money Market GIF allocated to the Contract in a lump sum or if you selected the Annuity Settlement Option (as described below), in a series of income payments under an annuity. *Refer to section 9.4.2.1, Annuity Settlement Option*. The Death Benefit will be paid in a lump sum if you do not specify the manner in which the Death Benefit is to be paid. If no beneficiary is designated, the Death Benefit will be paid in a lump sum to the estate of the Policy owner(s).

The Market Value of the BMO Money Market GIF may be adjusted for payments made between the Death Benefit Date and the date the Death Benefit is paid. We do not deduct sales charges from the Death Benefit.

Payment of the Death Benefit will discharge our obligations under the Contract.

9.4.2.1 Annuity Settlement Option

You may request that the Death Benefit payable to one or more Beneficiaries be made in a series of income payments under an annuity (the "Annuity Settlement Option"). The request must be made before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant).

You may revoke the Annuity Settlement Option or change the type of annuity or frequency of payments at any time before the Annuitant's death (or the death of the last surviving Annuitant if there is a Successor Annuitant). The revocation or change may be subject to the rights of an irrevocable Beneficiary or an assignee.

If the Policy is held in nominee name, the Annuity Settlement Option is only available if the Policy is non-registered and a beneficiary is designated.

If you have elected the Annuity Settlement Option, we will apply the Death Benefit to set up a separate annuity for each Beneficiary as follows:

a) The annuity will be based on the life and age of the Beneficiary at the annuity rates in effect at the time the annuity is set up. Before annuity payments commence, we require proof of age, the Social Insurance Number of the beneficiary or any other information as set out in our then Administrative Rules. If the information is not provided, we reserve the right to pay the Death Benefit in a lump sum.

b) Payments under the annuity will start on the date set out in our then Administrative Rules.

c) The annuity is non-commutable (non-cashable, non-transferable) and non-assignable.

d) The annuity is subject to minimum and maximum premium amounts, payment amounts and age of the Beneficiary in effect at the time the annuity is set-up. If these requirements are not met, we reserve the right to pay the Death Benefit in a lump sum.

e) The annuity is subject to legislation that may provide for payment methods that take precedence over the Annuity Settlement Option. In that case, the Death Benefit will be paid in accordance with legislation.

10 CONTRACT MATURITY DATE & PAYOUT ANNUITY

10.1 General Information

The Contract Maturity Date is the last day you can hold the Contract. On the Contract Maturity Date, annuity payments will begin.

10.2 Contract Maturity Date by type of Contract

The Contract Maturity Date for your Contract is December 31 of the year the Annuitant turns 100, or the last Valuation Day of the year if December 31 is not a Valuation Day.

The Contract Maturity Date for a RSP Contract (or LIRA, LRSP and RLSP) that has been converted to a RIF Contract including any of a LIF, PRIF, RLIF or LRIF Contract when the Annuitant reaches age 71 (or the latest age to hold an RSP under the Tax Act) is also December 31 of the year the Annuitant turns 100. *Refer to section 2.3.3 for information on conversion from a RSP, LIRA, LRSP or RLSP to a RIF.*

10.3 Payout Annuity

On the Contract Maturity Date, annuity payments will begin unless you tell us otherwise in writing. We will apply the Maturity Benefit to provide you with a single life annuity with ten year guarantee. The annuity will be based on your life, payable to you in equal annual payments and will be based on our annuity rates in effect at the time the annuity is issued.

For Contracts issued in Quebec only, annuity payments for a single life, age 65, payable annually will be calculated at the following rates per $10,000: $397.95 (male) and $362.89 (female). If annuity rates in effect at the time the annuity is issued are higher, the higher rates will apply.

11 SALES CHARGES, MANAGEMENT FEES AND OTHER CHARGES

11.1 Sales Charges

You can purchase Class A and Class A Prestige Units of a Fund under two sales charge options:

a) front-end sales charge; and

b) no-load sales charge.

As of June 1, 2023 the deferred sales charge (DSC) option which was previously offered will not be available for new contract purchases or Deposits. Your choice of sales charge option will determine how your distributor or advisor is compensated. The sales charge option you select depends on several variables, including your risk tolerance, investment objectives and investment time-frame. You should consult your licensed insurance advisor to determine which sales charge option meets your needs.

We reserve the right to remove a Fund, Class or Series from a sales charge option at any time.

11.1.1 Front-end Sales Charge

If you choose the front-end sales charge option, a sales charge of between 0% and 5% (depending on the amount you negotiate with your advisor) will be paid to your advisor and deducted from the Deposit before it is allocated to the Fund you select. Under this option, no fees apply when you make withdrawals.

The Maturity Guarantee Amount and Death Guarantee Amount are calculated based on the amount of the Deposit before the front-end sales charge is deducted.

Moving from DSC to front-end sales charge will be processed as a sell and a buy. This transaction may reduce the Maturity and Death Guarantee Amounts, and may trigger a capital gain or loss for non-registered Contracts.

11.1.2 No-load Sales Charge

Under the no-load sales charge option, there are no upfront sales charges, and no deferred sales charges. Your entire Deposit will be allocated to your Contract. There are no sales charges when you make withdrawals.

11.2 No Sale Charge on Class F Units

If you purchase Class F Units in nominee name, you pay sales charges and other fees directly to your distributor and you do not pay sales charges to us when you make Deposits or withdrawals.

If you purchase Class F Units in client name, you do not pay sales charges to us when you make Deposits or withdrawals but Units are withdrawn to pay the negotiated fees to your distributor. The fees are accrued daily and collected monthly through the withdrawal of Units from each Fund held in the Contract. Withdrawals to pay for distributor fees will not reduce the Maturity and Death Guarantee Amounts and will not be subject to withdrawal fees.

Withdrawal of Units to pay for distributor fees will result in a taxable disposition and may create capital gains or capital losses that will be reported to you. Withdrawals to pay for distributor fees will be identified in your statement. You will not receive other confirmation of the withdrawals.

11.3 Short-term Trading Fee

To discourage activity that may negatively impact the Fund or other Policyholders, we may charge a short-term trading fee of up to 2% of the amount withdrawn or switched if you withdraw from or switch out a Fund within 90 days of buying or switching into the Fund. The short-term trading fee is in addition to any applicable sales charges, withdrawal or other fees that may apply. The short-term trading fee does not apply to SWPs and scheduled switches.

11.4 Management Fees, Insurance Fees and Operating Expenses

Each Fund pays a management fee for the investment management and operating expenses associated with the Fund. The Fund also pays an insurance fee to provide the insurance benefits under the Contract. *For more information on the current management fee and insurance fee for each Fund, refer to the Fund Facts.*

Management fees and insurance fees for each Series of a Fund are expressed as a percentage of the net asset value of that Series. They are calculated and accrued on a daily basis and are paid by the Series before a Unit Value of that Series is determined. When a Fund invests in an Underlying Fund, the management fee of the Fund includes the management fee and expenses charged by the Underlying Fund(s). There is no duplication of management fees. *Refer to section 12.3 for details on Unit Value.*

BMO Insurance pays certain operating expenses including audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the Funds; including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports and other types of reports, including information folders, required to comply with applicable regulatory requirements, filing fees and statements and communications to policyholders (collectively the "**Administration Expenses**"). In return, each Fund pays BMO Insurance an administration fee of

0.25% (the "**Administration Fee**"). The Administration Fee is an annual percentage of the net asset value of the Fund. The Administration Fee is subject to change upon 60 days prior written notice and will take effect after a completed financial year. *Refer to section 12.3 for details on the net asset value.*

Administration Expenses do not include taxes of all kinds to which the Fund is or might be subject; borrowing costs incurred by the Funds from time to time; and any new types of costs, expenses or fee not incurred prior to the date of this Information Folder, including arising from new government or regulatory requirements. These fees or costs are charged directly to the Fund.

BMO Insurance reserves the right to change this Administration Fee methodology to a cost allocation for charging operating expenses at any time. Any change in the methodology will only be made after a completed financial year.

All fees are subject to GST or HST, as applicable. You do not directly pay the management fee, insurance fee, Administrative Fees, or applicable taxes. They are deducted from the Fund on each Valuation Day before the Unit Value is calculated and are payable to BMO Insurance and further distributed as appropriate.

11.4.1 Changes to the Management Fee or Insurance Fee

We may at any time change the management fee and the insurance fee for any Series of a Fund. If we increase the management fee, or in the case of an insurance fee, the increase is over the insurance fee limit, we will give 60 days' prior written notice and the Fundamental Change provisions will apply. *Refer to section 13.1 Fundamental Changes for more information.*

If the increase in insurance fee is within the insurance fee limit, we will inform you of the change in regular communications that we send to you from time to time.

11.4.2 Management Expense Ratio

The Management Expense Ratio (MER) is the cost of investing in a Fund Series. It represents the total of management fees, insurance fees, administration fees and taxes for each Series of a Fund. A MER is calculated for each Series and is expressed as a percentage of the net asset value for that Series. You do not directly pay the MER. The MER is paid by the Fund Series before a Unit Value of the Series is calculated. *Refer to section 12.3 for details on Unit Value.*

11.5 Death Guarantee Reset Option Fee – GIF 100/100

The Death Guarantee Reset Option fee is based on market value and may vary between Funds. *See section 9.4.1.4 for details.*

11.6 Recovery of Expenses and Losses

We reserve the right to recover from you, through the deduction of Units, any expenses or investment losses we have incurred due to your error including incomplete or incorrect information and NSF (non-sufficient funds) payments. Any charges levied on you will be commensurate with any expenses or losses incurred by us.

12 VALUATION

12.1 Frequency of Valuation

The valuation of Units in each Series of a Fund is determined at 4.00 p.m. EST on each Valuation Day or an earlier deadline if the Toronto Stock Exchange closes earlier than 4:00 p.m. EST (the "Cut-off Time"). A Valuation Day is any day that the Toronto Stock Exchange is open for trading and a value is available for the applicable Underlying Fund or other assets of the Fund. We reserve the right to change the frequency of the valuation of the Funds in which case you will have the rights under the Fundamental Changes rule. In no case will the Funds be valued less frequently than monthly.

The Valuation Day may be postponed or the frequency could be changed due to events beyond our control.

12.2 Valuation of Transactions (deposits, switch, withdrawal)

A transaction request received in accordance with our Administrative Rules before the Cut-off Time will be processed based on the Unit Value of the Series of the Fund in effect on that day. If the request is received after the Cut-Off Time, the transaction will be processed at the Unit Value for that Series on the next Valuation Day.

12.3 Unit Value

On each Valuation Day, we calculate a separate Unit Value for each Series of a Fund. The Unit Value of a Fund Series is determined by dividing the proportionate share of the net asset value of that Fund Series by the number of Units in that Series as at the Cut-off Time. The net asset value is the total market value of the assets in the Series less liabilities attributed to that Series (e.g. management and insurance fees, operating expenses). The Unit Value of a Fund Series remains in effect until the next Valuation Day.

All earnings of a Fund are allocated to the Policyholders and are reflected in the Unit Value of the Fund.

12.4 Market Value of your Contract

The Market Value of the Contract on any Valuation Day is the total value of the Units of all Funds in the Contract.

The Market Value is not guaranteed and may increase or decrease in value.

13 GENERAL PROVISIONS

13.1 Fundamental Changes

The following are fundamental changes:

a) an increase in the management fee for a Class of a Fund;

b) a change to the fundamental investment objective of a Fund;

c) a decrease in the frequency with which the Units of the Funds are valued;

d) an increase in the insurance fee limit or Death Guarantee Reset Option fee limit, if the insurance fee or Death Guarantee Reset Option fee limit, as applicable, is presented separately from the management fee; and

e) a Fund closure.

We reserve the right to make a fundamental change from time to time. In the event of a fundamental change, we will give you 60 days' written notice before the fundamental change is effective. We will send the written notice to the last known address we have for you in our records. The notice will outline the changes and your options. You will have the right to:

a) switch the value of the Units in the impacted Fund to a similar Fund that is not subject to the fundamental change without incurring a sales charge and without affecting any of your other rights and obligations under your Contract; or

b) if we do not offer a similar Fund, you may have the right to withdraw the Units in the impacted Fund without incurring any sales charges.

The options apply only if you notify us of your election at least 5 days before the notice period expires. During the notice period, you will not be permitted to switch into the impacted Fund unless you waive your rights under the Fundamental Changes section.

A similar Fund is a fund that has comparable fundamental investment objectives, is in the same investment fund category, and has the same or a lower management and insurance fees as the original Fund in effect at the time.

The switch or withdrawal of Units may trigger a capital gain or loss.

13.2 Termination of Contract

Your Contract will terminate on the earliest of the following dates:

a) the date the Market Value of your Contract is equal to zero;

b) the date the Death Benefit is paid;

c) the date the Maturity Benefit is paid if no election is made to renew the Maturity Date;

d) the date we pay the Market Value of the Contract due to the minimum balance requirement of the Contract not being met; or

e) the date we pay the Market Value of the Contract following your request to cancel the Contract or withdraw the Market Value of the Contract.

A payment made under this section will discharge our obligations under this Contract.

Payment of the Maturity Benefit, Death Benefit or any other payment under this section may be subject to withholding taxes, sales charges, withdrawal fees and other fees and charges, as set out in the Policy Provisions.

13.3 Taxation

For income tax purposes, each Fund will allocate income, capital gains and capital losses to you based on the Units of the Fund allocated to your Contract. You will be responsible for reporting any income and capital gains allocated to you.

13.4 Currency

All amounts payable to us or by us are stated in Canadian Dollars.

13.5 Non-Participating

This Contract does not participate in the profits or surplus of BMO Insurance and is therefore not eligible for dividends.

13.6 Assignment

You may assign or hypothecate a non-registered Contract. You may assign a TFSA Contract as security for a loan. An Assignment or hypothec will not be binding on BMO Insurance unless it is filed and recorded at the BMO GIF Administrative and Services Office.

13.7 Notice

Any notice, payment or statement given by BMO Insurance under any provision of the Contract will be sent to your last known address on our records.

13.8 Policy Loans

No policy loans are available under the terms of this Contract.

13.9 Limitation of Actions

Every action or proceeding against an insurer for the recovery of insurance money payable under the Contract is absolutely barred unless commenced within the time set out in the Insurance Act (for Alberta, British Columbia, and Manitoba), the Limitations Act, 2002 (for Ontario), the Civil Code of Québec (for Quebec) or other applicable legislation (for all provinces and territories).

13.10 Privacy

To learn more about how we collect, use, disclose and safeguard your personal information, your choices, and the rights you have, please see our Privacy Code (available at bmo.com/privacy). BMO Insurance has requested personal information in respect of your application for insurance. BMO Insurance will use this information and information in its existing files to assess risk, process your application, administer any policy, if issued and to investigate claims. BMO Insurance will also use and collect additional information from third parties to evaluate and investigate claims. BMO Insurance will keep your information in a file in its offices and will not disclose the information in that file except to those BMO Insurance employees, advisors, its affiliates, administrators or reinsurers who need access to assess risk and investigate claims. From time to time, BMO Insurance may wish to offer you upgrades to your coverage and additional products and services. You may ask us not to make these offers to you by writing to our Privacy Officer at the address below. You may also request, upon presentation of proper identification and proof of entitlement, to review and if appropriate, correct, your personal information in our possession by writing to Privacy Officer, BMO Insurance, 60 Yonge St., Toronto, ON, M5E 1H5.

13.11 Events Beyond Our Control

We reserve the right to delay the execution, settlement, effective date of any transactions and the payment arising thereof solely to the extent, and for as long as, such delay is caused by events beyond our control.

Events beyond our control include, without limitation, the nationalization, expropriation, devaluation, seizure, or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, levies or other charges affecting values under the Policy; or any order or regulation of any banking, insurance or securities industry including changes in market rules or market conditions affecting the execution or settlement of transactions; or the breakdown, failure or malfunction of any utilities or telecommunications systems; or any cybersecurity incident or event affecting information technology systems; or acts of war, terrorism, insurrection or revolution; or epidemics, pandemics, quarantine; or acts of God, natural disasters or any other similar event. This right supersedes any provision to the contrary in this Policy that describe effective dates.

14 RETIREMENT SAVINGS PLAN ENDORSEMENT

14.1 Registration

The RSP Endorsement applies to you if you requested the registration of your Contract as a Registered Retirement Savings Plan under the Tax Act.

14.2 Definition

Under the RSP Endorsement, **Annuitant** refers to you, the Policy owner, and has the meaning given to it in subsection 146(1) of the Tax Act; **RSP** means Retirement Savings Plan as defined by the Tax Act; **RIF** means Retirement Income Fund as defined in the Tax Act; **Spouse** or **Common-law partner** means the individual who is considered to be the Annuitant's spouse or common-law partner under the Tax Act.

14.3 RSP Age

You may hold an RSP until December 31 of the year in which you turn 71 years old or the latest age to own an RSP under the Tax Act (the "RSP Age"). At the RSP Age, you may elect a transfer to a registered RIF, or to an immediate annuity as defined below. You may also request to withdraw the Market Value of the Contract subject to applicable taxes.

14.4 Terms of the Annuity

An annuity you elect at the RSP Age must meet the following conditions:

a) the annuity must be a single life annuity on your life or a joint and survivor life annuity on your life and your Spouse or Common-law partner; or a term certain annuity on your life. If a single life annuity or a joint life annuity is elected, the period of the guarantee must not exceed a period of years that is equal to 90 years minus your age or if you so elect, the age of your Spouse or Common-law partner, if they are younger, If a term certain annuity is elected, the term of the annuity must be equal to 90 minus your age or if you so elect, the age of your Spouse or Common-law partner, if they are younger;

b) the annuity must provide for equal annual or more frequent periodic payments until such time as there is payment in full or partial commutation of the annuity and, where the commutation is partial, equal annual or more frequent periodic payments thereafter;

c) payments may be increased or decreased in accordance with the Tax Act, except that they cannot be increased as a result of your death;

d) if you die after annuity payments commence and your Spouse or Common-law partner becomes the Annuitant under the Contract, the total amount of annuity payments in the year after your death will not exceed the total amount of payments made in the year before your death. If the Beneficiary is not your Spouse or Common-law partner, the commuted value of any remaining annuity payments will be paid in one lump sum to your Beneficiary, or to your estate, if there is no designated beneficiary;

e) annuity payments cannot be assigned in whole or in part; and

f) during your lifetime, all annuity payments will be made to you.

14.5 Miscellaneous

Upon notice in writing from you, or, where applicable, your Spouse or Common-law partner, we will pay an amount to you or to your Spouse or Common-law partner in order to reduce the amount of tax payable under Part X.1 of the Tax Act. The Contract and any payments under the Contract cannot be assigned in whole or in part either absolutely or as collateral security. The RSP Endorsement overrides any terms of the Policy Provisions inconsistent with it.

15 RETIREMENT INCOME FUND ENDORSEMENT

15.1 Registration

The RIF Endorsement applies to you if you requested the registration of your Contract as a Registered Retirement Income Fund under the Tax Act.

15.2 Definition

In this endorsement, Annuitant refers to you, the Policy owner and has the meaning given to it in subsection 146.3(1) of the Tax Act; **RRSP** means Registered Retirement Savings Plan as defined by the Tax Act; **RIF** means Retirement Income Fund as defined by the Tax Act; **RRIF** means Registered Retirement Income Fund as defined by the Tax Act; **Spouse** or **Common-law partner** means the individual who is considered to be the Annuitant's spouse or common-law partner under the Tax Act.

15.3 Deposits

We will accept Deposits to a RIF Contract that are transferred from the following sources:

a) an RRSP under which you are the annuitant;

b) another RRIF under which you are the annuitant;

c) you, to the extent only that the amount was an amount described in subparagraph 60(l) (v) of the Tax Act;

d) an RRIF or RRSP of your Spouse or Common-law partner or former Spouse or Common-law partner as a result of a breakdown of the marriage or common-law partnership; or

e) any other sources permitted under the Tax Act.

15.4 RIF Minimum Payments

For the calendar years following the year you entered into your RIF, you will be required to withdraw a minimum amount calculated by multiplying the Market Value of the Contract as at January 1 of the year by the percentage determined in the formula provided under the Tax Act.

If the minimum amount for a calendar year is not withdrawn, we will make a payment to you to meet the required minimum. Withdrawals in excess of the required minimum amount are subject to a withholding tax.

15.5 Transfers

You may request a transfer of all or part of the Market Value of the Contract to:

a) another RRIF under which you are the annuitant;

b) an RRSP under which you are the annuitant, provided that a transfer is before December 31 of the year in which you turn 71 years old;

c) an RRIF or RRSP of your Spouse or Common-law partner or former Spouse or Common-law partner as a result of breakdown of the marriage or common-law partnership; or

d) an immediate life annuity in accordance with clause 60(l) (v) of the Tax Act.

If you request a transfer to another RRIF under which you are the annuitant, we will:

a) retain a portion of the Market Value of the Contract equal to the required minimum amount for the calendar year less the amounts paid to you in the year that are required to be included in your income for the year; and

b) provide the carrier of such other RRIF such information as is necessary for the continuation of your RRIF.

15.6 Death Benefit

The Death Benefit payable on the death of the Annuitant is outlined in the Policy Provisions under sections 7, 8 and 9.

15.7 Permitted Payments

We shall make only the following payments:

a) the payments to you and, if applicable, after your death to your Spouse or Common-law partner if he or she is the Successor Annuitant;

b) the Death Benefit except where your Spouse or Common-law partner is the Successor Annuitant;

c) the payment referred to in section 15.5(a) to (d) of the RIF Endorsement;

d) the payment contemplated by subsection 146.3(14.1) of the Tax Act.

15.8 Miscellaneous

We have no right of offset with respect to the property held under the Contract in respect of any debt owing to us, other than expenses payable under the Contract.

The Contract and any payments under the Contract cannot be assigned in whole or in part either absolutely or as collateral security.

The RIF Endorsement overrides any terms of the Policy Provisions inconsistent with it.

16 TAX-FREE SAVINGS ACCOUNT ENDORSEMENT

16.1 Registration

This Endorsement applies to you if you requested the registration of your Contract as a Tax-Free Savings Account under the Tax Act. You, the Policy owner, will be the initial Holder of the Contract as defined in section 16.3 of this Endorsement.

16.2 General

This Endorsement is incorporated in and forms a part of the Contract. If there is a conflict between this Endorsement and the Policy Provisions for the Contract, this Endorsement overrides any Policy Provisions that are inconsistent with it. Unless otherwise defined herein, capitalized words shall have the same meaning as in the Policy Provisions of the Contract.

16.3 Definitions

In this Endorsement, **Distribution** means "distribution" as defined under subsection 146.2(1) of the Tax Act. **Holder** means the "holder" as defined by subsection 146.2(1) of the Tax Act. **Spouse** means the individual who is considered to be the Holder's spouse or common-law partner under the Tax Act. Survivor means an individual who is, immediately before the Holder's death, the Holder's Successor Annuitant. **TFSA** means Tax-Free Savings Account as defined by subsection 146.2(5) of the Tax Act.

16.4 Minimum Age

By signing the application for a TFSA Contract, the Holder confirms that he or she is at least 18 years of age in the calendar year in which the TFSA is issued in order for the Contract to be considered a qualifying arrangement under section 146.2 of the Tax Act. Evidence of the age of the Holder must be submitted with the application.

16.5 Exclusive Benefit

The Contract is maintained for the exclusive benefit of the Holder determined without regard to any right of a person to receive a payment out of or under the Contract only on or after the Holder's death.

While there is a Holder of the Contract, no one other than the Holder or us has rights under the Contract relating to the amount and timing of Distributions and the investing of funds.

16.6 Deposits

No one other than the Holder may make Deposits under the Contract. Deposits allocated to the Holder will be used, invested or otherwise applied for the purpose of making Distributions under the Contract to the Holder.

16.7 Withdrawal for Taxes

The Contract permits Distributions to be made to reduce the amount of tax otherwise payable by the Holder under section 207.02 or section 207.03 of the Tax Act.

16.8 Transfers

Subject to any restrictions under this Contract, at the direction of the Holder, we shall:

a) transfer all or part of the Market Value of the Contract to another TFSA of the Holder; or

b) transfer an amount directly to the TFSA held by the Holder's Spouse upon the breakdown in a marriage or common-law partnership if;

   (i) the Holder and the Spouse are living separate and apart at the time of the transfer; and

   (ii) the Holder is required to pay the amount under a decree, order, or judgment of a court, or under a written separation agreement to settle rights arising out of the relationship on or after the breakdown of the relationship.

16.9 Using TFSA as Security for a Loan

Pursuant to section 2.5 of the Policy Provisions, a Holder may use the Holder's interest or, for civil law, right in the Contract as security for a loan or other indebtedness if:

a) the terms and conditions of the indebtedness are terms and conditions that persons dealing at arm's length with each other would have entered into; and

b) it can reasonably be concluded that none of the main purposes for that use is to enable a person (other than the Holder) or a partnership to benefit from the exemption from tax under Part 1 of the Tax Act of any amount in respect of the TFSA.

16.10 Death of Holder

At and after the Holder's death, the Holder's Survivor shall become the Holder under this Contract if the Survivor acquires:

a) all of the rights as the Holder of the Contract; and

b) the unconditional right to revoke any Beneficiary designation under the Contract.

The Contract ceases to be a TFSA at the time at which the last Holder of the Contract dies.

16.11 Legislative Amendments

We reserve the right to amend any of the provisions of this Endorsement as necessary to comply with the conditions of a TFSA under the Tax Act without notice to the Holder.

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BMO Insurance

06/15-2778 • 602E (2023/10/16)