

**THIRD AMENDED AND RESTATED DEALERSHIP
AGREEMENT**

JULY 9, 2019

**U.S.\$30 billion
GLOBAL COVERED BOND PROGRAM**

BANK OF MONTREAL

as Issuer

unconditionally and irrevocably guaranteed as to payments of interest and principal by

BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP

ALLEN & OVERY

Allen & Overy LLP

CONTENTS

Clause	Page
1. Definitions and Interpretation	1
2. Agreements to Issue and Purchase Covered Bonds.....	3
3. Conditions of Issue	5
4. Representations and Warranties	8
5. Undertakings of the Issuer and the Guarantor.....	18
6. Undertakings of the Relevant Seller.....	24
7. Indemnity	25
8. Authority to Distribute Documents and Provide Information	30
9. Dealers' Undertakings.....	30
10. Fees, Expenses and Stamp Duties	30
11. Termination of Appointment of Dealers	31
12. Appointment of New Dealers.....	32
13. Accession of a New Seller.....	32
14. Increase in the Aggregate Nominal Amount of the Program	33
15. Status of the Arrangers.....	33
16. Counterparts	34
17. Communications.....	34
18. Transfer	34
19. Calculation Agent.....	35
20. Stabilisation	36
21. Contractual Recognition of Bail-In	36
22. [RESERVED].....	37
23. Governing Law and Jurisdiction	37
24. Non Petition.....	37
Signatories	115
Appendix	
1. Initial Documentation List.....	38
Part 1	38
Part 2	40
2. Selling Restrictions.....	41
3. Forms of Dealer Accession Letters and Confirmation Letters	51
Part 1 Form of Dealer Accession Letter – Program	51
Part 2 Form of Confirmation Letter – Program.....	53
Part 3 Form of Dealer Accession Letter – Covered Bond Issue.....	54
Part 4 Form of Confirmation Letter – Covered Bond Issue	56
4. Forms of Seller Accession Letter and Seller Confirmation Letter	57
Part 1 Form of Seller Accession Letter	57
Part 2 Form of Seller Confirmation Letter	59
5. Letter regarding increase in the nominal amount of the Program	60
6. Form of Subscription Agreement	61
7. Operating and Procedures Memo	67

THIS AGREEMENT is dated July 9, 2019.

BETWEEN:

- (1) **BANK OF MONTREAL**, a chartered bank under the Bank Act (Canada), whose head office is at 129 rue Saint-Jacques, Montréal, Québec, Canada, H2Y 1L6 (acting in its capacity as **Issuer**);
- (2) **BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP**, a limited partnership established under the laws of the Province of Ontario, in its capacity as purchaser (the **Guarantor**);
- (3) **BANK OF MONTREAL, LONDON BRANCH.**, whose office is at 95 Queen Victoria Street, London EC4V 4HG and **BARCLAYS CAPITAL INC.** whose office is at 745 Seventh Avenue, New York, New York 10019 (each an **Arranger** and together the **Arrangers**);
- (4) **BANK OF MONTREAL, LONDON BRANCH** (a **Dealer**);
- (5) **BMO CAPITAL MARKETS CORP** (a **Dealer**);
- (6) **BARCLAYS BANK PLC** (a **Dealer**);
- (7) **BARCLAYS CAPITAL INC.** (a **Dealer** and, together with Bank of Montreal, London Branch, BMO Capital Markets Corp. and Barclays Bank PLC, the **Dealers**).

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

- (a) The parties to this Agreement have agreed to amend and restate the Regulation S Dealership Agreement, dated as of April 25, 2014, as amended and restated on June 7, 2016 and as further amended and restated on October 23, 2018 (the **Original Dealership Agreement**) so as to take effect in the form set out herein and have agreed to be bound by the terms hereof effective on and from the date of this Agreement.
- (b) The amended and restated master definitions and construction agreement made between, inter alios, the parties to this Agreement on April 11, 2014, as amended by the amending agreements to master definitions and construction agreement dated as of July 14, 2014 and October 17, 2017, respectively (as the same may be further amended, varied and/or supplemented from time to time, the **Master Definitions and Construction Agreement**), is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, varied and/or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement and this Agreement shall be construed in accordance with the interpretation provisions set out in Clause 2 of the Master Definitions and Construction Agreement.
- (c) In addition, the following capitalised terms used in this Agreement have the following definitions:

Bail-in Legislation means in relation to a member state of the European Economic Area which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time;

Bail-in Powers means any Write-down and Conversion Powers as defined in the EU Bail-in Legislation Schedule in relation to the relevant Bail-in Legislation;

BHC Act Affiliate has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

BRRD means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms;

BRRD Liability means any liability in respect of which the Bail-in Powers in the applicable Bail-in Legislation may be exercised;

BRRD Party means any Arranger or Dealer subject to Bail-in Powers;

CMHC Registration has the meaning given to it in Clause 4(a)(xix);

CMHC Registration Requirements means the CMHC Guide and Part I.1 of the NHA;

Covered Entity means any of the following:

- (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b)

Default Right has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

Disclosure Package means the Time of Sale Information together with the Final Terms Document.

EU Bail-in Legislation Schedule means the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time at <http://www.lma.eu.com/pages.aspx?p=499>;

NHA means the *National Housing Act (Canada)*, as amended;

Registry means the registry established by CMHC pursuant to section 21.51 of Part I.1 of the NHA;

Relevant Resolution Authority means the resolution authority with the ability to exercise any Bail-in Powers in relation to the relevant BRRD Party; and

U.S. Special Resolution Regime means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

- (d) Any Covered Bonds issued under the Program on or after the date hereof shall have the benefit of this Agreement. Save as disclosed above, this does not affect any Covered Bonds issued under the Program prior to the date of this Agreement.
- (e) In this Agreement, any reference to a provision of law, any statute, regulation or directive is a reference to that provision of law, statute, regulation or directive, as the case may be, as extended, amended, re-enacted or superseded from time to time

2. AGREEMENTS TO ISSUE AND PURCHASE COVERED BONDS

- (a) Subject to the terms and conditions of this Agreement, the Issuer may from time to time agree with any Dealer to issue, and any Dealer may agree to purchase, Covered Bonds.
- (b) Unless otherwise agreed between the parties, on each occasion on which the Issuer and any Dealer agree on the terms of the issue by the Issuer and purchase by the Dealer of one or more Covered Bonds:
 - (i) the Issuer shall cause the Covered Bonds, which, in the case of Bearer Covered Bonds, shall be initially represented by a Temporary Global Covered Bond or a Permanent Global Covered Bond, and, in the case of Registered Covered Bonds issued pursuant to Regulation S, shall be initially represented by a Regulation S Global Covered Bond, and, in the case of Registered Covered Bonds issued pursuant to Rule 144A under the Securities Act (**Rule 144A**), shall be initially represented by a Rule 144A Global Covered Bond, as indicated in the applicable Final Terms Document or Pricing Supplement (as the case may be), to be issued and delivered on the agreed Issue Date:
 - (A) in the case of a Temporary Global Covered Bond or a Permanent Global Covered Bond, (a) if the Covered Bonds are CGCBs, to the Common Depository for Euroclear and Clearstream, Luxembourg or (b) if the Covered Bonds are NGCBs, to the Common Safekeeper, in each case for Euroclear and Clearstream, Luxembourg on the agreed Issue Date; and
 - (B) in the case of a Regulation S Global Covered Bond or a Rule 144A Global Covered Bond, either to the Common Depository for Euroclear and Clearstream, Luxembourg or to a custodian for DTC, as specified in the applicable Final Terms Document;
 - (ii) the securities account(s) of the relevant Dealer (in the case of Covered Bonds issued on a syndicated basis) or the Issuing and Paying Agent (in the case of Covered Bonds issued on a non-syndicated basis) with Euroclear and/or Clearstream, Luxembourg or DTC (as specified by the relevant Dealer) will be credited with the Covered Bonds on the agreed Issue Date; and
 - (iii) the relevant Dealer or, as the case may be, the Lead Manager shall, subject to the Covered Bonds being so credited, cause the net purchase moneys for the Covered Bonds to be paid in the relevant currency by transfer of funds to the designated account of:
 - (A) in the case of Bearer Covered Bonds, the Issuing and Paying Agent or (in the case of syndicated issues) the designated account of the Issuer; or
 - (B) in the case of Registered Covered Bonds, the Closing Bank,so that the payment is credited to that account for value on the relevant Issue Date.

- (c) Unless otherwise agreed between the Issuer and the relevant Dealer, where more than one Dealer has agreed with the Issuer to purchase a particular Tranche of Covered Bonds under this Clause, the obligations of those Dealers to purchase such Covered Bonds shall be joint and several.
- (d) Where the Issuer agrees with two or more Dealers to issue, and those Dealers agree to purchase, Covered Bonds on a syndicated basis, the Issuer and the Guarantor shall enter into a Subscription Agreement with those Dealers. The Issuer and the Guarantor may also enter into a Subscription Agreement with one Dealer only. For the avoidance of doubt, the **Agreement Date** in respect of any such issue shall be the date on which the Subscription Agreement is signed by or on behalf of all the parties to it.
- (e) Each of the parties hereto acknowledges that any issue of Covered Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply may only be issued in circumstances which comply with those laws, guidelines, regulations, restrictions or reporting requirements from time to time. Each of the parties hereto further acknowledges that the minimum denomination of Covered Bonds issued under the Program shall be at least €100,000 and integral multiples of €1,000 in the case of euro denominated Covered Bonds at least U.S.\$250,000 and integral multiples of U.S.\$1,000 in excess thereof in the case of U.S. dollar denominated Covered Bonds and any Rule 144A Covered Bonds (or, if the Covered Bonds are denominated in a currency other than euro or U.S. dollars, the equivalent amount in such currency) or such higher amount as may be agreed between the Issuer and the relevant Dealers, or as is required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
- (f) In connection with the offer and sale of Rule 144A Covered Bonds in the United States:
 - (i) except as otherwise provided below, the Issuer will prepare a Pricing Supplement at or prior to the **Time of Sale** (as defined in the relevant Subscription Agreement), which Pricing Supplement will include pricing and other necessary information substantially in the form attached hereto as Part 2 of Annex 3 (Form of Pricing Supplement) or in the form as attached to the relevant Subscription Agreement and in each case shall be attached, or shall be deemed to be attached to the relevant Subscription Agreement;
 - (ii) except as otherwise provided herein, subject to the satisfaction of Clause 2(f)(i) above, any applicable Pricing Supplement (together with the Prospectus and any Marketing Materials (as defined in the relevant Subscription Agreement), the **Time of Sale Information**) will be made available by the applicable Dealer(s), or will be otherwise conveyed to the purchasers of such Covered Bonds, at or prior to the Time of Sale. For the avoidance of doubt, sales of a Tranche of Rule 144A Covered Bonds shall not be consummated by the applicable Dealer(s) with their customers prior to the Time of Sale.
- (g) Each Dealer acknowledges that the Issuer may sell Covered Bonds to any institution which has not become a Dealer pursuant to Clause 12. The Issuer and the Guarantor undertake to each of the Dealers that it will, in relation to any such sales, comply with the restrictions and agreements set out in Appendix 2 as if it were a Dealer.

3. CONDITIONS OF ISSUE

3.1 First issue

On or before the First Issue Date, each Dealer has received, and found satisfactory (in its reasonable opinion), all of the documents and confirmations described in Part 1 of the Initial Documentation List. If any Dealer (other than any Dealer participating in the first issue of Covered Bonds under this Agreement) considers any document or confirmation described in Part 1 of the Initial Documentation List to be unsatisfactory in its reasonable opinion, it must notify the Arrangers and the Issuer within five Canadian Business Days of receipt of such documents and confirmations and, in the absence of notification, each Dealer shall be deemed to consider the documents and confirmations to be satisfactory.

3.2 Each issue

The obligations of a Dealer under any agreement for the issue and purchase of Covered Bonds made under Clause 2 are conditional on:

- (a) there being, as at the proposed Issue Date no event making any of the representations and warranties in Clause 4 untrue or incorrect to an extent which is material in the context of the issue and offering of the Covered Bonds (save as expressly disclosed in writing by the Issuer or the Guarantor, as the case may be, to, and acknowledged in writing by, the relevant Dealer) and there having been delivered to the relevant Dealer(s) a certificate to that effect signed by a duly authorised officer of, as applicable, the Issuer and the Guarantor, dated the Issue Date;
- (b) there being no outstanding breach of any of the obligations of either the Issuer or the Guarantor under any of the Transaction Documents or any Covered Bonds which is material in the context of the issue of the Covered Bonds which are the subject of such agreement and which has not been waived by the relevant Dealer on or prior to the proposed Issue Date;
- (c) in the case of Covered Bonds which are intended to be listed or admitted to trading, the relevant authority or authorities having agreed to list the Covered Bonds or admit the Covered Bonds to trading, as the case may be, subject only to the issue of the relevant Covered Bonds;
- (d) there being in full force and effect all governmental or regulatory resolutions, approvals or consents required for the Issuer to issue the Covered Bonds and the Guarantor to guarantee the Covered Bonds on the proposed Issue Date and for the Issuer and Guarantor to fulfil their obligations under the Covered Bonds and the Covered Bond Guarantee, respectively;
- (e) there having been, between the Agreement Date and the Issue Date for the Covered Bonds, in the professional opinion of the relevant Dealer (after consultation with the Issuer and the Guarantor, if practicable), no such change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in its view be likely to prejudice materially the offering or sale of the Covered Bonds proposed to be issued;
- (f) the forms of the Final Terms Document or Pricing Supplement (as the case may be), the applicable Global Covered Bonds, Definitive Covered Bonds and Receipts, Coupons or Talons (each as applicable) in relation to the relevant Tranche and the relevant settlement procedures having been agreed by the Issuer, the relevant Dealer, the Bond Trustee and the Issuing and Paying Agent and, if applicable, the Registrar;

- (g) in the case of Covered Bonds being cleared and settled through Euroclear and Clearstream, Luxembourg, the relevant currency being accepted for settlement by Euroclear and Clearstream, Luxembourg and Common Code and ISIN numbers having been obtained in respect of such Covered Bonds;
- (h) in the case of Covered Bonds being cleared and settled through DTC, such Covered Bonds being eligible for clearance and settlement through DTC and a CUSIP number having been obtained in respect of such Covered Bonds;
- (i) as applicable, the delivery to the custodian for DTC or the Common Depository of the Regulation S Global Covered Bond or the Rule 144A Global Covered Bond, representing the relevant Registered Covered Bonds and/or the delivery to the Common Depository, or, as the case may be, the Common Safekeeper of the Temporary Global Covered Bond and/or the Permanent Global Covered Bond representing the relevant Bearer Covered Bonds, in each case as provided in the Agency Agreement;
- (j) in the case of Covered Bonds that are NGCBs, the Issuing and Paying Agent making the actual instruction to the Common Safekeeper to effectuate each relevant NGCB under the Program, and there having been no variation to the Common Safekeeper under Clause 2.8 of the Agency Agreement;
- (k) any calculations or determinations which are required by the relevant Terms and Conditions to have been made prior to the Issue Date having been duly made;
- (l) any New Secured Creditor on the proposed Issue Date acceding to the Security Agreement, by delivering a duly executed Accession Undertaking (in the form or substantially in the form set out in Schedule 2 (Accession Undertaking) of the Security Agreement);
- (m) the Guarantor, the Bond Trustee and the relevant Covered Bond Swap Providers on the proposed Issue Date entering into Covered Bond Swap Agreement, in relation to the relevant Covered Bonds;
- (n) the CMHC Registration shall be effective; no deregistration of the CMHC Registration has occurred or is pending, and no proceeding for that purpose has been initiated or requested by the Issuer, CMHC or any other person or entity, or, to the knowledge of the Issuer, threatened by CMHC; the Prospectus and other notifications, reports or other documents shall have been timely filed with CMHC under the CMHC Guide or the NHA; and all requests made by CMHC, if any, for additional information shall have been complied with to the reasonable satisfaction of the Dealers;
- (o) no meeting of the holders of Covered Bonds (or any of them) having been duly convened but not yet held or, if held but adjourned, the adjourned meeting having not been held and neither the Issuer nor the Guarantor being aware of any circumstances which are likely to lead to the convening of such a meeting;
- (p) in the case of Covered Bonds (other than Exempt Covered Bonds) which are intended to be listed on the London Stock Exchange:
 - (i) the denomination of the Covered Bonds being at least €100,000 and integral multiples of €1,000 in the case of euro denominated Covered Bonds; and at least U.S.\$250,000

and integral multiples of U.S.\$1,000 in excess thereof in the case of U.S. dollar denominated Covered Bonds and any Rule 144A Covered Bonds (or, if the Covered Bonds are denominated in a currency other than euro or U.S. dollars, the equivalent amount in such currency);

- (ii) either (A) there being no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the Covered Bonds or (B) if there is such a significant new factor, material mistake or inaccuracy, a supplement to the Prospectus having been published in accordance with the Prospectus Directive pursuant to Clause 5.2;
 - (iii) the Prospectus having been approved as a base prospectus by the Financial Conduct Authority and having been published in accordance with the Prospectus Directive; and
 - (iv) the applicable Final Terms Document having been published in accordance with the Prospectus Directive;
- (q) in the case of Covered Bonds which are intended to be listed on a European Economic Area Stock Exchange other than the London Stock Exchange, or offered to the public in a European Economic Area Member State (other than the United Kingdom) in circumstances which require the publication of a prospectus under the Prospectus Directive, the competent authority of each relevant European Economic Area Member State having been notified in accordance with the procedures set out in Articles 17 and 18 of the Prospectus Directive and all requirements under those Articles having been satisfied; and
- (r) in the case of any Rule 144A Covered Bonds, the Covered Bonds are issued in registered form.

In the event that any of the above conditions is not satisfied, the relevant Dealer shall be entitled (but not bound), after consultation with the Issuer and the Guarantor, by notice to the Issuer to be released and discharged from its obligations under the agreement reached under Clause 2.

3.3 Waiver

Any Dealer, on behalf of itself only, may by notice in writing to the Issuer and the Guarantor waive any of the conditions precedent contained in Clause 3.2 in so far as they relate to an issue of Covered Bonds to that Dealer.

3.4 Determination of amounts outstanding

For the purposes of Clause 4(a)(xxvi):

- (a) the U.S. dollar equivalent of Covered Bonds denominated in a currency other than U.S. dollars (as specified in the relevant Final Terms Document or Pricing Supplement (as the case may be)) shall be determined, at the discretion of the Issuer, either as of the Agreement Date for those Covered Bonds or on the preceding day to such Agreement Date on which commercial banks and foreign exchange markets are open for general business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of that Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;

- (b) the U.S. dollar equivalent of Instalment Covered Bonds and Partly Paid Covered Bonds shall be calculated in the manner specified above by reference to the original nominal amount on issue of those Covered Bonds; and
- (c) the U.S. dollar equivalent of Zero Coupon Covered Bonds or other Covered Bonds issued at a discount or a premium shall be calculated in the manner set out above by reference to the net proceeds received by the Issuer for the relevant issue.

3.5 Updating of legal opinions

Before the first issue of Covered Bonds occurring after each anniversary of the date of this Agreement and on:

- (a) the Issue Date of Covered Bonds pursuant to a Subscription Agreement;
- (b) where Covered Bonds are not issued pursuant to a Subscription Agreement, such occasions where the relevant Dealer reasonably considers it necessary in view of a change or proposed change in applicable law affecting the Issuer or the Covered Bonds,

the Issuer will procure that a further legal opinion is delivered to the Dealers and to the Bond Trustee in such form and content as the relevant Dealer and the Bond Trustee may reasonably require from each of the legal advisers specified in Appendix 1.

4. REPRESENTATIONS AND WARRANTIES

- (a) As at the date of this Agreement, as at the Agreement Date and relevant Issue Date for the issue of Covered Bonds in relation to that issue (such agreement to issue and purchase Covered Bonds pursuant to Clause 2 above being deemed to have been made on the basis of, and in reliance on, the following provisions of this Clause 4(a)) and as of any time that the Prospectus is amended, supplemented and/or replaced (each of the times mentioned being a Representation Date) the Issuer as to itself represents and warrants to and for the benefit of each Arranger and each Dealer as follows:

- (i) (A) in relation to an issuance of Regulation S Covered Bonds only, (A) the Marketing Materials, as defined in the applicable Subscription Agreement, contain information that is true and accurate and not misleading in all material respects and there are no facts the omission of which when read together with the Prospectus would, in the context of the Program or issuance of the Covered Bonds, make the Marketing Materials misleading in any material respect, (B) the Prospectus and the applicable Final Terms Document or Pricing Supplement (as the case may be) (if any) contain all material information with respect to the Issuer and the Program that is material in the context of the issue and offering of the Covered Bonds (including all information which, according to the particular nature of the Issuer, the issue, the Covered Bonds and the Portfolio, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Covered Bonds), the Prospectus and the applicable Final Terms Document or Pricing Supplement (as the case may be) (if any) is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading and all reasonable enquiries have been made

by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements;

- (B) in relation to an issuance of Rule 144A Covered Bonds only, neither the Time of Sale Information, as of the Time of Sale, nor the Disclosure Package, as of its date and as of the Issue Date specified in the relevant Final Terms Document, contains or will contain an untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that this representation, warranty and agreement shall not apply to statements in or omissions from the Time of Sale Information or Disclosure Package or any amendment or supplement thereto made in reliance upon and in conformity with information furnished to the Issuer by any Dealer expressly for use therein (**Dealers Information**);
- (ii) that the Issuer is a Canadian chartered bank duly established and validly existing under the *Bank Act* (Canada) and the Issuer has full power and authority to conduct its business as described in the Prospectus, to issue the Covered Bonds and to execute and perform its obligations under the Transaction Documents to which it is a party and is lawfully qualified in all material respects to do business in those jurisdictions in which business is conducted by it;
- (iii) that the creation of the Covered Bonds, their authentication, issue and offer on and subject to the terms and conditions of this Agreement, and the execution of the Transaction Documents to which it is a party and the performance and compliance with the terms thereof:
 - (A) will not infringe any (A) existing English law or regulation or any law or regulation of the Province of Ontario or any federal law of Canada applicable therein (including in respect of the CMHC Registration Requirements) or (B) the laws or regulations of any other jurisdiction applicable to the Issuer, in each case that would cause a material adverse effect on the Issuer or an offering contemplated hereunder or (C) any consent, approval or authorisation referred to in (vii) below and are not contrary to the provisions of the by-laws of the Issuer; and
 - (B) will not infringe the terms of, or constitute a default under, a mortgage, lien, pledge, charge or other similar encumbrance under, any trust deed, agreement or other instrument or obligation to which the Issuer is a party or by which it is bound or to which its assets are subject, which infringement or default is materially adverse to the general operations of the Issuer,

and that the execution or, in the case of Covered Bonds, signature in facsimile and the delivery or, as the case may be, issue by the Issuer of the Transaction Documents to which it is a party and the Covered Bonds and the performance of the obligations thereunder have been duly authorised by the Issuer so that upon (in the case of the Transaction Documents to which it is a party) due execution and delivery by all parties thereto or (in the case of the Covered Bonds) signature in facsimile (and authentication in accordance with the Trust Deed) and issue, the same will constitute valid and legally binding obligations of the Issuer enforceable in accordance with their respective terms subject to the laws of bankruptcy and other laws affecting the rights of creditors generally, subject to all relevant reservations contained in Schedule 3 of the Allen & Overy LLP legal opinion dated June 26, 2015 and in paragraph E of the Canadian law opinion of Osler, Hoskin & Harcourt LLP dated June 26, 2015 (or the equivalent reservations in similar subsequent opinions, together, the **Reservations**);

- (iv) that each of the representations and warranties of the Issuer (made in its capacity as such) in the Transaction Documents to which each is a party is true and correct in all material respects as of the date it is expressed to be made;
- (v) that no Issuer Event of Default or event which with the giving of notice or lapse of time or other condition would constitute an Issuer Event of Default is subsisting in relation to any outstanding Covered Bond and no event has occurred which would constitute (after an issue of Covered Bonds) an Issuer Event of Default thereunder or which with the giving of notice or lapse of time or other condition would (after an issue of Covered Bonds) constitute such an Issuer Event of Default;
- (vi) save as stated in the Prospectus, that the Issuer and its subsidiaries are not involved in, nor are there so far as the Issuer is aware pending or threatened, legal or arbitration proceedings against the Issuer and its subsidiaries that are material in the context of the issue of Covered Bonds or which might have or have had a material adverse effect on the consolidated financial condition or profitability of the Issuer;
- (vii) that (i) all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of England, Ontario and Canada for or in connection with the issue of the Covered Bonds (including in respect of the CMHC Registration), the execution of the Covered Bonds and the Transaction Documents to which the Issuer is a party have been obtained and are in force, (ii) all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of any other jurisdiction for or in connection with the issue of the Covered Bonds, the execution of the Covered Bonds and the Transaction Documents to which the Issuer is a party have been obtained and are in force, failure of which to obtain would cause a material adverse effect on the Issuer or an offering contemplated hereunder and (iii) no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done by the Issuer or the Guarantor for or in connection with (A) the execution, issue and offering of Covered Bonds under the Program and compliance by the Issuer with the terms of any Covered Bonds issued under the Program or (B) the execution and delivery of, and compliance with the terms of, the Agreements to which it is a party;
- (viii) the audited consolidated financial statements contained in the most recently published annual report of the Issuer and any interim financial statements (audited or unaudited) published subsequently thereto and incorporated by reference in the Prospectus or any supplement to the Prospectus were in each case prepared in accordance with the requirements of law and with IFRS consistently applied and that they give a true and fair view of (i) the consolidated financial condition of the Issuer as at the date to which they were prepared (the **relevant date**) and (ii) the consolidated results of operations of the Issuer for the financial period ended on the relevant date and that there has been no material adverse change or any development involving a prospective material adverse change in the consolidated condition (financial or otherwise) of the Issuer since the date of the last audited accounts except as disclosed in the Prospectus;
- (ix) that, in the case of Bearer Covered Bonds and Regulation S Covered Bonds, the Issuer, its affiliates and any person acting on its behalf (other than any Dealer) have complied with the offering restrictions requirements of Regulation S;
- (x) that neither the Issuer nor any of its affiliates nor any person (other than any Dealer) acting on its or their behalf (other than any Dealer) has engaged in any "directed selling efforts" (as

defined in Regulation S) in the United States with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds;

- (xi) in the case of any Rule 144A Covered Bonds, none of the Issuer, or any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act), or any person acting on its or any of their behalf (other than any Dealer, as to which no representation or warranty is given) (i) has made or will make offers or sales of any security, or solicited or will solicit offers to buy, or otherwise negotiated in respect of, any security which is or would be integrated with the sale of the Rule 144A Covered Bonds in a manner that would require the Rule 144A Covered Bonds to be registered under the Securities Act; or (ii) has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Rule 502 under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act in connection with any offer or sale of the Rule 144A Covered Bonds;
- (xii) when any Rule 144A Covered Bonds are issued, such Rule 144A Covered Bonds will bear a private placement legend and satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act, are eligible for resale pursuant to Rule 144A and will not be of the same class (within the meaning of Rule 144A) as securities listed on any national securities exchange registered under Section 6 of the Exchange Act or quoted in any "automated inter-dealer quotation system" (as that term is used under the Exchange Act);
- (xiii) that the Issuer is not, nor will it be as a result of the sale of any of the Covered Bonds, an "investment company", or a company "controlled" by an "investment company" registered or required to be registered under the Investment Company Act (as such terms are used in the Investment Company Act) of 1940, as amended (the Investment Company Act); and that the Issuer is not relying on the exemption from the definition of "investment company" in Section 3(c)(1) or 3(c)(7) of the Investment Company Act;
- (xiv) that, in relation to each Tranche of Covered Bonds for which a Dealer is named as a Stabilising Manager in the applicable Final Terms Document or Pricing Supplement (as the case may be), it has not issued, without the prior consent of that Dealer (such consent not to be unreasonably withheld), any press or other public announcement referring to the proposed issue of Covered Bonds unless the announcement adequately discloses that stabilising action may take place in relation to such Covered Bonds;
- (xv) that Issuer is a "foreign issuer" as defined in Regulation S;
- (xvi) the Prospectus complies with the Prospectus Rules and has been published in accordance with Article 14 of the Prospectus Directive as described in the Prospectus;
- (xvii) that the Issuer is able to pay its debts as and when due and will not become unable to do so in consequence of the execution by it of the Transaction Documents to which it is a party and the performance by it of the transactions envisaged by the Transaction Documents;
- (xviii) each of the Prospectus, Transaction Documents, Final Terms Document or Pricing Supplement (as the case may be) (if any) comply in form, substance and content to the applicable rules and regulations of the CMHC and Part I.1 of the NHA and, in particular, contain all the information required under the CMHC Guide;

- (xix) the Issuer has provided the CMHC and such other relevant authorities with all relevant documents and information required by the CMHC Registration Requirements or by such authorities in connection therewith;
- (xx) the Issuer was registered on April 11, 2014, and is registered, as a registered issuer in the Registry and the Program was registered on April 11, 2014, in the Registry (collectively, the **CMHC Registration**). No deregistration of the CMHC Registration or any post-effective amendment thereto has occurred or is pending, and no proceeding for that purpose or related to the offering of the Covered Bonds has been initiated or requested by either the issuer or CMHC or, to the knowledge of the Issuer, threatened by the CMHC;
- (xxi) the Issuer is in material compliance with all of its CMHC Registration Requirements and its right to issue Covered Bonds under the Program has not been suspended by the CMHC;
- (xxii) the statements contained in the Prospectus under the caption "Certain Tax Legislation Affecting the Covered Bonds – Canadian Taxation" constitute an accurate summary of the principal Canadian federal income tax considerations generally applicable under the tax laws referred to therein and subject to the qualifications and assumptions referred to therein;
- (xxiii) the operation of the Bank, the Guarantor and their Subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping requirements, including, to the extent applicable, those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA Patriot Act), and the applicable anti-money laundering statutes of jurisdictions where the Bank, the Guarantor and their subsidiaries conduct business, the rules and regulations thereunder and any applicable related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the **Anti-Money Laundering Laws**), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Bank, the Guarantor or any of their Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the executive officers of the Bank or the Guarantor, threatened;
- (xxiv) (i) that neither the Bank, the Guarantor nor any of its subsidiaries (collectively, the **Entity**) or, to the knowledge of the Entity, any director, officer, employee, dealer, affiliate or representative of the Entity, is an individual or entity (**Person**) that is, or is owned or controlled by a Person that is (A) the target of any economic or financial sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the Canadian Government, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, **Sanctions**), nor (B) located, organised or resident in a country or territory that is the target of comprehensive, country-wide or territory-wide Sanctions (including the Crimea region of Ukraine, Cuba, Iran, North Korea, and Syria); (ii) that neither the Entity nor, to the knowledge of the Entity, any director, officer, agent or employee of the Entity has taken any action that would reasonably be expected to result in a violation by such persons of the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the **FCPA**)); and the Entity conducts its business in compliance with the FCPA and has instituted and maintains policies and procedures reasonably designed to ensure continued compliance therewith; and (iii) that neither the Entity nor, to the knowledge of the Entity, any director, officer, agent, or employee of the Entity has taken any action, directly or indirectly, that would reasonably be expected to result in the violation of the United Kingdom Bribery Act of 2010 (the **Bribery Act 2010**); and that the Entity maintains adequate controls

and procedures designed to provide reasonable assurances that the Entity, and any director, officer, agent, representative or employee of the Entity, does not engage in bribery or make other unlawful payments prohibited under the Bribery Act 2010, and neither the Entity nor, to the knowledge of the Entity, any director, officer, or employee, agent or representative of the Entity has, directly or indirectly, offered, promised, paid, received, requested or agreed to receive a bribe or other unlawful payment nor offered, promised or given any financial or other advantage to a foreign public official in an attempt to influence them in their capacity as a foreign public official to obtain or retain business or to obtain an advantage in the conduct of business where such offer, promise or payment is not permitted under any applicable laws;

- (xxv) that it will not, directly or indirectly, use the proceedings of an offering of Covered Bonds under the Program, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person in any manner that, to the knowledge of the Entity, will result in a violation of applicable Sanctions in the jurisdiction in which such activity is carried out by such Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise);
 - (xxvi) subject to Clause 14, the aggregate nominal amount of the Covered Bonds to be issued, when added to the aggregate nominal amount of all Covered Bonds outstanding on the proposed Issue Date (excluding for this purpose Covered Bonds due to be redeemed on the Issue Date) not exceeding U.S.\$30 billion or its equivalent in other currencies as determined pursuant to Clause 3.4; and
 - (xxvii) there having been, between the Agreement Date and the Issue Date, no downgrading in the rating of any of the Issuer's debt by S&P, Moody's, Fitch or DBRS (as applicable) and the Issuer has not received any notice of any intended downgrading in the rating accorded to the Issuer's unsecured, unsubordinated, long term debt by S&P, Moody's, Fitch or DBRS (as applicable).
- (b) As at each Representation Date, the Guarantor represents and warrants to and for the benefit of each Arranger and each Dealer as follows:
- (i) (A) in relation to an issuance of Regulation S Covered Bonds only, that to the best of the knowledge and belief of the Guarantor (which has taken all reasonable care to ensure that such is the case) the Prospectus and the applicable Final Terms Document or Pricing Supplement (as the case may be) (if any) contains all material information with respect to the Guarantor and the Program that is material in the context of the issue and offering of the Covered Bonds (including all information which, according to the particular nature of the Issuer, the issue, the Covered Bonds and the Portfolio is necessary to enable investors to make an informed assessment of the rights attaching to the Covered Bonds), the Prospectus and the applicable Final Terms Document or Pricing Supplement (as the case may be) (if any) is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading and all reasonable enquiries have been made by the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements;
 - (B) in relation to an issuance of Rule 144A Covered Bonds offered and sold in the United States only, that to the best of the knowledge and belief of the Guarantor (which has taken all reasonable care to ensure that such is the case), neither the Time of Sale

Information, as of the Time of Sale, nor the Disclosure Package, as of its date and as of the Issue Date specified in the relevant Final Terms Document, contains or will contain an untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that this representation, warranty and agreement shall not apply to statements in or omissions from the Time of Sale Information or Disclosure Package or any amendment or supplement thereto made in reliance upon and in conformity with any Dealers Information;

- (ii) that the Guarantor is duly established and validly existing as a limited partnership under the laws of the Province of Ontario, has been established in accordance with the CMHC Registration Requirements, and the Guarantor has all power and authority to conduct its activities as described in the Prospectus and to execute and perform its obligations under the Transaction Documents to which it is a party;
- (iii) that the execution of the Transaction Documents to which it is a party and the performance and compliance with the terms thereof:
 - (A) will not infringe any (A) existing English law or regulation or any law or regulation of the Province of Ontario nor any federal law of Canada applicable therein or (B) the laws or regulations of any other jurisdiction applicable to the Guarantor, in each case that would cause a material adverse effect on the Guarantor or an offering contemplated hereunder or (C) any consent, approval or authorisation referred to in (vi) below and are not contrary to the provisions of its constitutional documents, and
 - (B) will not infringe the terms of, or constitute a default under, a mortgage, lien, pledge, charge or other similar encumbrance under, any trust deed, agreement or other instrument or obligation to which the Guarantor is a party or by which it is bound or to which its assets is subject which infringement or default is materially adverse to the general operations of the Guarantor,

and that the execution and the delivery by the Guarantor of the Transaction Documents to which it is a party and the performance of the obligations thereunder have been duly authorised by the Guarantor so that upon due execution and delivery by all parties thereto, the same will constitute valid and legally binding obligations of the Guarantor in accordance with their respective terms subject to the laws of bankruptcy and other laws affecting the rights of creditors generally and subject to the Reservations;

- (iv) that no Guarantor Event of Default or event which with the giving of notice or lapse of time or other condition would constitute a Guarantor Event of Default is subsisting in relation to any outstanding Covered Bond and no event has occurred which would constitute (after an issue of Covered Bonds) a Guarantor Event of Default thereunder or which with the giving of notice or lapse of time or other condition would (after an issue of Covered Bonds) constitute such a Guarantor Event of Default;
- (v) that, save as stated in the Prospectus, the Guarantor is not involved in, nor are there so far as the Guarantor is aware pending or threatened, legal or arbitration proceedings against the Guarantor which is material in the context of the Issue of Covered Bonds or which might have or have had a material adverse effect on the consolidated financial condition or profitability of the Guarantor;

- (vi) that (i) all consents, approvals, authorisations or other orders of all regulatory authorities required by the Guarantor under the laws of England and Canada for or in connection with the execution of the Transaction Documents to which it is a party have been obtained are in force and that the Guarantor has complied with all English and Canadian legal and other English or Canadian requirements and (ii) material consents, approvals, authorisations or other orders of all regulatory authorities required by the Guarantor under the laws of any other jurisdiction for or in connection with the issue of the Covered Bonds, the execution of the Covered Bonds and the Transaction Documents to which the Issuer is a party have been obtained and are in force, failure of which to obtain would cause a material adverse effect on the Issuer or an offering contemplated hereunder;
- (vii) that, in the case of Bearer Covered Bonds and Regulation S Covered Bonds, the Guarantor, its affiliates and any person acting on its or their behalf (other than any Dealer) have complied with the offering restrictions requirement of Regulation S;
- (viii) that neither the Guarantor nor any of its affiliates nor any person acting on its or their behalf (other than any Dealer) has engaged in any "directed selling efforts" (as defined in Regulation S) in the United States with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds;
- (ix) in the case of any Rule 144A Covered Bonds, none of the Guarantor, or any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act), or any person acting on its or any of their behalf (other than any Dealer, as to which no representation or warranty is given) (i) has made or will make offers or sales of any security, or solicited or will solicit offers to buy, or otherwise negotiated in respect of, any security which is or would be integrated with the sale of the Rule 144A Covered Bonds in a manner that would require the Rule 144A Covered Bonds to be registered under the Securities Act; or (ii) has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Rule 502 under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act in connection with any offer or sale of the Rule 144A Covered Bonds;
- (x) when any Rule 144A Covered Bonds are issued, such Rule 144A Covered Bonds will bear a private placement legend and satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act, are eligible for resale pursuant to Rule 144A and will not be of the same class (within the meaning of Rule 144A) as securities listed on any national securities exchange registered under Section 6 of the Exchange Act or quoted in any "automated inter-dealer quotation system" (as that term is used under the Exchange Act);
- (xi) that the Guarantor is not, nor will it be as a result of the issuance of the Covered Bond Guarantee, an "investment company", or a company "controlled" by an "investment company" registered or required to be registered under the Investment Company Act (as such terms are used in the Investment Company Act) and that the Guarantor either: (i) is not relying on the exemption from the definition of "investment company" in Section 3(c)(1) or 3(c)(7) of the Investment Company Act or (ii) is not a "covered fund" as defined in the Volcker Rule under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule) as a result of meeting the requirements for "Qualifying Covered Bonds" set forth in Section 10(b)(10) of the Volcker Rule;
- (xii) that the Guarantor is a "foreign issuer" as defined in Regulation S;

- (xiii) that the Guarantor has not engaged in any activities since it was established other than (i) those incidental to any registration as a limited partnership under the *Limited Partnerships Act (Ontario)* and compliance with the CMHC Registration Requirements, (ii) the authorisation and execution of the Transaction Documents to which it is a party; (iii) the activities referred to or contemplated in the Transaction Documents or in the Prospectus; (iv) the activities necessary to hold the Portfolio and its other assets in accordance with the terms of the Transaction Documents;
 - (xiv) that other than as set out in any of the Transaction Documents there exists no mortgage, lien, pledge or other charge or security interest on or over its assets and, other than pursuant to the Transaction Documents, it has not entered into any indenture or trust deed;
 - (xv) subject to the Reservations as to the enforcement of security (and, for the avoidance of doubt, excluding from such Reservations the factual assumptions on which they are made (including the assumptions as to the solvency of the Guarantor)), and subject to the laws of bankruptcy and other laws affecting the rights of creditors generally, its obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party will be secured in the manner provided in the Security Agreement;
 - (xvi) that the Guarantor has no subsidiaries within the meanings given to the term in the *Bank Act (Canada)* and no employees;
 - (xvii) that following the completion of the sale of the Loans and their Related Security (or, as applicable, the New Loans and the Related Security) to the Guarantor pursuant to or and in accordance with the Mortgage Sale Agreement, the Guarantor will to the extent contemplated by the Transaction Documents hold the equitable title to, and beneficial interest in, the Loans and their Related Security comprised in the Portfolio;
 - (xviii) the Guarantor is able to pay its debts as and when due and will not become unable to do so in consequence of the execution by it of the Transaction Documents to which it is a party and the performance by it of the transactions envisaged by the Transaction Documents;
 - (xix) the Guarantor is in material compliance with all of the CMHC Registration Requirements applicable to the Guarantor;
 - (xx) that each of the representations and warranties of the Guarantor (made in its capacity as such) in the Transaction Documents to which each is a party is true and correct in all material respects as of the date it is expressed to be made.
- (c) As at each Representation Date, the relevant Seller or Sellers (other than the Issuer), if more than one, represent and warrant each severally as to the Loans and Related Security sold by it, to and for the benefit of each Arranger and each Dealer as follows:
- (i) (A) in relation to an issuance of Regulation S Covered Bonds only, the information contained in the Prospectus and the applicable Final Terms Document or Pricing Supplement (as the case may be) (if any), relating to the Seller and the Loans originated by the Seller that is material in the context of the issue and offering of the Covered Bonds (including all information which, according to the particular nature of the issue and the Covered Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and

prospectus of the Seller and the rights attaching to the Covered Bonds), the Prospectus and the applicable Final Terms Document or Pricing Supplement (as the case may be) (if any) is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading and all reasonable enquiries have been made by the Seller to ascertain such facts and to verify the accuracy of all such information and statements;

- (B) in relation to an issuance of Rule 144A Covered Bonds offered and sold in the United States only, neither the Time of Sale Information, as of the Time of Sale, nor the Disclosure Package, as of its date and as of the Issue Date specified in the relevant Final Terms Document, and in each case relating to the Seller and the Loans originated by the Seller, contains or will contain an untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that this representation, warranty and agreement shall not apply to statements in or omissions from the Time of Sale Information or Disclosure Package or any amendment or supplement thereto made in reliance upon and in conformity with any Dealers Information;
- (ii) that the Seller is duly established and is validly existing under the laws of the jurisdiction in which it is constituted and has all corporate power and authority to conduct its business as described in the Prospectus;
- (iii) that (1) the sale of the Loans and Related Security and the related property rights and (2) the execution of the Transaction Documents to which it is a party and the performance and compliance with the terms thereof:
 - (A) will not infringe any existing law or regulation of its jurisdiction of incorporation or any consent, approval or authorisation referred to in (v) below and are not contrary to the provisions of its constitutional documents; and
 - (B) will not infringe the terms of, or constitute a default under, a mortgage, lien, pledge, charge or other similar encumbrance under, any trust deed, agreement or other instrument or obligation to which it is a party or by which it is bound or to which its assets are subject, which infringement or default is materially adverse to the general operations of the Seller,

and that the execution and the delivery by it of the Transaction Documents to which it is a party and the performance of the obligations thereunder have been duly authorised by it so that upon due execution and delivery by all parties thereto, the same will constitute its valid and legally binding obligations in accordance with their respective terms subject to the Reservations and the laws of bankruptcy and other laws affecting the rights of the creditors generally;

- (iv) save as stated in the Prospectus, that the relevant Seller is not involved in, nor are there so far as the relevant Seller is aware pending or threatened legal or arbitration proceedings against the relevant Seller which is material in the context of the Issue of Covered Bonds;
- (v) that all consents, approvals, authorisations or other orders of all regulatory authorities required by it under the laws of the Province of Ontario or the federal laws of Canada applicable therein

for or in connection with the execution of the Transaction Documents to which it is a party have been obtained and are in force and that it has complied with all English and Canadian legal and other English and Canadian requirements;

- (vi) that the representations and warranties given by the relevant Seller in the Mortgage Sale Agreement (other than those for which a remedy of repurchase or substitution is available) were, are and will be true and accurate when made or deemed to be repeated;
 - (vii) that, in the case of Bearer Covered Bonds and Regulation S Covered Bonds, the relevant Seller, its affiliates and any person acting on its or their behalf (other than any Dealer) have complied with the offering restrictions requirement of Regulation S;
 - (viii) that neither the relevant Seller, nor any of its affiliates nor any person acting on its or their behalf (other than any Dealer) has engaged in any directed selling efforts (as defined in Regulation S) with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds;
 - (ix) in the case of any Rule 144A Covered Bonds, none of the Seller, or any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act), or any person acting on its or any of their behalf (other than any Dealer, as to which no representation or warranty is given) (i) has made or will make offers or sales of any security, or solicited or will solicit offers to buy, or otherwise negotiated in respect of, any security which is or would be integrated with the sale of the Rule 144A Covered Bonds in a manner that would require the Rule 144A Covered Bonds to be registered under the Securities Act; or (ii) has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Rule 502 under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act in connection with any offer or sale of the Rule 144A Covered Bonds;
 - (x) that the Seller is able to pay its debts as and when due and will not become unable to do so in consequence of the execution by it of the Transaction Documents to which it is a party and the performance by it of the transactions envisaged by the Transaction Documents to which it is a party.
- (d) Any certificate signed by any officer of the Guarantor or the Issuer or any of their respective subsidiaries and delivered to one or more Dealers or to counsel for the Dealers in connection with an offering of Covered Bonds to one or more Dealers shall be deemed a representation and warranty by the Guarantor or the Issuer to such Dealer or Dealers as to the matters covered thereby on the date of such certificate and, unless subsequently amended or supplemented, at each Representation Date subsequent thereto.

5. UNDERTAKINGS OF THE ISSUER AND THE GUARANTOR

5.1 Notification of material developments

- (a) The Issuer or the Guarantor shall promptly after becoming aware of the occurrence thereof, notify each Arranger of:
 - (i) (A) any Issuer Event of Default or Guarantor Event of Default or any condition, omission, act or event which would after an issue of Covered Bonds (or would with the giving of notice and/or the lapse of time) constitute an Issuer Event of Default or Guarantor Event of Default or (B) any breach of its representations, warranties or undertakings contained in this Agreement; and

- (ii) any development affecting the Issuer or the Guarantor which is material in the context of the Program or any issue of Covered Bonds and which would render untrue or misleading any statement contained in the Prospectus.
- (b) If, following the Agreement Date and before the Issue Date of the relevant Covered Bonds, the Issuer or the Guarantor becomes aware that any of the conditions specified in Clause 3.2 will not be satisfied in relation to that issue, the Issuer or the Guarantor, as the case may be, shall forthwith notify the relevant Dealer to this effect giving full details thereof. In such circumstances, the relevant Dealer shall be entitled (but not bound) by notice to the Issuer and the Guarantor to be released and discharged from its obligations under the agreement reached under Clause 2.
- (c) Without prejudice to the generality of Clauses 5.1(a) and (b) above, the Issuer and the Guarantor shall from time to time promptly furnish to each Dealer such information relating to the Issuer and the Guarantor, respectively, as such Dealer may reasonably request provided that the Issuer or the Guarantor, as the case may be, shall not be obliged to furnish any information in circumstances where it is prohibited from doing so by law and provided further that the Issuer or the Guarantor, as the case may be, shall be entitled to require each Dealer reasonably request such information to comply with any reasonable confidentiality requirements of the Issuer or the Guarantor.

5.2 Updating of Prospectus

- (a) Without prejudice to Clause 5.3(b), the Issuer and the Guarantor shall update or amend the Prospectus (following consultation with the Arrangers who will act on behalf of the Dealers) by the publication of a supplement thereto or a new prospectus in a form approved by the competent authority under the FSMA in the event of any significant new factor, material mistake or inaccuracy relating to information included in the Prospectus which is capable of affecting the assessment of any Covered Bonds and, in any case, not later than the date of the first Issue of Covered Bonds occurring after each annual anniversary of the listing of the Program.
- (b) The Prospectus shall, as specified in it, be deemed to incorporate by reference certain published audited financial statements of the Issuer, which have previously been published and have been filed with the Financial Conduct Authority. Such documents shall form part of the Prospectus. The Prospectus shall also state that the Issuer and the Guarantor may, in one or more supplements to the Prospectus, incorporate by reference into the Prospectus information contained in documents published from time to time after the date of the Prospectus. Upon the incorporation by reference of any new or revised report and accounts or financial statements or other documents through a supplement, the Issuer and the Guarantor shall promptly without cost to the Arranger supply to each Arranger and the Issuing and Paying Agent such number of copies of such new or revised report and accounts or financial statements or other documents or the related supplement as each Arranger or the Issuing and Paying Agent (as the case may be) may reasonably request. Until an Arranger receives such new or revised report and accounts or financial statements or other documents or the related supplement, the definition of Prospectus shall, in relation to such Arranger, mean the Prospectus prior to the receipt by such Arranger of such new or revised report and accounts or financial statements or other documents or the related supplement.
- (c) If the terms of the Program are modified or amended in a manner which would make the Prospectus materially inaccurate or misleading, provided that the Issuer shall decide to continue to issue Covered Bonds under the Program, a new Prospectus or supplemental Prospectus will be prepared by the Issuer and the Guarantor in a form approved by the Arrangers.

5.3 Listing

The Issuer and the Guarantor:

- (a) confirm that it made or caused to be made, an application for the Program to be listed on the London Stock Exchange and admission to trading on the regulated market of the London Stock Exchange;
- (b) will make or cause to be made an application on behalf of and at the expense of the Issuer for the Program or any particular Tranche of Covered Bonds to be listed on such other Stock Exchange as the Issuer and the Arrangers, in the case of the Program, and the relevant Dealer, in the case of a particular Tranche of Covered Bonds, may agree and will use reasonable endeavours to obtain and maintain such listing, provided that if, at any time, the Issuer is of the opinion in its sole discretion that maintaining such listing is unduly burdensome, the Issuer may seek to terminate such listing provided it uses its reasonable endeavours to seek an alternative listing of the Covered Bonds on some other Stock Exchange (including, without limitation, a Stock Exchange outside the European Union) as may be agreed between the Issuer and the Arrangers; and
- (c) shall comply with Section 87G of the FSMA, and, in the event that a supplementary Prospectus is produced shall supply to each Arranger at the expense of the Issuer and the Guarantor such number of copies of the supplementary Prospectus as such Arranger may reasonably request.

If any Covered Bonds cease to be listed on the relevant Stock Exchange, the Issuer and the Guarantor shall use best endeavours as promptly as reasonably practicable to list the relevant Covered Bonds on a stock exchange to be agreed between the Issuer, the Guarantor and the relevant Dealer (after consultation, if practicable, with the Bond Trustee). The Issuer and the Guarantor shall comply with the rules of each relevant Stock Exchange (or any other relevant authority or authorities) and shall otherwise comply with any undertakings given by it from time to time to the relevant Stock Exchange (or any other relevant authority or authorities) in connection with the listing of any Covered Bonds on that Stock Exchange and, without prejudice to the generality of the foregoing, shall furnish or procure to be furnished to the relevant Stock Exchange (or any other relevant authority or authorities) all the information which the relevant Stock Exchange (or any other relevant authority or authorities) may require in connection with the listing on that Stock Exchange of any Covered Bonds.

5.4 The Transaction Documents

Each of the Issuer and the Guarantor undertakes that it will not:

- (a) without prior consultation with the Arrangers on behalf of the Dealers, save to the extent expressly contemplated in the Transaction Documents, terminate any of the Transaction Documents to which it is a party or effect or permit to become effective any amendment to any such Transaction Documents, which in the case of an amendment, would materially adversely affect the interests of any Dealer or of any holder of Covered Bonds issued before the date of the amendment; or
- (b) without prior consultation with the Arrangers on behalf of the Dealers, appoint a different Bond Trustee under the Trust Deed or the Security Agreement and/or Issuing and Paying Agent under the Agency Agreement,

and the Issuer and the Guarantor will promptly notify each of the Arrangers on behalf of the Dealers of the effective date of any termination of, or amendment to, any of the Transaction Documents to which any of them is a party and of any change in the Bond Trustee under the Trust Deed or the Security Agreement and/or the Issuing and Paying Agent under the Agency Agreement.

5.5 Lawful compliance

Each of the Issuer and the Guarantor will at all times ensure that all necessary action is taken and all necessary conditions are fulfilled (including, without limitation, the obtaining of all necessary consents) so that it may lawfully comply with its obligations under all Covered Bonds and the Transaction Documents to which it is a party and further, so that it may comply with any applicable laws, regulations and guidelines from time to time promulgated by any governmental authorities relevant in the context of the Issue of the Covered Bonds, provided that where a matter is not within its control the Issuer or the Guarantor will be obliged only to make all reasonable endeavours in connection with the foregoing.

5.6 U.S. covenants

Each of the Issuer and the Guarantor undertakes that:

- (a) in the case of Bearer Covered Bonds and Regulation S Covered Bonds, it or its affiliates and any person acting on its or their behalf (other than any Dealer) will comply with the offering restrictions requirement of Regulation S; and
- (b) neither it nor any of its affiliates nor any person acting on its or their behalf (other than any Dealer) will engage in any "directed selling efforts" (as defined in Regulation S) in the United States with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds.
- (c) in the case of any Rule 144A Covered Bonds, neither it, nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act), nor any person acting on its or any of their behalf (other than any Dealer, as to which no representation or warranty is given) (i) has made or will make offers or sales of any security, or solicited or will solicit offers to buy, or otherwise negotiated in respect of, any security which is or would be integrated with the sale of the Rule 144A Covered Bonds in a manner that would require the Rule 144A Covered Bonds to be registered under the Securities Act; or (ii) has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Rule 502 under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act in connection with any offer or sale of the Rule 144A Covered Bonds;
- (d) in relation to any Covered Bonds to be accepted into the book-entry system of DTC, cooperate with the Dealers and use all reasonable endeavors to permit the relevant Covered Bonds to be eligible for clearance and settlement through DTC; and
- (e) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010), the Issuer and the Guarantor undertake that the Issuer and the Guarantor shall not permit offers or sales of Bearer Covered Bonds to be made in the United States or its possessions or to United States persons. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and the Treasury regulations promulgated thereunder;

- (f) for so long as any Rule 144A Covered Bond are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is not subject to and in compliance with Section 13 or 15(d) of the Exchange Act or is not exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act;
- (g) that in the case of any Rule 144A Covered Bonds, it will qualify the Covered Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Dealers shall reasonably request and will continue such qualifications in effect so long as required for the offering and resale of the Covered Bonds; provided that neither the Issuer nor the Guarantor shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject; and
- (h) in the event that any Rule 144A Covered Bond offered or to be offered by the Dealers would be ineligible for resale under Rule 144A (because such Covered Bond or the Covered Bond Guarantee is of the same class (within the meaning of Rule 144A) as other securities of the Issuer or the Guarantor, as applicable, which are listed on a U.S. securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system), the Issuer shall promptly notify the Dealers by telephone, confirmed in writing, of such fact and will promptly prepare and deliver to the Dealers an amendment or supplement to the Prospectus describing the Covered Bonds which are ineligible, the reason for such ineligibility and any other relevant information relating thereto.

5.7 Authorised representative

The Issuer and the Guarantor will notify the Arrangers as soon as reasonably practicable in writing if any of the persons named in the list referred to in paragraph 3 of Part 1 of the Initial Documentation List ceases to be authorised to take action on its behalf or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Arrangers that such person has been so authorised.

5.8 Auditors' comfort letters

The Issuer will:

- (a) at the time of the preparation of the initial Prospectus;
- (b) on each occasion when the Prospectus is revised, updated, supplemented or amended (insofar as such amendment concerns or contains financial information about the Issuer) provided that no comfort letter will be delivered if the only revision, supplement or amendment concerned is the publication or issue of any interim or annual financial statements of the Issuer to the extent such interim or financial statements or financial data are solely incorporated by reference in to such revision, supplement or amendment to the Prospectus; and
- (c) prior to the first non-syndicated issue of Covered Bonds subsequent to the publication of new audited financial statements and upon the closing of each syndicated issue of Covered Bonds,

deliver, at the expense of the Issuer, to the Arrangers and Dealers a comfort letter or comfort letters from the independent auditors of the Issuer, in such form and with such content as the Arrangers may reasonably request.

If at or prior to the time of any agreement to issue and purchase Covered Bonds under Clause 2 such a request is made with respect to the Covered Bonds to be issued and agreed with the Issuer, the receipt of the relevant comfort letter or letters in a form satisfactory to the relevant Dealer shall be a further condition precedent to the issue of those Covered Bonds to that Dealer.

5.9 No other issues

During the period commencing on the Agreement Date and ending on the Issue Date with respect to any Covered Bonds which are to be listed or admitted to trading, the Issuer will not, without the prior consultation with the relevant Dealers, issue or agree to issue any other secured notes, bonds or other debt securities of whatsoever nature which are listed or admitted to trading of a nominal amount in excess of €500,000,000 (or its equivalent in any other currency) (other than Covered Bonds to be issued to the same Dealer) where such secured notes, bonds or other debt securities would have the same maturity, currency, Interest Basis and Redemption/Payment Basis (as specified in the Final Terms Document or Pricing Supplement (as the case may be)) as the Covered Bonds to be issued on the relevant Issue Date.

5.10 Ratings

Each of the Issuer and the Guarantor undertakes promptly to notify the Dealers of any change in the ratings given by Moody's and/or S&P and/or Fitch and/or DBRS or such other Rating Agency as notified to the Dealers for any of the Covered Bonds to be issued under the Program or any other debt obligations of the Issuer or the Guarantor or upon it becoming aware that any such rating is listed on "Creditwatch" or other similar publication of formal review by the relevant Rating Agency.

5.11 Passporting

If the Issuer has agreed with one or more Dealers that the home Member State that approved the Prospectus will be requested to provide a certificate of approval to the competent authority of one or more host Member State(s) under Articles 17 and 18 of the Prospectus Directive, then the arrangements relating to such request (including, but not limited to, the cost of translating any summary contained in the Prospectus for the purposes of the relevant host Member State) will be agreed between the Issuer and the relevant Dealer(s) at the relevant time.

In such case, the Issuer undertakes that it will use all reasonable endeavours to procure the delivery of a certificate of approval by the Financial Conduct Authority to the competent authority in any host Member State in accordance with Article 17 and Article 18 of the Prospectus Directive.

5.12 CMHC Registration

- (a) The Issuer will timely file the Prospectus, as amended and supplemented in a form approved by the Dealers, with the CMHC, and will file promptly all notifications, reports and other information required to be filed by the Issuer with CMHC pursuant to the CMHC Guide in connection with the CMHC Registration and the offering or sale of the Covered Bonds.

- (b) The Issuer will make available and accessible to investors (as defined in Part 5.1.1 of the CMHC Guide) all information, reports and notifications required under the CMHC Guide and Part I.1 of the NHA in connection with the CMHC Registration and the offering or sale of the Covered Bonds;
- (c) The Issuer will establish and maintain a program website(s) (as defined in Part 5.2 of the CMHC Guide) which meets the requirements of, and contains all information, reports, notifications, links, documents and any other disclosure required by the CMHC Guide in connection with the CMHC Registration and the offering or sale of the Covered Bonds.
- (d) The Issuer shall use its best efforts and take all actions that may be necessary in order to maintain the CMHC Registration and its right to issue Covered Bonds under the Program.
- (e) All Covered Bonds will be issued by the Issuer as a registered issuer under the CMHC Registration Requirements and under a registered covered bond program under the CMHC Registration Requirements.

6. UNDERTAKINGS OF THE RELEVANT SELLER

6.1 Notification of material developments

The relevant Seller (other than the Issuer) shall promptly after becoming aware of the occurrence thereof notify each Dealer of any development affecting it or any of its businesses which, in its opinion, is material in the context of the Program or any issue of Covered Bonds.

6.2 Lawful compliance

The relevant Seller (other than the Issuer) will at all times ensure that all necessary action is taken and all necessary conditions are fulfilled (including, without limitation, the obtaining of all necessary consents) so that it may lawfully comply with its obligations under all the Transaction Documents to which it is a party, provided that where a matter is not within its control the relevant Seller will be obliged only to make all reasonable endeavours in connection with the foregoing.

6.3 Transaction Documents

Save to the extent expressly contemplated in the Transaction Documents, the relevant Seller undertakes that it will not without prior consultation with the Arrangers on behalf of the Dealers terminate any of the Transaction Documents to which it is a party or effect or permit to become effective any amendment to any such Transaction Documents which, in the case of an amendment, would materially adversely affect the interests of any Dealer or of any holder of Covered Bonds issued before the date of the amendment, and the Seller will promptly notify each of the Dealers of any termination of, or amendment to, any of the Transaction Documents to which it is a party.

6.4 Ratings

The relevant Seller (other than the Issuer) undertakes promptly to notify the Dealers of any change in the ratings given by Moody's and/or S&P and/or Fitch and/or DBRS of the Seller's unsecured, unsubordinated short term or long term debt or the Servicer's unsecured, unsubordinated short term or long term debt (if the Servicer is administering the Loans and Related Security sold by the Seller to the Guarantor).

6.5 U.S covenants

Each relevant Seller (other than the Issuer) undertakes that:

- (a) that, in the case of Bearer Covered Bonds and Regulation S Covered Bonds, the relevant Seller, its affiliates and any person acting on its or their behalf (other than any Dealer) will comply with the offering restrictions requirement of Regulation S;
- (b) that neither the relevant Seller, nor any of its affiliates nor any person acting on its or their behalf (other than any Dealer) will engage in any "directed selling efforts" (as defined in Regulation S) in the United States with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds; and
- (c) in the case of any Rule 144A Covered Bonds, neither it, nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act), nor any person acting on its or any of their behalf (other than any Dealer, as to which no representation or warranty is given) (i) has made or will make offers or sales of any security, or solicited or will solicit offers to buy, or otherwise negotiated in respect of, any security which is or would be integrated with the sale of the Rule 144A Covered Bonds in a manner that would require the Rule 144A Covered Bonds to be registered under the Securities Act; and (ii) has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Rule 502 under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act in connection with any offer or sale of the Rule 144A Covered Bonds.

7. INDEMNITY

- (a) For Regulation S Covered Bonds only:
 - (i) Without prejudice to the other rights or remedies of the Arrangers and the Dealers, the Issuer and the Guarantor jointly and severally undertake to each Arranger and each Dealer that if that Dealer or Arranger or any Relevant Party relating to that Arranger or Dealer incurs any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses and any applicable amounts in respect of VAT but excluding losses of profit; reasonable costs of investigation and defence) (a **Loss**) or may be made against them as a result of or in relation to:
 - (A) any misrepresentation or alleged misrepresentation in, or breach or alleged breach of, any of the representations and warranties of the Issuer and/or the Guarantor and/or any Seller contained in or deemed to be made under this Agreement; or
 - (B) any untrue statement or alleged untrue statement of a material fact included in the Prospectus or any other written information either provided to the Dealers by the Issuer or the Guarantor or approved by the Issuer, the Guarantor or any Seller, as the case may be, in both cases pursuant to Clause 8 below, or the omission or alleged omission (except for the omission of pricing related information in the Time of Sale Information) therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or any actual breach of the undertakings of the Issuer, the Guarantor or any Seller, as the case may be, hereunder,

the Issuer or, as the case may be, the Guarantor shall (subject as provided below) pay to that Arranger or Dealer on demand an amount equal to such Loss.

No Arranger or Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 7(a)(i).

- (ii) Without prejudice to the other rights or remedies of the Arrangers and the Dealers, each Seller undertakes to each Arranger and each Dealer that if that Arranger or Dealer or any Relevant Party relating to that Arranger or Dealer incurs any Loss as a result of or in relation to any misrepresentation in, or breach of the representations and warranties of the Seller under this Agreement, such Seller shall pay to that Arranger or Dealer on demand an amount equal to such Loss.

No Arranger or Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 7(a)(ii).

- (iii) In case any action, claim or demand shall be brought against any Relevant Party in respect of which recovery may be sought from the Issuer, the Seller and/or the Guarantor, as the case may be, under this Clause 7(a), the relevant Arranger or Dealer shall promptly notify the Issuer, the Seller and/or the Guarantor, as the case may be, in writing, setting out the relevant claim in reasonable detail, and the Issuer, the Seller and/or the Guarantor, as the case may be, shall have the option exercisable by notice in writing given to the relevant Dealer or Arranger to assume the defence thereof and Clause 7(a)(iv) shall apply.
- (iv) If it so elects within a reasonable time after receipt of the notice referred to in Clause 7(a)(iii), the Issuer or, as the case may be, the Guarantor may, subject as provided below, assume the defence of the action with legal advisers chosen by it and approved by the Relevant Party. Provided that and notwithstanding any such election a Relevant Party may employ separate legal advisers, and the Issuer or the Guarantor shall not be entitled to assume such defence and shall bear the fees and expenses of such separate legal advisers if:
 - (A) the use of the legal advisers chosen by the Issuer or the Guarantor to represent the Relevant Party would present such legal advisers with a conflict of interest;
 - (B) the actual or potential defendants in, or targets of, any such action include both the Relevant Party and the Issuer or the Guarantor and the Relevant Party concludes that there may be legal defences available to it and/or other Relevant Parties which are different from or additional to those available to the Issuer or the Guarantor; or
 - (C) the Issuer or the Guarantor has not employed legal advisers satisfactory to the Relevant Party to represent the Relevant Party within a reasonable time after notice of the institution of such action.
- (v) If the Issuer or, as the case may be, the Guarantor assumes the defence of the action, the Issuer or, as the case may be, the Guarantor shall not be liable for any fees and expenses of legal advisers of the Relevant Party incurred thereafter in connection with the action, except as stated above.

- (vi) Neither the Issuer nor the Guarantor shall be liable in respect of any settlement of any action effected without its consent, such consent not to be unreasonably withheld or delayed. Neither the Issuer nor the Guarantor shall, without the prior written consent of the Relevant Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or action in respect of which recovery may be sought hereunder (whether or not the Relevant Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Relevant Party from all liability arising out of such claim or action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of the Relevant Party.
- (vii) Without prejudice to the other rights and remedies of the Issuer, each Seller and the Guarantor, each Arranger and each Dealer will severally and not jointly indemnify the Issuer, each Seller, the Guarantor and any director, officer or employee of the Issuer, each Seller and/or the Guarantor, for any losses, liabilities, costs, claims, charges, expenses, actions or demands which the Issuer, a Seller, the Guarantor or any director, officer or employee of the Issuer, a Seller and/or the Guarantor may incur (including any applicable amounts in respect of VAT but excluding loss of profit), or which may be made against any of them as a result of or in relation to any breach by such Dealer of any of the restrictions set out in Appendix 2 hereto (including, without limitation, reasonable costs of investigation and defence), provided, however, that (without prejudice to any other claim the Issuer and/or the Guarantor may have against that Dealer or Arranger) no Dealer or Arranger shall be liable under this Clause 7(a)(vii) for any losses, liabilities, costs, claims, charges, expenses, actions or demands arising from the sale of Covered Bonds to any person believed in good faith by such Dealer or Arranger, on reasonable grounds after making all reasonable investigations, to be a person to whom Covered Bonds could legally be sold in compliance with the provisions of Appendix 2. The provisions of Clause 7(a)(iii) with respect to the conduct and settlement of actions shall apply *mutatis mutandis* to the indemnity contained in this Clause 7(a)(vii).

(b) For Rule 144A Covered Bonds only:

- (i) The Issuer and the Guarantor jointly and severally, agree to indemnify and hold harmless each Dealer and each person, if any, who controls such Dealer within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses (other than loss of profits), claims, damages or liabilities to which such Dealer or such controlling person may become subject under the Securities Act, the Exchange Act or other U.S. federal or statutory law or regulation, or at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Time of Sale Information (provided that the Issuer or the Guarantor shall have made available to the purchaser the Time of Sale Information in accordance with Section 2(f)) or the Disclosure Package or any omission or alleged omission to state in Time of Sale Information or the Disclosure Package a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (ii) any misrepresentation or alleged misrepresentation in, or breach or alleged breach of, any of the representations and warranties of the Issuer and/or the Guarantor contained in or deemed to be made under this Agreement, and will reimburse such Dealer or such controlling person for any legal or other expenses reasonably incurred by it in connection with investigating or defend any such action or claim, as incurred; *provided, however*, that the Issuer and the Guarantor will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in

the Time of Sale Information or the Disclosure Package in reliance upon and in conformity with written information furnished to the Issuer or Guarantor by such Dealer expressly for use therein.

- (ii) Each Dealer, severally and not jointly, agrees to indemnify and hold harmless each of the Issuer and the Guarantor, its respective directors, its respective officers and any person controlling either of the Issuer or the Guarantor within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, as applicable, to the same extent as the foregoing indemnity from each of the Issuer and the Guarantor to each Dealer in paragraph (i) above, but only with respect to the written information furnished to the Issuer and/or the Guarantor by such Dealer expressly for use in the Time of Sale Information or the Disclosure Package.
- (iii) Promptly after receipt by an indemnified party under subsection (i) or (ii) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; provided, however, that the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would, in the judgment of counsel, be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties. Such firm shall be designated in writing by the Dealers in the case of parties indemnified pursuant to Section 7(b)(i) and by the Issuer in the case of parties indemnified pursuant to Section 7(b)(ii). The indemnifying party shall not be liable for any settlement of any proceeding affected without its written consent but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is an actual or potential party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes (x) no admission of culpability of such indemnified party and (y) an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

- (iv) If the indemnification provided for in this Section 7(b) is unavailable to or insufficient to hold harmless an indemnified party under subsection (i) or (ii) above in respect of any losses (other than loss of profits), claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and each Dealer on the other from the offering of the Covered Bonds to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, or if the indemnified party failed to give the notice required under subsection (iii) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer on the one hand and each Dealer on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and each Dealer on the other shall be deemed to be in the same proportion as the total net proceeds from the sale of Covered Bonds (before deducting expenses) received by the Issuer bear to the total commissions or discounts received by such Dealer in respect thereof. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading relates to information supplied by the Issuer on the one hand or by any Dealer on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Issuer and each Dealer agree that it would not be just and equitable if contribution pursuant to this subsection (iv) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (iv). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (iv) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (iv), a Dealer shall not be required to contribute any amount in excess of the amount by which the total price at which the Covered Bonds subscribed by it and distributed to investors exceeds the amount of any damages which such Dealer has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) or found to be grossly negligent by a court of competent jurisdiction shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Dealers' obligations in this paragraph (iv) to contribute are several in proportion to their respective underwriting obligations and not joint.
- (v) The indemnity and contribution agreements contained in this Section 7(b) shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by any Dealer or any person controlling any Dealer or by or on behalf of either of the Issuer or the Guarantor, as applicable, together with its respective directors or officers or any person controlling such party, and (iii) acceptance of, and payment for, any of the Covered Bonds.
- (vi) The Issuer, the Guarantor and the Dealers agree that the amounts to be paid under this Section 7(b) shall be paid in U.S. dollars without withholding or deduction for or on account of any

present or future taxes, duties or governmental charges under the laws of Canada or any subdivision thereof unless the paying party is compelled by law or the administration thereof to deduct or withhold such taxes, duties or charges. In such an event, the paying party shall pay such additional amounts as may be necessary in order that the net amounts received after such withholding or deduction shall equal the amount that would have been received if no withholding or deduction had been made; and if such taxes, duties or governmental charges ought to have been withheld and were not, then the indemnifying party will indemnify the indemnified party against liability for such taxes, duties or governmental charges, together with any interest or penalties thereon.

8. AUTHORITY TO DISTRIBUTE DOCUMENTS AND PROVIDE INFORMATION

Subject to Clause 9, the Issuer and the Guarantor authorise each of the Dealers on behalf of the Issuer and the Guarantor to provide copies of, and to make oral statements consistent with, the Prospectus or, as the case may be, the Disclosure Package and such additional written information as the Issuer and/or the Guarantor shall provide to the Dealers for distribution or approve in writing for the Dealers to distribute to actual and potential purchasers of Covered Bonds.

9. DEALERS' UNDERTAKINGS

- (a) Each Dealer agrees to comply with the restrictions set out in Appendix 2 hereto.
- (b) Each Dealer acknowledges to, and agrees with, the Issuer and the Guarantor that:
 - (i) neither the Issuer nor the Guarantor has authorised it to make representations in connection with any sale or proposed sale of any Covered Bonds other than those contained in or consistent with those contained in the Prospectus or the information approved in writing and provided by the Issuer and/or the Guarantor for distribution pursuant to Clause 8 above (taken together with the Prospectus; and
 - (ii) it will not circulate any version of the Prospectus other than the latest version of the Prospectus published by the Issuer and the Guarantor and made available to such Dealer from time to time.

10. FEES, EXPENSES AND STAMP DUTIES

- (a) The Issuer undertakes that it will:
 - (i) pay to each Dealer all commissions agreed between the Issuer and that Dealer in connection with the sale of any Covered Bonds to that Dealer (together with an amount equal to any VAT chargeable on the services provided by each Dealer in relation thereto);
 - (ii) save as otherwise agreed with the Arrangers, pay all expenses (together with an amount equal to any VAT chargeable in relation thereto) incidental to the performance of its obligations hereunder and the establishment and maintenance of the Program, including:
 - (A) the fees and expenses of its legal advisers and auditors;
 - (B) the cost of listing or admission to trading and maintaining the listing or admission to trading of any Covered Bonds which are to be listed on a Stock Exchange;

- (C) the cost of obtaining any credit rating for the Covered Bonds;
 - (D) the fees and expenses of the Bond Trustee and the Agents appointed under the Agency Agreement;
 - (E) all expenses in connection with the issue, authentication, packaging, printing and initial delivery of any and all Covered Bonds and the preparation and printing (if applicable) of the Prospectus and the Disclosure Package, the Transaction Documents and any amendments or supplements thereto;
 - (F) any qualification of the Covered Bonds under U.S. state securities laws in accordance with the provisions of Section 5.6(g) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Dealers in connection therewith and in connection with the preparation and delivery to the Dealers of any Blue Sky or Legal Investment Survey; and
 - (G) the cost of any marketing and any publicity agreed by the Issuer in connection with an issue of Covered Bonds;
- (iii) save as otherwise agreed with the Arrangers and the Dealers, pay to the Arrangers and Dealers upon production of an itemised account all costs and expenses (together with an amount equal to any VAT chargeable in relation thereto) incurred by the Arrangers and Dealers (including fees and disbursements of legal and other professional advisers appointed to represent the Arrangers and Dealers) in connection with the negotiation, preparation, execution and delivery of the Transaction Documents and any documents referred to in any of them and any other documents required in connection with the establishment and maintenance of this Program and any issue of Covered Bonds under the Program;
 - (iv) bear and pay promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar duty or tax (including any interest and penalties) on or in connection with the entry into, performance, enforcement or admissibility in evidence of any Transaction Document or any Covered Bond; and
 - (v) reimburse each Dealer for its costs and expenses reasonably and properly incurred in protecting or enforcing any of its rights against the Issuer and/or any Seller under this Agreement.
- (b) Save as otherwise agreed with the Arrangers, the Guarantor undertakes that it will pay (together with any amounts in respect of VAT or similar tax thereon) the fees and expenses of its legal advisers.

11. TERMINATION OF APPOINTMENT OF DEALERS

The Issuer and the Guarantor or (as to itself) a Dealer may terminate the arrangements described in this Agreement by giving not less than 30 days' written notice to the other parties hereto. The Issuer and the Guarantor may terminate the appointment of a Dealer or Dealers by giving not less than 30 days' written notice to such Dealer or Dealers (with a copy promptly thereafter to all the other Dealers, the Bond Trustee and the Issuing and Paying Agent). Termination shall not affect any rights or obligations (including but not limited to those arising under Clauses 6.4, 7, 9 and/or 10) which have accrued at the time of termination or which accrue thereafter in relation to any act or omission or alleged act or omission which occurred before termination.

12. APPOINTMENT OF NEW DEALERS

- (a) The Issuer and the Guarantor may at any time appoint one or more New Dealers for the duration of the Program or, with regard to an issue of a particular Tranche of Covered Bonds, one or more New Dealers for the purposes of that Tranche, in either case upon the terms of this Agreement. Unless an appointment is made in a Subscription Agreement any appointment shall be made by:
 - (i) the delivery by the New Dealer to the Issuer of an appropriate Dealer Accession Letter; and
 - (ii) the delivery by the Issuer to the New Dealer of an appropriate Confirmation Letter.
- (b) Upon receipt of the relevant Confirmation Letter or execution of the relevant Subscription Agreement, as the case may be, each New Dealer shall, subject to the terms of the relevant Dealer Accession Letter or the relevant Subscription Agreement, as the case may be, become a party to this Agreement, vested with all authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer under this Agreement provided that, except in the case of the appointment of a New Dealer for the duration of the Program, following the Issue Date of the relevant Tranche, the relevant New Dealer shall have no further such authority, rights, powers, duties or obligations except for any which have accrued or been incurred prior to, or in connection with, the issue of the relevant Tranche.
- (c) The Issuer shall promptly notify the Dealers, the Bond Trustee and the Issuing and Paying Agent of any appointment of a New Dealer for the duration of the Program. However, failure to give notice of any such appointment shall not invalidate such New Dealer appointment.
- (d) In recognition of the U.S. Special Resolution Regimes, the parties agree as follows:
 - (i) In the event that any Dealer that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Dealer of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.
 - (ii) In the event that any Dealer that is a Covered Entity or any BHC Act Affiliate of such Dealer becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Dealer are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

13. ACCESSION OF A NEW SELLER

- (a) Where any member of the BMO Group (other than the Issuer) wishes to sell Loans and Related Security to the Guarantor, it shall be a condition precedent to such sale that such member of the BMO Group accedes to and agrees to be bound by the terms of this Agreement. Such accession shall be effected by:
 - (i) the delivery by the New Seller to the Issuer and the Guarantor of an appropriate Seller Accession Letter, a New Mortgage Sale Agreement executed by the New Seller and any other documents as are required by the Bond Trustee, the Guarantor and/or the Cash Manager to be entered into by the New Seller;

- (ii) the delivery by the Issuer to the New Seller and the Dealers of an appropriate Seller Confirmation Letter, a copy of the New Mortgage Sale Agreement executed by the New Seller, the Guarantor and the Bond Trustee and copies of any other documents referenced in Clause 13(a)(i) above executed as necessary by the New Seller and any of the parties to the Transaction Documents; and
 - (iii) the delivery by the New Seller to the Issuer and the Dealers of items 1–4 (inclusive) described in Part 1 of the Initial Documentation List.
- (b) Any accession of a New Seller shall be subject to Rating Agency Confirmation unless otherwise agreed by the Covered Bondholders.
 - (c) Upon receipt of the relevant Seller Confirmation Letter, the executed New Mortgage Sale Agreement and the other documents referenced in Clause 13(a)(ii) above, each New Seller shall, subject to the terms of the relevant Seller Accession Letter, become a party to this Agreement, vested with all authority, rights, powers, duties and obligations of the Seller under this Agreement.
 - (d) The Issuer shall promptly notify the other Sellers, the Dealers, the Bond Trustee and the Issuing and Paying Agent of any appointment of a New Seller by supplying to them a copy of any Seller Accession Letter, the Seller Confirmation Letter, the executed New Mortgage Sale Agreement and the other documents referenced in Clause 13(a)(ii) above.

14. INCREASE IN THE AGGREGATE NOMINAL AMOUNT OF THE PROGRAM

- (a) From time to time the Issuer and the Guarantor may increase the aggregate nominal amount of the Covered Bonds that may be issued under the Program by delivering to the Dealers (with a copy to the Bond Trustee and the Issuing and Paying Agent) a letter substantially in the form set out in Appendix 5. Upon the later of (a) ten days after notice is given to the Dealers, and (b) the Issuer and the Guarantor delivering to the Arrangers on behalf of the Dealers, all the documents and confirmations described in Part 2 of the Initial Documentation List (with such changes as may be relevant with reference to the circumstances at the time of the proposed increase as are agreed between the Issuer, the Guarantor and the Dealers), and the satisfaction of any further conditions precedent that any of the Dealers may reasonably require, including, without limitation, the production of a supplementary Prospectus by the Issuer and the Guarantor and any further or other documents required by the relevant authority or authorities for the purpose of listing or admitting to trading any Covered Bonds to be issued under the increased Program on the relevant Stock Exchange, all references in the Transaction Documents to a Program of a certain nominal amount shall be deemed to be references to a Program of the increased nominal amount. The Arrangers shall circulate to the Dealers all of the documents and confirmations required under this Clause. Any Dealer must notify the Arrangers, the Issuer and the Guarantor within seven days of receipt if it considers, in its reasonable opinion, that any of the documents, confirmations and, if applicable, further conditions precedent are unsatisfactory and, in the absence of such notification, each Dealer shall be deemed to consider the documents and confirmations to be satisfactory and any further conditions precedent to be satisfied.

15. STATUS OF THE ARRANGERS

- (a) Each of the Dealers agrees that the Arrangers have only acted in an administrative capacity to facilitate the establishment and/or maintenance of the Program and has no responsibility to them for (a) the adequacy, accuracy, completeness or reasonableness of any representation, warranty, undertaking, agreement, statement or information in the Prospectus, any Final Terms Document or Pricing

Supplement (as the case may be), this Agreement or any information provided in connection with the Program or (b) the nature and suitability to it of all legal, tax and accounting matters and all documentation in connection with the Program or any Tranche.

- (b) The Arrangers shall have only those duties, obligations and responsibilities expressly specified in this Agreement or unless otherwise agreed between the parties hereto.
- (c) Each of the Dealers agrees that a determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but that, otherwise, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

16. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

17. COMMUNICATIONS

- (a) All communications shall be by telex, fax or letter delivered by hand or first-class post or by telephone. Each communication shall be made to the relevant party at the telex number, fax number or address or telephone number and, in the case of a communication by telex, fax or letter, marked for the attention of, or (in the case of a communication by telephone) made to, the person or department from time to time specified in writing by that party to the others for the purpose the applicable notice provisions of each party to this Agreement. As at the date of this Agreement are set out in the signatories page to this Agreement.
- (b) A communication shall be deemed received (if by telex) when a confirmed answerback is received at the end of the transmission, (if by fax) when an acknowledgement of receipt is received, (if by telephone) when made or (if by letter delivered by hand) when delivered, or (if by letter sent by first-class post) three days, in the case of inland post, in 14 days, in the case of overseas post, after despatch, in each case in the manner required by this Clause. However, if a communication is received after business hours on any business day or on a day which is not a business day in the place of receipt it shall be deemed to be received and become effective at the opening of business on the next business day in the place of receipt. Every communication shall be irrevocable save in respect of any manifest error in it.

18. TRANSFER

- (a) In any case where there is a substitution of a New Entity in place of the Issuer as principal debtor under and in accordance with the Trust Deed, the Covered Bonds, the Receipts and the Coupons pursuant to the Trust Deed, such New Entity will automatically be substituted in place of the Issuer as a party to this Agreement without any prior approval thereof being required from the Dealers and the expression "Issuer" wherever used in this Agreement shall include any such New Entity provided that, where the substitute is the successor entity or transferee company of the Issuer, the Covered Bond Guarantee shall remain in place *mutatis mutandis* in relation to the obligations of the New Entity.
- (b) In the event of any such substitution, any opinions obtained by the Bond Trustee pursuant to Clause 21.3(g) of the Trust Deed shall also be addressed to the Dealers.

- (c) A Dealer may only assign or transfer its rights or obligations under this Agreement with the prior written consent of the Issuer and the Guarantor except for an assignment of all of a Dealer's rights and obligations hereunder in whatever form such Dealer determines may be appropriate to a partnership, corporation, trust or other organisation in whatever form that may succeed to all or substantially all of such Dealer's assets and business and that assumes such obligations by contract, operation of law or otherwise.
- (d) If the Dealers assign their rights or transfer their obligations as provided in this Clause, the relevant assignee or transferee shall be treated as if it were a party to this Agreement with effect from the date on which such assignment or transfer takes effect; provided that any transfer shall only become effective when the Issuer has received an undertaking from the transferee to be bound by this Agreement and to perform the obligations transferred to it. Such assignment or transfer shall not affect any rights or obligations (including but not limited to, those arising under Clauses 7, 9 and 10) which have accrued at the time of assignment or transfer or which accrue thereafter to the parties in relation to any act or omission or alleged act or omission which occurred prior to such assignment or transfer.
- (e) The Guarantor may not assign or transfer its rights or obligations under this Agreement to any other party without the prior written consent of each of the other parties to this Agreement save that the Guarantor shall be entitled to assign by way of security all or any of its rights under this Agreement without such consent to the Bond Trustee pursuant to the Security Agreement and the Bond Trustee may at its sole discretion assign without such consent all or any part of the Security created by the Security Agreement upon an enforcement of the Security in accordance with the Security Agreement.
- (f) This Agreement shall be binding upon and shall inure for the benefit of the Issuer, the Guarantor and each Dealer and their respective successors and permitted assigns.

19. CALCULATION AGENT

- (a) In the case of any Series of Covered Bonds which requires the appointment of a Calculation Agent, the Issuing and Paying Agent shall act as Calculation Agent unless the relevant Dealer or, as the case may be, the Lead Manager and the Issuer agree to appoint that Dealer or Lead Manager, or a person nominated by the Dealer or Lead Manager (a **Nominee**), as Calculation Agent.
- (b) Should a request be made to the Issuer for the appointment of that Dealer or Lead Manager as the Calculation Agent and the Issuer agrees to such request, the appointment shall be automatic upon the issue of the relevant Series of Covered Bonds and shall, except as agreed, be on the terms set out in the Calculation Agency Agreement set out in Schedule 1 to the Agency Agreement, and no further action shall be required to effect the appointment of the Dealer or Lead Manager as Calculation Agent in relation to that Series of Covered Bonds, and the Schedule to the Calculation Agency Agreement shall be deemed to be duly annotated to include that Series. The name of the Dealer or Lead Manager so appointed will be entered in the applicable Final Terms Document or Pricing Supplement (as the case may be).
- (c) Should a request be made to the Issuer for the appointment of a Nominee as the Calculation Agent and the Issuer agrees to such request, the Nominee shall agree with the Issuer in writing to its appointment as Calculation Agent on the terms set out in the Calculation Agency Agreement set out in Schedule 1 to the Agency Agreement and no further action shall be required to effect the appointment of the Nominee as Calculation Agent in relation to that Series of Covered Bonds, and the Schedule to the Calculation Agency Agreement shall be deemed to be duly annotated to include that Series. The name of the

Nominee so appointed will be entered in the applicable Final Terms Document or Pricing Supplement (as the case may be).

20. STABILISATION

- (a) In connection with the distribution of any Covered Bonds, the Dealer (if any) designated as the stabilising manager (the **Stabilising Manager**) (or any duly appointed person acting for the Stabilising Manager) in the applicable Final Terms Document or Pricing Supplement (as the case may be) may over-allot Covered Bonds or effect transactions which support the market price of the Covered Bonds at a level higher than that which might otherwise prevail. Any Stabilising Manager will not in doing so be deemed to act as an agent of the Issuer or the Guarantor and is authorised by the Issuer and the Guarantor to make all appropriate disclosure in relation to any such action.
- (b) Any stabilising action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any loss resulting from over-allotment and stabilisation shall be borne, and any net profit arising therefrom shall be retained, by the Stabilising Manager for its own account. Any stabilisation action or over-allotment will be conducted in accordance with all applicable laws and regulations.
- (c) Each of the Issuer and the Guarantor represents, warrants and undertakes to the Dealers that, in relation to each Tranche of Covered Bonds for which a Dealer is named as a Stabilising Manager in the applicable Final Terms Document or Pricing Supplement (as the case may be), neither the Issuer nor the Guarantor has issued nor will issue, without the prior consent of that Dealer (such consent not to be unreasonably withheld), any press or other public announcement referring to the proposed issue of Covered Bonds unless the announcement adequately discloses that stabilising action may take place in relation to the Covered Bonds to be issued.

21. CONTRACTUAL RECOGNITION OF BAIL-IN

Notwithstanding and to the exclusion of any other term of this Agreement or any other agreements, arrangements or understanding between any BRRD Party and any other party to this Agreement (each, a **Party**), each Party acknowledges and accepts that any BRRD Liability of any BRRD Party to any other Party under this Agreement may be subject to the exercise of Bail-In Powers by the Relevant Resolution Authority and acknowledges and agrees to be bound by:

- (a) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of any BRRD Party under this Agreement or any Subscription Agreement, that (without limitation) may include and result in any of the following, or some combination thereof:
 - (i) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;
 - (ii) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the relevant BRRD Party or another person, and the issue to or conferral on it of such shares, securities or obligations;
 - (iii) the cancellation of the BRRD Liability;

- (iv) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and
- (b) the variation of the terms of this Agreement or any Subscription Agreement, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

22. [RESERVED]

23. GOVERNING LAW AND JURISDICTION

- (a) This Agreement and every agreement for the issue and purchase of Covered Bonds as referred to in Clause 2 shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (b) The Issuer and the Guarantor irrevocably agree for the benefit of the Dealers that the courts of Ontario are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with this Agreement may be brought in such courts.
- (c) The Issuer and the Guarantor each irrevocably waives any objection which it may have to the laying of the venue of any Proceedings in any such courts and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the jurisdiction of the courts of Ontario shall be conclusive and binding upon the Issuer and the Guarantor and may be enforced in the courts of any other jurisdiction.
- (d) Nothing contained in this Clause shall limit any right to take Proceedings against the Issuer or the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.
- (e) The Issuer and the Guarantor each appoint The Director of Compliance UK and Europe at Bank of Montreal, London Branch as its agent for service of process in England and agree that, in the event of Bank of Montreal, London Branch ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing in this Clause shall affect the right to serve process in any other manner permitted by law.

24. NON PETITION

Each Party to this Agreement agrees that it will not institute or join any other Person or entity in instituting against, or with respect to, the Guarantor, or any general partners of the Guarantor, any bankruptcy or insolvency event so long as any Covered Bonds issued by the Issuer under the Program will be outstanding or there will not have elapsed one year plus one day since the last day on which any such Covered Bonds will have been outstanding. The foregoing provision will survive the termination of this Trust Deed by either party hereto.

This provision shall survive the termination of this Agreement.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

APPENDIX 1

INITIAL DOCUMENTATION LIST

PART 1

[]

1. A certified copy of the constitutional documents of the Issuer, the Seller (if the Seller is not the Issuer) and the Guarantor.
2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Issuer, the Seller (if the Seller is not the Issuer) and the Guarantor:
 - (a) to approve its entry into the Transaction Documents to which it is a party and, in the case of the Issuer, the issue of Covered Bonds;
 - (b) to authorise appropriate persons to execute each of the Transaction Documents to which it is a party and, in the case of the Issuer, any Covered Bonds and to take any other action in connection therewith; and
 - (c) to authorise appropriate persons to enter into agreements with any Dealer on behalf of the Issuer to issue Covered Bonds in accordance with Clause 2 of this Agreement.
3. A certified list of the names, titles and specimen signatures of the persons authorised on behalf of the Issuer, the Seller and the Guarantor in accordance with paragraph 2.
4. Certified copies of any relevant other governmental or other consents, authorisations and approvals required for the Issuer to issue or for the Guarantor to guarantee payments of principal and interest under the Covered Bonds, for the Issuer, the Seller and the Guarantor to execute and deliver the Transaction Documents to which they are respectively a party and for the Issuer, the Seller and the Guarantor to fulfil their respective obligations under the Transaction Documents to which each is a party.
5. Confirmation that one or more master Temporary Global Covered Bonds, master Permanent Global Covered Bonds, master Regulation S Global Covered Bonds (from which copies can be made for each particular issue of Covered Bonds), duly executed by a person or persons authorised to take action on behalf of the Issuer as specified in paragraph 2(b) above, have been delivered to the Issuing and Paying Agent or the Registrar, as appropriate.
6. Legal opinions addressed to each of the Dealers and the Bond Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers and the Bond Trustee may reasonably require, from:
 - (a) Allen & Overy LLP, legal advisers to the Issuer, the Guarantor and the Seller as to English law and United States law;
 - (b) Osler, Hoskin & Harcourt LLP, legal advisers to the Issuer, the Guarantor and the Seller as to Canadian law; and

- (c) legal counsel of the Covered Bond Swap Provider (if the Covered Bond Swap Provider is not a member of the BMO Group);
 - (d) Mayer Brown LLP and Mayer Brown International LLP, legal advisers to the Dealers and the Arrangers as to United States and English law, if applicable;
 - (e) McCarthy Tétrault, LLP, legal advisers to the Dealers as to Canadian law, if applicable; and
 - (f) Local counsel in each province and territory in which Loans being sold to the Guarantor are located (other than those provinces addressed in the opinion referred to in (b) above), legal advisers to the Issuer, the Guarantor and the Seller as to the applicable provincial or territorial law.
7. An executed copy of each Transaction Document.
 8. Confirmation of the execution and delivery by the Issuer of the Program effectuation authorisation to each of Euroclear and Clearstream, Luxembourg (the **ICSDs**), the execution and delivery of an Issuer-ICSD Agreement by the parties thereto and the making by the Issuing and Paying Agent of a common safekeeper election in accordance with Clause 2.8 of the Agency Agreement.
 9. An electronic copy of the final version of the Prospectus.
 10. Confirmation that application has been made for the Covered Bonds to be issued under the Program to be admitted to the Official List and to trading on the regulated market of the London Stock Exchange.
 11. Comfort letters from KPMG LLP as independent auditors of the Issuer in such form and with such content as the Dealers may reasonably request, including the most recent specified procedures report delivered to CMHC in accordance with the Guide.

PART 2

[]

1. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Issuer to approve the increase in the amount of the Program.
2. Certified copies of any other governmental or other consents, authorisations and approvals required for the increase.
3. Confirmation that one or more master Temporary Global Covered Bonds, master Permanent Global Covered Bonds and master Regulations S Global Covered (from which copies can be made for each particular issue of Covered Bonds), duly executed by a person or persons authorised to take action on behalf of the Issuer as specified in paragraph 2(b) of Part 1 of the Initial Documentation List, have been delivered to the Issuing and Paying Agent or the Registrar, as appropriate.
4. Confirmation that Covered Bonds to be issued under the increased Program will be listed on the London Stock Exchange.
5. Legal opinions addressed to each of the Dealers and the Bond Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers and the Bond Trustee may reasonably require, from:
 - (a) Allen & Overy LLP, legal advisers to the Issuer, the Guarantor and the Seller as to English law and United States law;
 - (b) Osler, Hoskin & Harcourt LLP, legal advisers to the Issuer, the Guarantor and the Seller as to Canadian law;
 - (c) legal counsel of the Covered Bond Swap Provider (if the Covered Bond Swap Provider is not a member of the BMO Group);
 - (d) Mayer Brown LLP and Mayer Brown International LLP, legal advisers to the Dealers and the Arrangers as to United States and English law, if applicable;
 - (e) McCarthy Tétrault, LLP, legal advisers to the Dealers as to Canadian law, if applicable.
6. Comfort letters from KPMG LLP as independent auditors of the Issuer in such form and with such content as the Dealers may reasonably request.

APPENDIX 2

SELLING RESTRICTIONS

1. United States

- (a) Each Dealer understands that the Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (**Regulation S**) or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- (b) With respect to Regulation S Covered Bonds:
- (i) Each Dealer represents and agrees that it has not offered or sold any Regulation S Covered Bonds, and will not offer or sell any Regulation S Covered Bonds, within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the closing of the offering and the Issue Date, and except in either case in accordance with Regulation S.
 - (ii) Each Dealer also agrees that, at or prior to confirmation of sale of Regulation S Covered Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Covered Bonds from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the closing of the offering and the Issue Date and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."
 - (iii) Each Dealer represents and agrees that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Covered Bond, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Terms used in this Clause 1(b) have the meanings given to them by Regulation S.

- (c) With respect to Rule 144A Covered Bonds:
- (i) Each Dealer represents and agrees that it has not offered or sold any Rule 144A Covered Bonds, and will not offer or sell any Rule 144A Covered Bonds as part of their distribution at any time except to those it reasonably believes to be "qualified institutional buyers" (as defined in Rule 144A).
 - (ii) Each Dealer represents and agrees that none of it or any person acting on its behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Rule 502 under the Securities Act) or in any manner involving a public offering within the

meaning of Section 4(a)(2) of the Securities Act in connection with any offer or sale of the Rule 144A Covered Bonds.

- (iii) Each Dealer represents and agrees that in connection with each sale of Rule 144A Covered Bonds as part of their distribution, it has taken or will take reasonable steps to ensure that the purchaser of such Rule 144A Covered Bonds is aware that such sale may be made in reliance on Rule 144A.
 - (iv) Each Dealer represents and agrees that it is an "accredited investor" (as defined in Rule 501(a) of Regulation D) and a "qualified institutional buyer" (as defined in Rule 144A).
- (d) In addition, in respect of Bearer Covered Bonds where TEFRA D is specified in the applicable Final Terms Document or Pricing Supplement (as the case may be):
- (i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the **D Rules**), each Dealer (i) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Bearer Covered Bonds to a person who is within the United States or its possessions or to a United States person, and (ii) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions Bearer Definitive Covered Bonds that are sold during the restricted period;
 - (ii) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Covered Bonds are aware that such Bearer Covered Bonds may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
 - (iii) each Dealer which is a United States person represents that it is acquiring Bearer Covered Bonds for purposes of resale in connection with their original issuance and that if it retains Bearer Covered Bonds for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010);
 - (iv) with respect to each affiliate that acquires Bearer Covered Bonds from a Dealer for the purpose of offering or selling such Bearer Covered Bonds during the restricted period, such Dealer repeats and confirms the representations and agreements contained in Clauses 1(d)(i), 1(d)(ii), 1(d)(iii) and 1(d)(v) on such affiliate's behalf; and
 - (v) each Dealer agrees that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010)) that purchases any Bearer Covered Bonds from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and

such distributor's agreement to comply with, the provisions of Clauses 1(d)(i), 1(d)(ii), 1(d)(iii) and 1(d)(iv) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in this Clause 1(d) have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the **Code**) and the Treasury regulations promulgated thereunder (the **Regulations**), including the D Rules.

- (e) In respect of Bearer Covered Bonds where TEFRA C is specified in the applicable Final Terms Document or Pricing Supplement (as the case may be), each Dealer understands that under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the **C Rules**) such Bearer Covered Bonds must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Covered Bonds within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Bearer Covered Bonds that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Dealer or such prospective purchaser is within the United States or its possessions or otherwise involve a U.S. office of the Dealer in the offer or sale of such Bearer Covered Bonds. Terms used in this Clause 1(e) have the meanings given to them by the Code and the Regulations, including the C Rules.

2. **United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that:

- (a) in relation to any Covered Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Bank;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Guarantor or, in the case of the Issuer, would not, if either were not an authorised person, apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

3. **Canada**

The Covered Bonds will not be qualified for sale under the securities laws of any province or territory of Canada. Each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that it has not offered, sold or distributed, and will not offer, sell or distribute, any Covered Bonds, directly or indirectly, in Canada or to, or for the benefit of any resident of Canada, other than in compliance with applicable securities laws. Each Dealer has also represented and agreed that it has not and will not distribute or deliver this Prospectus, or any other offering material in connection with any offering of Covered Bonds, in Canada, other than in compliance with applicable securities laws.

4. **Australia**

The Prospectus and the offer is only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (Cth) (the Australian Corporations Act). The Prospectus is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act, and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. If the relevant investor is in Australia, the Prospectus is made available to the relevant investor provided they are a person to whom an offer of securities can be made without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act.

The Prospectus has not been or will not be lodged with the Australian Securities and Investments Commission, the Australian Securities Exchange or any other regulatory body or agency in Australia.

The persons referred to in the Prospectus may not hold Australian financial services licences and may not be licensed to provide financial product advice in relation to the securities. No "cooling-off" regime will apply to an acquisition of any interest in the Issuer. The Prospectus document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to the Prospectus, each relevant investor should assess whether the acquisition of any interest in the Issuer is appropriate in light of its own financial circumstances or seek professional advice.

Any securities issued upon acceptance of the offer may not be offered for sale or transferred to any person located in, or a resident of, Australia for a period of at least 12 months after the issue, except in circumstances where the person is a person to whom a disclosure document is not required to be given under Chapter 6D or of the Australian Corporations Act. Accordingly, each investor acknowledges these restrictions and, by applying for the securities under this document, gives an undertaking not to sell these securities (except in the circumstances referred to above) for 12 months after their issue.

5. **Belgium**

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree that an offering of Covered Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Covered Bonds, and that it has not distributed, and will not distribute, any prospectus, memorandum, information

circular, brochure or any similar documents in relation to the Covered Bonds, directly or indirectly, to any Belgian Consumer.

6. Denmark

The Prospectus has not been filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark.

Each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that the Covered Bonds have not been offered or sold and will not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, unless in compliance with Chapter 6 or Chapter 12 of the Danish Act on Trading in Securities and Executive Orders issued pursuant thereto amended from time to time.

7. France

Each of the Dealers and Issuer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Covered Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the Final Terms Document or any other offering material relating to the Covered Bonds, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-44 of the French Code *monétaire et financier*.

8. Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Covered Bonds other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Covered Bonds which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Covered Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

9. Japan

The Covered Bonds have not been and will not be registered under the Financial and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

10. Prohibition of Sales to EEA Retail Investors

Unless the Final Terms Document (or Pricing Supplement, as the case may be) in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms Document (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - (ii) a customer within the meaning of Directive 2002/92/EC, as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

If the Final Terms Document (or Pricing Supplement, as the case may be) in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms Document (or Pricing Supplement, as the case may be) in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Covered Bonds referred to in paragraphs (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- (A) the expression **an offer of Covered Bonds to the public** in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- (B) the expression **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in each Relevant Member State.

11. Republic of Italy

Unless it is specified within the relevant Final Terms Document that a non-exempt offer may be made in Italy, the offering of the Covered Bonds has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that no Covered Bonds may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the **Italian Financial Services Act**) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time (**Regulation No. 11971**); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Services Act and Article 34-ter of Regulation No. 11971.

Furthermore, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree that any offer, sale or delivery of the Covered Bonds or distribution of copies of the Prospectus or any other document relating to the Covered Bonds in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB

Regulation No. 16190 of October 29, 2007 (as amended from time to time) and Legislative Decree No. 385 of September 1, 1993, as amended (the **Italian Banking Act**); and

- (ii) in compliance with Article 129 of the Italian Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

12. Singapore

Each Dealer acknowledges that the Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Covered Bonds will be offered pursuant to exemptions under the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA). Accordingly, the Covered Bonds may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Covered Bonds be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Covered Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Covered Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or

- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Unless otherwise stated in the applicable Final Terms or Pricing Supplement in respect of any Covered Bonds, all Covered Bonds issued or to be issued under the Program shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

13. Sweden

The Prospectus is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (*lag en (1991:980) om handel med finansiella instrument*). Neither the Swedish Financial Supervisory Authority nor any other Swedish public body has examined, approved or registered the Prospectus.

14. Switzerland

The Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Covered Bonds described therein. The Covered Bonds may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange Ltd. or on any other exchange or regulated trading facility in Switzerland.

Neither the Prospectus, any amendments, supplements, Final Terms thereto nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd or any other exchange or regulated trading facility in Switzerland.

Neither the Prospectus, any amendments, supplements, Final Terms thereto nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus in accordance with article 35 or article 45 of the Swiss Financial Services Act in its version dated 15 June 2018 to be expected to enter into force as of 1 January 2020 (the "FinSA"). The Prospectus is not and will not be reviewed and approved by a reviewing body for prospectuses (Prüfstelle) as such term is understood pursuant to article 52 FinSA.

Neither the Prospectus, any amendments, supplements, Final Terms thereto nor any other offering or marketing material relating to the Covered Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

15. The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that any Covered Bonds will only be offered in the Netherlands to Qualified Investors (as defined in the Prospectus Directive), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

16. General

Each Dealer agrees and each further Dealer appointed under the Program will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantor or any of the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other restrictions as the Issuer and the relevant Dealer(s) shall agree as a term of issue and purchase as indicated in the applicable Final Terms Document or Pricing Supplement (as the case may be).

APPENDIX 3

FORMS OF DEALER ACCESSION LETTERS AND CONFIRMATION LETTERS

PART 1

FORM OF DEALER ACCESSION LETTER – PROGRAM

[Date]

To: Bank of Montreal

[●]

(the Issuer)

Attention: [●]

Dear Sirs/Mesdames,

**Bank of Montreal
Global Covered Bond Program**

We refer to the Third Amended and Restated Dealership Agreement dated July 9, 2019 entered into in respect of the above Global Covered Bond Program and made between the Issuer, the Guarantor and the Dealers party to it (which agreement, as further amended, supplemented or restated from time to time, is referred to as the **Dealership Agreement**).

We confirm that we are in receipt of the following documents:

- (a) a copy of the Dealership Agreement; and
- (b) a copy of current versions of all other documents delivered under Appendix 1 to the Dealership Agreement as we have requested,

and have found them to our satisfaction.¹

For the purposes of the Dealership Agreement our notice details are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the appointment by the Issuer and the Guarantor of us as a Dealer under the Dealership Agreement we undertake, for the benefit of the Issuer, the Guarantor and each of the other Dealers, that we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Dealership Agreement.

Terms used in this letter have the meanings given to them in the Dealership Agreement.

¹ It is important to ensure that each original legal opinion and comfort letter permits it to be delivered to, and relied upon by, New Dealers, otherwise a side letter to this effect should be provided.

This letter is governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Yours faithfully,
[*Name of New Dealer*]

By:

cc: Computershare Trust Company of Canada as Bond Trustee
 The Bank of New York Mellon, London Branch as Issuing and Paying Agent
 The Dealers

PART 2

FORM OF CONFIRMATION LETTER – PROGRAM

[Date]

To: [Name and address of New Dealer]

Dear Sirs/Mesdames,

**Bank of Montreal
Global Covered Bond Program**

We refer to the Third Amended and Restated Dealership Agreement dated July 9, 2019 (which agreement, as further amended, supplemented or restated from time to time, is referred to as the **Dealership Agreement**) entered into in respect of the above Global Covered Bond Program and acknowledge receipt of your Dealer Accession Letter to us dated [specify].

We confirm that, with effect from today's date, you shall become a Dealer under the Dealership Agreement in accordance with Clause 12(b) of the Dealership Agreement.

Yours faithfully,

Bank of Montreal

By:

cc: Computershare Trust Company of Canada as Bond Trustee
The Bank of New York Mellon, London Branch as Issuing and Paying Agent
The Dealers

PART 3

FORM OF DEALER ACCESSION LETTER – COVERED BOND ISSUE

[Date]

To: Bank of Montreal
(the **Issuer**)

Dear Sirs/Mesdames,

Bank of Montreal
[*Description of issue*]
(the **Covered Bonds**)

We refer to the Third Amended and Restated Dealership Agreement dated July 9, 2019 and made between the Issuer, the Guarantor and the Dealers party to it (which agreement, as further amended, supplemented or restated from time to time, is referred to as the **Dealership Agreement**).

We confirm that we are in receipt of the following documents:

- (a) a copy of the Dealership Agreement; and
- (b) a copy of current versions of all other documents delivered under Appendix 1 of the Dealership Agreement as we have requested,

and have found them to our satisfaction.¹

For the purposes of the Dealership Agreement our notice details are as follows:

[*insert name, address, telephone, facsimile, telex (+ answerback) and attention*].

In consideration of the appointment by the Issuer and the Guarantor of us as a Dealer under the Dealership Agreement in respect of the issue of the Covered Bonds we undertake, for the benefit of the Issuer, the Guarantor and each of the other Dealers, that, in relation to the issue of the Covered Bonds, we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Dealership Agreement.

Terms used in this letter have the meanings given to them in the Dealership Agreement.

This letter is governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

¹ It is important to ensure that each original legal opinion and comfort letter permits it to be delivered to, and relied upon by, New Dealers, otherwise a side letter to this effect should be provided.

Yours faithfully,

[Name of New Dealer]

By:

cc: Computershare Trust Company of Canada as Bond Trustee
 The Bank of New York Mellon, London Branch as Issuing and Paying Agent

PART 4

FORM OF CONFIRMATION LETTER – COVERED BOND ISSUE

[Date]

To: [Name and address of New Dealer]

Dear Sirs/Mesdames,

Bank of Montreal
[Description of issue]
(the **Covered Bonds**)

We refer to the Third Amended and Restated Dealership Agreement dated July 9, 2019 (which agreement, as further amended, supplemented or restated from time to time, is referred to as the **Dealership Agreement**) and acknowledge receipt of your Dealer Accession Letter to us dated [specify].

We confirm that, with effect from today's date, in respect of the issue of the Covered Bonds, you shall become a Dealer under the Dealership Agreement in accordance with Clause 12(b) of the Dealership Agreement.

Yours faithfully,

Bank of Montreal

By:

cc: Computershare Trust Company of Canada as Bond Trustee
The Bank of New York Mellon, London Branch as Issuing and Paying Agent

APPENDIX 4

FORMS OF SELLER ACCESSION LETTER AND SELLER CONFIRMATION LETTER

PART 1

FORM OF SELLER ACCESSION LETTER

[Date]

To: Bank of Montreal
(the **Issuer**)

[BMO Covered Bond Guarantor Limited Partnership]
(the **Guarantor**)

Dear Sirs/Mesdames,

**Bank of Montreal
Global Covered Bond Program**

We refer to the Third Amended and Restated Dealership Agreement dated July 9, 2019 entered into in respect of the above Global Covered Bond Program and made between the Issuer, the Guarantor and the Dealers party to it (which agreement, as amended, supplemented or restated from time to time, is referred to as the **Dealership Agreement**).

We confirm that we are in receipt of the following documents:

- (a) a copy of the Dealership Agreement;
- (b) a copy of the proposed New Mortgage Sale Agreement;
- (c) a copy of all other documents that the Bond Trustee, the Guarantor and/or the Cash Manager has required us to enter into in order to accede to the Program; and
- (d) a copy of current versions of all other documents delivered under Appendix 1 to the Dealership Agreement as we have requested,

and have found them to our satisfaction.

We have enclosed a copy of the New Mortgage Sale Agreement, which has been executed by us, along with a copy of each of the other documents referenced in paragraph (c) above executed as required.

We confirm that all of the conditions precedent to our appointment as Seller, as set out in Clause 13 of the Dealership Agreement and Clause [●] of the New Mortgage Sale Agreement have been satisfied.

For the purposes of the Dealership Agreement our notice details are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the appointment by the Issuer and/or the Guarantor of us as a Seller under the Dealership Agreement we undertake, for the benefit of the Issuer, the Guarantor, the existing Sellers and the Dealers, that we will perform and comply with all the duties and obligations expressed to be assumed by the Seller under the Dealership Agreement.

Terms used in this letter have the meanings given to them in the Dealership Agreement.

This letter is governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Yours faithfully,

[Name of New Seller]

By:

cc: Computershare Trust Company of Canada as Bond Trustee
 The Bank of New York Mellon, London Branch as Issuing and Paying Agent
 The Dealers
 Other Sellers

PART 2

FORM OF SELLER CONFIRMATION LETTER

[Date]

To: *[Name and address of New Seller]*

Dear Sirs/Mesdames,

**Bank of Montreal
Global Covered Bond Program**

We refer to the Third Amended and Restated Dealership Agreement dated July 9, 2019 (which agreement, as amended, supplemented or restated from time to time, is referred to as the **Dealership Agreement**) entered into in respect of the above Global Covered Bond Program and acknowledge receipt of your Seller Accession Letter to us dated [specify].

We confirm that, with effect from today's date, you shall become a Seller under the Dealership Agreement in accordance with Clause 13(b) of the Dealership Agreement.

Yours faithfully,

Bank of Montreal

By:

cc: Computershare Trust Company of Canada as Bond Trustee
 The Bank of New York Mellon, London Branch as Issuing and Paying Agent
 The Dealers
 Other Sellers

APPENDIX 5

LETTER REGARDING INCREASE IN THE NOMINAL AMOUNT OF THE PROGRAM

[Date]

To: The Dealers
(as those expressions are defined in the
Third Amended and Restated Dealership Agreement dated July 9, 2019 and,
As further amended, supplemented or restated from
time to time (the **Dealership Agreement**))

Dear Sirs/Mesdames,

Bank of Montreal Global Covered Bond Program

We require, pursuant to Clause 14(a) of the Dealership Agreement, that the aggregate nominal amount of the above Program be increased to €[specify] from [specify date] whereupon (but subject as provided in the next paragraph) all references in the Transaction Documents will be deemed amended accordingly.

We understand that this increase is subject to the satisfaction of the condition set out in Clause 14 of the Dealership Agreement, namely that each Dealer shall have received and found satisfactory all the documents and confirmations described in Part 2 of the Initial Documentation List (with such changes as may be relevant with reference to the circumstances at the time of the proposed increase, as are agreed between the Issuer, the Guarantor and the Dealers) and the satisfaction of any further conditions precedent that any of the Dealers may reasonably require.

You must notify the Arrangers and ourselves within seven days of receipt by you of those documents and confirmations and, if applicable, further conditions precedent if you consider (in your reasonable opinion) that any of them are unsatisfactory and, in the absence of such notification, you will be deemed to consider such documents and confirmations to be satisfactory and such further conditions precedent to be satisfied.

Terms used in this letter have the meanings given to them in the Dealership Agreement.

Yours faithfully,

Bank of Montreal

By:

cc: Computershare Trust Company of Canada as Bond Trustee
The Bank of New York Mellon, London Branch as Issuing and Paying Agent

APPENDIX 6

FORM OF SUBSCRIPTION AGREEMENT

Bank of Montreal

[*DESCRIPTION OF ISSUE*]

[*DATE*]

To: [*Names of Managers*]
(the **Managers**)

c/o [*Name of Lead Managers*]
(the **Lead Managers**)

cc: Computershare Trust Company of Canada as Bond Trustee
The Bank of New York Mellon, London Branch as Issuing and Paying Agent

Dear Sirs/Mesdames,

Bank of Montreal (the Issuer) proposes to issue [*DESCRIPTION OF ISSUE*] (the **Covered Bonds**) under the U.S.\$30 billion Global Covered Bond Program established by it. The Covered Bonds will be unconditionally and irrevocably guaranteed as to payments of interest and principal by BMO Covered Bond Guarantor (the **Guarantor**). The terms of the issue shall be as set out in the form of Final Terms Document or Pricing Supplement (as the case may be) attached to this Agreement as.

This Agreement is supplemental to the Third Amended and Restated Dealership Agreement (the **Dealership Agreement**) dated July 9, 2019 made between the Issuer, the Guarantor and the Dealers party thereto. All terms with initial capitals used herein without definition have the meanings given to them in the Dealership Agreement.

We wish to record the arrangements agreed between us in relation to the issue:

1. This Agreement appoints each Manager which is not a party to the Dealership Agreement (each a **New Dealer**) as a New Dealer in accordance with the provisions of Clause 12 of the Dealership Agreement for the purposes of the issue of the Covered Bonds. Each New Dealer confirms that it is in receipt of the documents referenced below:
 - (a) a copy of the Dealership Agreement; and
 - (b) a copy of such of the documents delivered under Appendix 1 of the Dealership Agreement as it has requested and finds the same to be satisfactory or (in the case of any or all of such documents) has waived such delivery.

For the purposes of the Dealership Agreement the details of the Managers for service of notices are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the Issuer appointing each New Dealer as a Dealer in respect of the Covered Bonds under the Dealership Agreement, each New Dealer hereby undertakes, for the benefit of the Issuer, the Guarantor, each Manager and the Dealers, that, in relation to the issue of the Covered Bonds, it will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Dealership Agreement. The Issuer and the Guarantor confirm that each New Dealer shall be vested with all authority, rights, powers, duties and obligations of a Dealer in relation to the issue of the Covered Bonds as if originally named as a Dealer under the Dealership Agreement provided that following the Issue Date of the Covered Bonds each New Dealer shall have no further such authority, rights, powers, duties or obligations except for any which have accrued or been incurred prior to, or in connection with, the issue of the Covered Bonds.

2. Subject to the terms and conditions of the Dealership Agreement and this Agreement the Issuer agrees to issue the Covered Bonds and the Managers [severally and not jointly] agree to purchase the Covered Bonds at a price of [*specify*] per cent. of the principal amount of the Covered Bonds (the **Purchase Price**), being the issue price of [*specify*] per cent. less a selling commission of [*specify*] per cent. of such principal amount and a combined underwriting commission of [*specify*] per cent. of such principal amount.
3. For the purposes of this Agreement:
 - (a) the sum payable on the Issue Date shall be [currency], representing the Purchase Price less any amount payable in respect of Managers' expenses as provided in the agreement referred to in Clause 4 of this Agreement;
 - (b) **Issue Date** means [*specify*] a.m. ([*specify*] time) on [*specify*] or such other time and/or date as the Issuer and the Lead Managers on behalf of the Managers may agree;
 - (c) **[Time of Sale** means ([*specify*] time) of [*specify*], the first time that sales of the Covered Bonds are made by the Managers;]²
 - (d) **Marketing Materials** mean [*specify*]; and
 - (e) **Payment Instruction Date** means the Issue Date unless there is to be a pre-closing for the issue in which case it means the business day (being a day on which banks and foreign exchange markets are open for general business in London) prior to the Issue Date.
4. The arrangements in relation to expenses have been separately agreed between the Issuer and the Lead Managers or the Arrangers.
5. The obligation of the Managers to purchase the Covered Bonds is conditional upon:
 - (a) the conditions set out in Clause 3.2 (other than that set out in Clause 3.2(f)) of the Dealership Agreement being satisfied as of the Payment Instruction Date and without prejudice to the aforesaid, the Prospectus dated [*specify*][, as supplemented by [],] containing all material

² To be included in connection with the issuance of Rule 144A Covered Bonds

information relating to the financial position and profits and losses of the Issuer and the Guarantor and nothing having happened which would require the Prospectus [, as so supplemented,] to be [further] supplemented or updated;

- (b) the delivery to the Lead Managers on the Payment Instruction Date of:
- (i) a certificate dated the Payment Instruction Date signed by a duly authorised officer of the Issuer and a certificate dated the Payment Instruction Date signed by a duly authorised officer of the Guarantor giving confirmation of the conditions described in Clause 5(a);
 - (ii) receipt of notification from Fitch, Moody's, S&P and/or DBRS (as applicable) that the ratings for the Covered Bonds described in the relevant Final Terms Document or Pricing Supplement (as the case may be) have been assigned either without conditions or subject only to the execution and delivery on or before the Issue Date of the agreements contemplated herein;
 - (iii) (i) a solvency certificate, dated the Issue Date, of a duly authorised officer of the Issuer in the agreed form; and (ii) a solvency certificate dated the Issue Date of a duly authorised officer of the Seller in the agreed form, in each case addressed to the Managers with a copy to the Bond Trustee;
 - (iv) legal opinions addressed to the Managers dated the Payment Instruction Date in such form and with such contents as the Lead Managers, on behalf of the Managers, may reasonably require from Allen & Overy LLP as to English law and United States law, from Mayer Brown LLP and Mayer Brown International LLP as to United States and English law, respectively, in certain cases and from Osler, Hoskin Harcourt LLP as to Canadian law; and
 - (v) comfort letters dated the date hereof and the Payment Instruction Date from the independent auditors of the Issuer in such form and with such content as the Managers may reasonably request; and
- (c) satisfaction of such other conditions precedent as the Lead Managers (on behalf of the Managers) and the Issuer may agree from time to time.

If any of the foregoing conditions is not satisfied on or before the Payment Instruction Date, this Agreement shall terminate on that date and the parties to this Agreement shall be under no further liability arising out of this Agreement (except for any liability of the Issuer in relation to expenses as provided in the agreement referred to in Clause 4 and except for any liability arising before or in relation to termination), provided that the Lead Managers, on behalf of the Managers, may in its discretion waive any of the aforesaid conditions or any part of them.

6. [In relation to any several and not joint underwriting commitment, if one or more of the Managers shall fail at the Issue Date to purchase the Rule 144A Covered Bonds which it is or they are obligated to purchase under this Subscription Agreement (the **Defaulted Rule 144A Covered Bonds**), then the non-defaulting Managers shall have the right within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Managers, or any other securities brokers or dealers, to purchase, or procure purchasers for, all, but not less than all, of the Defaulted Rule 144A Covered Bonds in such

amounts as may be agreed upon and upon the terms herein set forth; provided, however, that if such arrangements shall not have been completed within such 24-hour period, then:

- (a) if the aggregate principal amount of Defaulted Rule 144A Covered Bonds does not exceed 10% of the aggregate principal amount of Rule 144A Covered Bonds which the Managers are obligated to purchase at the Issue Date, the non-defaulting Managers shall be obligated to purchase the full amount thereof in the proportions that their respective initial purchase obligations relating to all such Rule 144A Covered Bonds bear to the purchase obligations of all non-defaulting Managers; or
- (b) if the aggregate principal amount of Defaulted Rule 144A Covered Bonds exceeds 10% of the aggregate principal amount of Rule 144A Covered Bonds which the Managers are obligated to purchase or procure purchasers for at the Issue Date, each Subscription Agreement relating to such Rule 144A Covered Bonds shall terminate without liability on the part of any non-defaulting Manager.

No action taken pursuant to this Section 6 shall relieve any defaulting Manager from liability in respect of its default.

In the event of any such default which does not result in a termination of the relevant Subscription Agreement, either the Managers or the Issuer shall have the right to postpone the Issue Date for a period not exceeding seven days in order to effect any required changes in the Base Prospectus or the Final Terms Document or in any other documents or arrangements.]³

- 7. The Lead Managers, on behalf of the Managers, may, by notice to the Issuer and the Guarantor, terminate this Agreement at any time prior to payment of the net purchase money to the Issuer if in the professional opinion of the Lead Managers (after consultation with the Issuer and the Guarantor where practicable) there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the offering or sale of Covered Bonds and, upon notice being given, the parties to this Agreement shall (except for any liability of the Issuer or failing the Issuer, the Guarantor in relation to expenses as provided in the agreement referred to in Clause 4 of this Agreement and except for any liability arising before or in relation to termination) be released and discharged from their respective obligations under this Agreement.
- 8. The Issuer and the Guarantor authorise each of the Managers on behalf of the Issuer and the Guarantor to provide copies of, and make oral statements consistent with, the Prospectus and the Final Terms Document or Pricing Supplement (as the case may be) and, where applicable, the Disclosure Package and such additional written information as the Issuer and/or the Guarantor shall provide to the Managers for the purposes of the Marketing Materials or approve in writing for the Managers to use to actual and potential purchasers of Covered Bonds and confirm that they have given such authorisation to the Managers prior to the date of this Agreement.
- 9. [The Managers agree as between themselves that they will be bound by and will comply with the International Capital Market Association Standard Form Agreement Among Managers Version 1 (the **Agreement Among Managers**) with respect to the Notes and further agree that references in the Agreement Among Managers to the Lead Managers shall mean the Managers.]⁴

³ To be included in connection with the issuance of Rule 144A Covered Bonds

⁴ To be included on a Regulation S offering if an invitation telex is not being used and if required by the relevant Dealers

10. [The Issuer confirms the appointment of [●] as the central point responsible for adequate public disclosure of information, and handling any request from a competent authority, in accordance with Article 6(5) of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.]⁵
11. [Solely for the purposes of the requirements of Article 9(8) of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **Product Governance Rules**) regarding the mutual responsibilities of manufacturers under the Product Governance Rules, [each of the Joint Lead Managers] (each, a **Manufacturer** and together, the **Manufacturers**) acknowledges to each other Manufacturer that it understands the responsibilities conferred upon it under the Product Governance Rules relating to each of the product approval process, the target market and the proposed distribution channels as applying to the Covered Bonds and the related information set out in the Final Terms Document/Pricing Supplement/announcements in connection with the Covered Bonds. [The Co-Lead Managers, the Issuer and the Guarantor] note the application of the Product Governance Rules and acknowledge the target market and distribution channels identified as applying to the Covered Bonds by the Manufacturers and the related information set out in the Final Terms Document/Pricing Supplement/announcements in connection with the Covered Bonds.]⁶
12. [Representations and warranties as given in paragraph 4(a)(xxiv) and 4(a)(xxv) of the Dealership Agreement shall not be given to (i) any of the Managers incorporated in or organized under the laws of the Federal Republic of Germany insofar as this would lead to and/or result in a breach of article 7 AWV (German Foreign Trade Ordinance), EU Regulation (EC) 2271/96 (as amended from time to time) or any similar applicable anti-boycott law or regulation and (ii) any of the Managers (other than as referred to in subparagraph (i) above), in so far as this would lead to and/or result in a violation of, or conflict with, any provision of EU Regulation (EC) 2271/96 (as amended from time to time) or any similar applicable anti-boycott law or regulation.]⁷
13. Clause 7 of the Dealership Agreement shall apply to this Agreement as if set out in full herein.
14. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.
15. This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

Please confirm that this letter correctly sets out the arrangements agreed between us.

⁵ To be included if Dealers confirm that stabilisation is to be conducted in accordance with the safe harbour set out in Article 5 of the Market Abuse Regulation and Delegated Regulation (EU) 2016/1052

⁶ To be amended to reflect the position of parties on each particular issue.

⁷ To be included on particular trades if required by German Dealers or Dealers incorporated in the EU.

Yours faithfully,

SIGNED by
BANK OF MONTREAL)
)

SIGNED by)
BMO COVERED BOND GUARANTOR)
LIMITED PARTNERSHIP)
)

We confirm that this letter correctly sets out the arrangements agreed between us.

For: *[NAMES OF MANAGERS]*

By:

APPENDIX 7

OPERATING AND PROCEDURES MEMO

**OPERATING & ADMINISTRATIVE
PROCEDURES MEMORANDUM**

DATED [●]

**BANK OF MONTREAL
(a Canadian chartered Bank)**

U.S.\$30,000,000,000

Global Registered Covered Bond Program

**unconditionally and irrevocably guaranteed as to payments of interest and principal by
BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP
(a limited partnership established under the laws of the Province of Ontario)**

The aggregate nominal amount of all Covered Bonds outstanding at any time will not, subject as provided below, exceed U.S.\$30,000,000,000 or its equivalent in other currencies at the time of agreement to issue. The Dealership Agreement provides for the increase in the nominal amount of Covered Bonds that may be issued under the Program. In that event, this Procedures Memorandum shall apply to the Program as increased.

The documentation of the Program provides for the issue of Covered Bonds denominated in any currency or currencies as may be agreed between the Issuer, the Guarantor and the relevant Dealer or Lead Manager and being any of:

- Fixed Rate Covered Bonds
- Floating Rate Covered Bonds
- Zero Coupon Covered Bonds
- other forms of Covered Bonds agreed between the relevant Dealer or Lead Manager, the Issuer and the Guarantor.

Exempt Covered Bonds means Covered Bonds which are neither to be admitted to trading on a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC, as amended) in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**).

All terms with initial capitals used herein without definition shall have the meanings given to them in the Prospectus dated April 22, 2014 as supplemented or replaced from time to time (the **Prospectus**) or, as the case may be, the Third Amended and Restated Dealership Agreement dated July 9, 2019 between the Issuer, the Guarantor and the Dealers named in it as amended, supplemented, novated or restated from time to time (the **Dealership Agreement**) under which the Issuer may issue Covered Bonds.

As used herein, in relation to any Covered Bonds which are to have a "listing" or be "listed" (i) on the London Stock Exchange, **listing** and **listed** shall be construed to mean that such Covered Bonds have been admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market and (ii) on any other Stock Exchange within the European Economic Area, **listing** and **listed** shall be construed to mean that the Covered Bonds have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (as amended, **MiFID**). For the avoidance of doubt, Exempt Covered Bonds may not be listed on a regulated market as defined in MiFID.

This Procedures Memorandum applies to Covered Bonds issued on and after [●] 2018. The procedures set out in Annex 1 may be varied by agreement between the Issuer, the Guarantor, the Agent and the relevant Dealer or the Lead Manager, as the case may be, including to take account of any standardised procedures published by Clearstream, Luxembourg and/or Euroclear (together, the **ICSDs**), and/or the International Capital Markets Services Association and/or the International Capital Market Association. The timings set out in these procedures represent optimum timings to ensure a smooth settlement process. Each of the ICSDs has its own published deadlines for taking certain of the actions described herein (which may be later than the timings described herein). The Issuer, the Guarantor, the Agent, the relevant Dealer or the Lead Manager, as the case may be, the Common Depositary, or Common Service Provider and Common Safekeeper, as the case may be, may agree to vary the timings described herein subject to compliance with such deadlines.

OPERATING PROCEDURES

Dealers must confirm all trades directly with the Issuer, the Guarantor and the Agent. By not later than (i) with respect to Covered Bonds clearing through Euroclear and/or Clearstream, Luxembourg, 12pm (London time) on the London Business Day preceding each proposed Issue Date, and (ii) with respect to Covered Bonds clearing through DTC, [12pm (New York time) on the New York Business Day preceding each proposed Issue Date], the Issuer shall deliver or cause to be delivered to the Bond Trustee a copy of the applicable Final Terms Document or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement and drafts of all legal opinions to be given in relation to the relevant issue.

1. RESPONSIBILITIES OF THE AGENT

The Agent will, in addition to the responsibilities in relation to settlement described in Annex 1, be responsible for the following:

- (a) only in the case the Agent is also appointed as the relevant Listing Agent, in the case of Covered Bonds which are to be listed on a Stock Exchange, distributing to the Stock Exchange and any other relevant authority the number of copies of the applicable Final Terms Document or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement required by the Stock Exchange and such other relevant authority upon instruction from the Issuer;
- (b) only in the case the Agent is also appointed as the relevant Listing Agent, in the case of Covered Bonds which are to be listed on a Stock Exchange, immediately notifying the Issuer and the relevant Dealer if at any time the Agent is notified by the Listing Agent (if there is one) or the Stock Exchange that the listing of a Tranche of Covered Bonds has been refused or otherwise will not take place (but it is noted that listing is the responsibility of the Issuer); and
- (c) determining the end of the Distribution Compliance Period in respect of a Tranche in accordance with the Agency Agreement. The Agent shall upon determining the end of the Distribution Compliance Period in respect of any Tranche notify the Issuer, the Guarantor the Bond Trustee, the ICSDs, DTC and the relevant Dealer or Lead Manager, as the case may be.

2. RESPONSIBILITIES OF EACH DEALER/LEAD MANAGER

- (a) Each Dealer/Lead Manager will confirm the terms of a Tranche and agree with the Issuer and the Guarantor Final Terms Document (substantially in the form of Annex 3 Part 1 in respect of each Tranche of Covered Bonds issued with a denomination of at least Euro 100,000 (or its equivalent in another currency)) or in respect of each Tranche of Exempt Covered Bonds, the Pricing Supplement (substantially in the form of Annex 3 Part 2 giving details of each Tranche of Covered Bonds to be issued.
- (b) In the case of an issue closed on a non-syndicated basis, each Dealer which agrees to purchase Covered Bonds from the Issuer will be responsible for notifying the Agent upon completion of the distribution of the Covered Bonds of each Tranche purchased by that Dealer. In the case of an issue of Covered Bonds closed on a syndicated basis, the Lead Manager will be responsible for notifying the Agent upon completion of the distribution of the Covered Bonds of such issue.

3. SETTLEMENT

The settlement procedures set out in Annex 1 shall apply to each issue of Covered Bonds (Part 1 in the case of issues closed on a non-syndicated basis and, Part 2 in the case of issues closed on a syndicated basis, in each case whether or not subscribed under a Subscription Agreement), unless otherwise agreed between the Issuer, the Guarantor, the Agent and the relevant Dealer or the Lead Manager, as the case may be. With issues of Covered Bonds to be listed on a Stock Exchange other than the London Stock Exchange more time may be required to comply with the relevant Stock Exchange's or any other relevant authority's listing requirements.

A Trading Desk and Administrative Contact List is set out in Annex 4.

ANNEX 1

[]

PART 1

SETTLEMENT PROCEDURES FOR ISSUES CLOSED ON A NON-SYNDICATED BASIS

The procedures set out below in this Part 1 and in Part 2 have been discussed and agreed by the ICSDs, representatives of ICMA and representatives of ICMSA. It is recommended that these procedures are adopted without material amendment to facilitate standardisation in the market and a smooth closing procedure.

Times set out below are London times (for Covered Bonds clearing through Clearstream and/or Euroclear, Luxembourg) and New York times (for Covered Bonds clearing through DTC) and represent the latest time for taking the action concerned. It is recommended that where possible the action concerned is taken in advance of these times.

Day	London/ New York time	Action
No later than Issue Date minus 6	Agreed time	In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, the Issuer executes a DTC Blanket Letter of Representation (to the extent not yet filed with the DTC), a Rule 144A Rider to the DTC Blanket Letter of Representation (in the case of Rule 144A Global Notes to be registered in the name of a nominee for DTC) and a Regulation S Rider to the DTC Blanket Letter of Representation (in the case of Regulation S Global Notes to be registered in the name of a nominee for DTC). Originals bearing an ink signature to be delivered to the DTC on Issue Date minus 1.
No later than Issue Date minus 3	2pm	<p>The Issuer and the Guarantor may agree terms with one or more of the Dealers for the issue and purchase of Covered Bonds (whether pursuant to an unsolicited bid from a Dealer or pursuant to an enquiry by the Issuer or Guarantor). The relevant Dealer obtains a common code and ISIN or, if relevant, a temporary common code and ISIN for the Covered Bonds from one of the ICSDs or, in the case of Covered Bonds cleared through DTC, a CUSIP.</p> <p>In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, the relevant Dealer notifies DTC of the participation accounts to be credited with interests in the Registered Global Note(s) to be issued.</p>
Issue Date minus 3	5pm	In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, where the Specified Currency of the relevant Notes is U.S. dollars, the relevant Dealer instructs DTC,

Day	London/ New York time	Action
		subject to further instructions, on the Issue Date, to debit its account, or such account as it directs, and pay the purchase price for those Notes to the Issuer's account with a closing bank agreed between the Issuer and the relevant Dealer (the Closing Bank) notified to DTC by the relevant Dealer for such purpose.
		In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, where the relevant Notes are denominated in a Specified Currency other than U.S. dollars, the relevant Dealer instructs its paying bank to pay the purchase price for those Notes to the account of the Issuer with the Closing Bank for value on the Issue Date.
Issue Date minus 2	5pm	If a Dealer has reached agreement with the Issuer and/or the Guarantor by telephone, the Dealer confirms the terms of the agreement to the Issuer and the Guarantor by electronic communication (substantially in the form set out in Annex 2) attaching a copy of the applicable Final Terms Document (substantially in the form set out in Annex 3 Part 1 or in the case of Exempt Covered Bonds, the applicable Pricing Supplement (substantially in the form set out in Annex 3 Part 2) as the case may be). The Dealer sends a copy of that electronic communication to the Agent for information.
		The Issuer and the Guarantor each confirms its agreement to the terms on which the issue of Covered Bonds is to be made (including the form of the Final Terms Document or Pricing Supplement, as the case may be) by signing and returning a copy of the Final Terms Document or Pricing Supplement, as the case may be, to the relevant Dealer and the Agent. In relation to Covered Bonds other than Exempt Covered Bonds, the Issuer should also sign and return to the Agent a confirmation stating whether the Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility. The Issuer also sends a copy of the signed Final Terms Document or the signed Pricing Supplement, as the case may be, to the Bond Trustee. The details set out in the signed Final Terms Document or the signed Pricing Supplement, as the case may be, shall be conclusive evidence of the agreement (save in the case of manifest error) and shall be binding on the parties accordingly. The Issuer also confirms its instructions to the Agent (including, in the case of Floating Rate Covered Bonds, for the purposes of rate fixing) to carry out the duties to be carried out by the Agent under these Settlement Procedures and the Agency Agreement including preparing and authenticating either (a) a Temporary Global Covered Bond for the Tranche of Covered

Day	London/ New York time	Action
		<p>Bonds which is to be purchased and, in the case of the first Tranche of a Series, where the applicable Final Terms Document or the applicable Pricing Supplement, as the case may be, do not specify that the Temporary Global Covered Bond is to be exchangeable only for Covered Bonds in definitive form, a Permanent Global Covered Bond for the Series or (b) if so specified in the applicable Final Terms Document or the applicable Pricing Supplement, as the case may be, a Permanent Global Covered Bond, in each case giving details of the Covered Bonds.</p>
		<p>In relation to Covered Bonds other than Exempt Covered Bonds, when submitting Final Terms Document to the ICSDs, the Agent should also send the Issuer's confirmation (referred to above) stating whether the Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility.</p> <p>In the case of Floating Rate Covered Bonds, the Agent notifies the ICSDs and/or DTC, the Issuer, the Guarantor (if applicable) the relevant Stock Exchange and any other relevant authority and the relevant Dealer of the Rate of Interest for the first Interest Period (if already determined). Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.</p>
No later than Issue Date minus 1	2pm	<p>In the case of Covered Bonds which are to be listed on a Stock Exchange or publicly offered in a European Economic Area Member State, the Agent (but only where it is also appointed as the relevant Listing Agent) or the Issuer also notifies the Stock Exchange and/or any other relevant authority, as the case may be, by electronic communication or by hand of the details of the Covered Bonds to be issued by sending the Final Terms Document to the Stock Exchange and/or any other relevant authority, as the case may be, upon the Agent (where it is also appointed as the relevant Listing Agent) receiving such instruction from the Issuer.</p>
Issue Date minus 1	<p>10am (for prior day currencies)</p> <p>12.00 noon (for other currencies)</p>	<p>The relevant Dealer and the Agent give settlement instructions to the relevant ICSD(s), to effect the payment of the purchase price, against delivery of the Covered Bonds, to the Agent's account with the relevant ICSD(s) on the Issue Date.</p> <p>The parties (which for this purpose shall include the Agent) may agree to arrange for "free delivery" to be made through the relevant ICSD(s) if specified in the applicable Final Terms Document or the applicable Pricing Supplement, as the case may be, in which case these Settlement Procedures will be amended accordingly.</p>

Day	London/ New York time	Action
Issue Date minus 1	ICSD deadlines for the relevant currency	For prior day currencies, the Dealer instructs the relevant ICSD(s) to debit its account and pay for value on the Issue Date the aggregate purchase monies received by it to the account of the Agent previously notified to the Dealer for this purpose.
Issue Date minus 1	12.00 noon	In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, the Issuer delivers a signed DTC Blanket Letter of Representation (to the extent not yet filed with the DTC), a Rule 144A Rider to the DTC Blanket Letter of Representation (in the case of Rule 144A Global Notes to be registered in the name of a nominee for DTC) and a Regulation S Rider to the DTC Blanket Letter of Representation (in the case of Regulation S Global Notes to be registered in the name of a nominee for DTC), in each case in the original bearing an ink signature, to the Underwriting Department of the DTC
Issue Date minus 1	3pm	<p>The Issuer prepares and the Agent authenticates a Global Covered Bond for each Tranche of Covered Bonds which is to be purchased and, where required as specified above, a Permanent Global Covered Bond in respect of the relevant Series, in each case attaching the applicable Final Terms Document or in the case of Exempt Covered Bonds, the applicable Pricing Supplement.</p> <p>Each Registered Global Covered Bond registered in the name of the nominee for DTC is then delivered by the Agent to a custodian for DTC to credit the principal amount of the relevant Tranche of Covered Bonds to be appropriate participants' accounts of DTC previously notified by the Dealers; and each Global Covered Bond which is a CGCB is then delivered by the Agent to the Common Depository. Each Global Covered Bond which is an NGCB is then delivered by the Agent to the Common Safekeeper, together (if applicable) with an effectuation instruction. In the event that the Common Service Provider and the Common Safekeeper are not the same entity, the Agent should also deliver the applicable Final Terms Document or the applicable Pricing Supplement, as the case may be, to the Common Service Provider.</p> <p>For securities in NGCB form, the Agent then instructs the mark up of the issue outstanding amount of the Global Covered Bond to the ICSDs through the Common Service Provider.</p>
Issue Date minus 1	5pm	The conditions precedent in the Dealership Agreement are satisfied and/or waived.

Day	London/ New York time	Action
		In the case of each Global Covered Bond which is an NGCB, the Common Safekeeper confirms deposit and effectuation (if applicable) of the Global Covered Bond to the Agent, the Common Service Provider and the ICSDs.
Issue Date minus 1	6pm	<p>In the case of each Global Covered Bond which is a CGCB, the Common Depository confirms deposit of the Global Covered Bond to the Agent and the ICSDs.</p> <p>In the case of each Global Covered Bond which is an NGCB, the Common Service Provider relays the Agent's instruction to mark up the issue outstanding amount of the Global Covered Bond to the ICSDs.</p>
Issue Date	According to ICSD/DTC settlement procedures	<p>The relevant Dealer instructs DTC to credit the interests in any Registered Global Note(s) registered in the name of a nominee for DTC to such accounts as the relevant Dealer has previously notified to DTC.</p> <p>The ICSDs debit and credit accounts in accordance with instructions received from the Agent and the relevant Dealer.</p> <p>The Closing Bank receives payment for the account of the Issuer and for value on the Issue Date of the aggregate amount paid to it by DTC or, as the case may be, the relevant Dealer through its paying bank in respect of any Registered Global Notes registered in the name of a nominee for DTC.</p>
Issue Date	ICSD deadlines for the relevant currency	For non-prior day currencies, the Agent instructs payment for value on the Issue Date the aggregate purchase moneys received by it to the account of the Issuer previously notified to the Agent for the purpose.
Issue Date	5pm	The Agent forwards a copy of the signed Final Terms Document or the signed Pricing Supplement, as the case may be, to each ICSD.
On or subsequent to the Issue Date		<p>The Agent notifies the Issuer and the Guarantor immediately in the event that a Dealer does not pay the purchase price due from it in respect of a Note.</p> <p>The Agent notifies the Issuer and the Guarantor of the issue of Covered Bonds giving details of the Global Covered Bond(s) and the nominal amount represented thereby.</p>

Day	London/ New York time	Action
		<p>The Agent (but only where it is appointed as the relevant Listing Agent) or the Issuer notifies the issue of Covered Bonds to the relevant Stock Exchange and any other relevant authority upon the Agent (where is also appointed as the relevant Listing Agent) receiving such an instruction from the Issuer.</p> <p>The relevant Dealer promptly notifies the Agent that the distribution of the Covered Bonds purchased by it has been completed. The Agent promptly notifies the Issuer, the Guarantor, the Bond Trustee, the relevant Dealer and the ICSDs of the date of the end of the Distribution Compliance Period with respect to the relevant Tranche of Covered Bonds.</p>

PART 2

SETTLEMENT PROCEDURES FOR ISSUES CLOSED ON A SYNDICATED BASIS

The procedures set out below for the period up to and including "Issue Date minus 2" apply to all syndicated closings whatever the currency concerned. The timing of the procedures to take place thereafter varies by reference to the deadlines imposed by the Agent, the Common Depositary or, as the case may be, the Common Service Provider and the ICSDs for the particular currency concerned and it is not possible to specify all variations in this memorandum.

Accordingly, all parties should contact each other as early as possible in the process to agree the relevant settlement deadlines. In particular, the Agent, the ICSDs and the Common Depositary or, as the case may be, the Common Safekeeper and Common Service Provider should be involved in these discussions.

The procedures and timings set out below to take place on the Issue Date relate to an illustrative syndicated closing of securities denominated in euro. Whilst the procedures will apply to all syndicated closings in whatever currency, the timings will vary significantly and, in many cases, steps will need to be taken on Issue Date minus 1.

Times set out below are London times (for Covered Bonds clearing through Clearstream and/or Euroclear, Luxembourg) and New York times (for Covered Bonds clearing through DTC) and represent the latest time for taking the action concerned. It is recommended that where possible the action concerned is taken in advance of these times.

Day	London/ New York time	Action
No later than Issue Date minus 6	Agreed time	In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, the Issuer executes a DTC Blanket Letter of Representation (to the extent not yet filed with the DTC), a Rule 144A Rider to the DTC Blanket Letter of Representation (in the case of Rule 144A Global Notes to be registered in the name of a nominee for DTC) and a Regulation S Rider to the DTC Blanket Letter of Representation (in the case of Regulation S Global Notes to be registered in the name of a nominee for DTC). Originals bearing an ink signature to be delivered to the DTC on Issue Date minus 1.
No later than Issue Date minus 3	5pm	The Issuer and the Guarantor may, subject to the execution of the Subscription Agreement referred to below, agree terms with a Dealer (which expression in this Part 2 includes any entity to be appointed as a dealer under the Subscription Agreement referred to below) (the Lead Manager) for the issue and purchase of Covered Bonds to be subscribed under a Subscription Agreement (whether pursuant to an unsolicited bid by such Lead Manager or pursuant to an enquiry by the Issuer or Guarantor). The Lead Manager may invite other Dealers (new or additional) approved by the Issuer and

Day	London/ New York time	Action
		<p>the Guarantor to join an underwriting syndicate either on the basis of an invitation telex agreed between the Issuer, the Guarantor and the Lead Manager or on the terms of the Final Terms Document or Pricing Supplement, as the case may be, referred to below and the Subscription Agreement. The Lead Manager and any such Dealers are together referred to as the Managers.</p>
		<p>The Issuer, the Guarantor and the Lead Manager agree a form of Final Terms Document (in substantially the form of Annex 3 Part 1 or in respect of each Tranche of Exempt Covered Bonds, a form of Pricing Supplement (in substantially the form of Annex 3 Part 2 or in the form as attached to the relevant Subscription Agreement as the case may be) which is submitted to the lawyers rendering a legal opinion in connection with the relevant issue for approval. A draft Subscription Agreement (in substantially the form of Appendix 5 to the Dealership Agreement or any other form agreed between the Issuer, the Guarantor and the Lead Manager) is also prepared and agreed. The Subscription Agreement may, if so agreed, be called by another name. The Lead Manager sends a copy of the draft Subscription Agreement to each other Manager at least two full business days before the Subscription Agreement is intended to be signed. At the same time the Lead Manager sends a copy of the Prospectus and Dealership Agreement to each other Manager which has not previously received those documents if so requested by any such Manager. The Subscription Agreement and the Final Terms Document or the Pricing Supplement, as the case may be, are agreed and executed and a copy of the Final Terms Document or the Pricing Supplement, as the case may be, is sent by electronic communication to the Agent which shall act as the Agent's authorisation (including, in the case of Floating Rate Covered Bonds, for the purposes of rate fixing) to carry out the duties to be carried out by it under these Settlement Procedures and the Agency Agreement including preparing and authenticating (a) a Temporary Global Covered Bond for the Tranche of Covered Bonds which is to be purchased and, in the case of the first Tranche of a Series, where the applicable Final Terms Document or the applicable Pricing Supplement, as the case may be, do not specify that the Temporary Global Covered Bond is to be exchangeable only for Covered Bonds in definitive form, a Permanent Global Covered Bond for the Series or (b) if so specified in the applicable Final Terms Document or the applicable Pricing Supplement, as the case may be, a Permanent Global Covered Bond, in each case giving details of the Covered Bonds. In relation to Covered Bonds other than Exempt Covered Bonds, the Final Terms Document sent to the Agent should be accompanied by a confirmation from the</p>

Day	London/ New York time	Action
		<p>Issuer stating whether the Covered Bonds are to be held in a manner which would allow Eurosystem eligibility. The Agent forwards a copy of the signed Final Terms Document or the signed Pricing Supplement, as the case may be, to the Common Depository or the Common Service Provider, as the case may be and, in relation to Covered Bonds other than Exempt Covered Bonds, the Issuer's confirmation (referred to above) stating whether the Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility to the ICSDs.</p>
		<p>The Lead Manager obtains a common code and ISIN or, if relevant, a temporary common code and ISIN for the Covered Bonds from one of the ICSDs or, in the case of Covered Bonds cleared through DTC, a CUSIP.</p> <p>The Lead Manager delivers its allotment list to each of the ICSDs.</p> <p>In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, each Manager notifies DTC of the participation accounts to be credited with interests in the Registered Global Note(s) to be issued.</p>
Issue Date minus 3	5pm	<p>In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, where the Specified Currency of the relevant Notes is U.S. dollars, the Lead Manager instructs DTC, subject to further instructions, on the Issue Date, to debit its account, or such accounts as it directs and pay the purchase price for those Notes to the Issuer's account with the Closing Bank notified to DTC by the Lead Manager for such purpose.</p> <p>In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, where the relevant Notes are denominated in a Specified Currency other than U.S. dollars, the Lead Manager instructs its paying bank to pay the purchase price for those Notes to the account of the Issuer with the Closing Bank for value on the Issue Date.</p>
Issue Date minus 2	2pm	<p>In the case of Covered Bonds which are to be listed on a Stock Exchange or publicly offered in a European Economic Area Member State, the Agent (but only where it is appointed as the relevant Listing Agent) or the Issuer notifies the relevant Stock Exchange and/or any other relevant authority, as the case may be, by electronic communication or by hand of the details of the Covered Bonds to be issued by sending the Final Terms Document to the relevant Stock Exchange and/or any other relevant authority, as the case may be upon instruction from the Issuer.</p>

Day	London/ New York time	Action
	3pm	In the case of Floating Rate Covered Bonds, the Agent notifies the ICSDs and/or DTC, the Issuer, the Guarantor (if applicable) the relevant Stock Exchange and any other relevant authority and the Lead Manager of the Rate of Interest for the first Interest Period (if already determined). Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.
No later than Issue Date minus 2	5pm	The Lead Manager provides all necessary payment instructions and contact details to the ICSDs and to the Common Depository or the Common Service Provider, as the case may be.
Issue Date minus 1	Agreed time	Each Registered Global Note registered in the name of a nominee for DTC is delivered by, or on behalf of, the Registrar to a custodian for DTC to credit the principal amount of the relevant Notes to the appropriate participants' accounts of DTC previously notified by the relevant Manager.
	12pm	In the case of any Registered Global Notes to be registered in the name of a nominee for DTC, the Issuer delivers a signed DTC Blanket Letter of Representation (to the extent not yet filed with the DTC), a Rule 144A Rider to the DTC Blanket Letter of Representation (in the case of Rule 144A Global Notes to be registered in the name of a nominee for DTC) and a Regulation S Rider to the DTC Blanket Letter of Representation (in the case of Regulation S Global Notes to be registered in the name of a nominee for DTC), in each case in the original bearing an ink signature, to the Underwriting Department of the DTC.
Issue Date		<p>The Lead Manager instructs DTC to credit the interests in any Registered Global Note(s) registered in the name of a nominee for DTC to such participation accounts as have previously been notified to DTC.</p> <p>The Closing Bank receives payment for the account of the Issuer and for value on the Issue Date of the aggregate amount paid to it by DTC or, as the case may be, the Lead Manager through its paying bank in respect of any Registered Global Notes registered in the name of a nominee for DTC.</p>

The timings set out below relate to a syndicated closing of Covered Bonds denominated in euro only

Issue Date	10am	For securities in NGCB form, the Agent instructs the conditional mark up of the issue outstanding amount of the Global Covered Bond to each ICSD through the Common Service Provider.
	12 noon	<p>The Issuer prepares and the Agent authenticates a Global Covered Bond for each Tranche of Covered Bonds which is to be purchased and, where required as specified above, a Permanent Global Covered Bond in respect of the relevant Series, in each case attaching the applicable Final Terms Document or in the case of Exempt Covered Bonds, the applicable Pricing Supplement.</p> <p>Each Global Covered Bond which is a CGCB is then delivered by the Agent to the Common Depositary.</p> <p>Each Global Covered Bond which is an NGCB is then delivered by the Agent to the Common Safekeeper, together with an effectuation instruction, if applicable.</p>
	1pm	In the case of each Global Covered Bond which is an NGCB, the Common Safekeeper confirms deposit and effectuation (if applicable) of the Global Covered Bond to the Agent, the Common Service Provider and each ICSD.
	2.30pm	The Lead Manager confirms that all conditions precedent in the Subscription Agreement and the Dealership Agreement have been satisfied and/or waived to the Common Depositary or the Common Service Provider, as the case may be, and, in the case of an issue of NGCBs, authorises the Common Service Provider to relay the Agent's mark up instruction to the ICSDs.
	3pm	Payment is released to the Issuer by the Common Service Provider or the Common Depositary, as the case may be.
	5pm	<p>In the case of an issue of NGCBs, the Common Service Provider relays the Agent's instruction to mark up the issue outstanding amount of the Global Covered Bond to the ICSDs.</p> <p>In the case of an issue of CGCBs, the Common Depositary confirms deposit of the Global Covered Bond to the ICSDs.</p>
	According to ICSD settlement procedures	The ICSDs debit and credit accounts in accordance with instructions received from the Lead Manager and the allottees and, in the case of NGCBs, mark up their records appropriately.

<p>On or subsequent to the Issue Date</p>		<p>The Agent notifies the Issuer and the Guarantor of the issue of Covered Bonds giving details of the Global Covered Bond(s) and the nominal amount represented thereby.</p> <p>The Agent (but only where it is appointed as the relevant Listing Agent) or the Issuer confirms the issue of Covered Bonds to the relevant Stock Exchange and any other relevant authority upon the Agent (where it is also appointed as the relevant Listing Agent) receiving such an instruction from the Issuer.</p> <p>The Agent forwards a copy of the signed Final Terms Document or the signed Pricing Supplement, as the case may be, to each ICSD.</p>
---	--	--

Explanatory Notes to Annex 1

- (a) Each day is a day on which banks and foreign exchange markets are open for business in London, and, in the case of an issue of Registered Notes represented by a Global Note registered in the name of a nominee for DTC, New York City, counted in reverse order from the proposed Issue Date.
- (b) The Issue Date must be a Business Day. For the purposes of this Memorandum, **Business Day** means a day which is:
 - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Toronto, Canada;
 - (ii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and, in the case of an issue of Registered Notes represented by a Global Note registered in the name of a nominee for DTC, New York City and any other place as is specified in the applicable Final Terms Document or in the case of Exempt Covered Bonds, the applicable Pricing Supplement, as an Additional Business Centre;
 - (iii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
 - (iv) a day on which the ICSDs and any other relevant clearing system (including DTC in the case of an issue of Registered Notes represented by a Global Note registered in the name of a nominee for DTC) is open for general business.

- (c) The Final Terms Document for all Covered Bonds other than Exempt Covered Bonds may only contain terms and information contemplated by the Prospectus and form of Final Terms Document contained in it. If any additional final terms or information are required in relation to any Covered Bonds which are to be admitted to trading on an EEA regulated market and/or publicly offered in the EEA, it must be considered whether it is appropriate to disclose such terms or information in either (i) a supplement, (ii) a new prospectus for any such issue of Covered Bonds, or (iii) an updated Prospectus. In all such cases, the timings in Part 1 and Part 2 of Annex 1 will change as the relevant authority will need to approve either (i) a supplement, (ii) a new prospectus or (iii) an updated Prospectus.

ANNEX 2

FORM OF DEALER'S CONFIRMATION TO ISSUER FOR ISSUES WITH NO
SUBSCRIPTION AGREEMENT

[Date]

To: [ISSUER]

c.c. [AGENT]

BANK OF MONTREAL

(a Canadian chartered Bank)

U.S.\$30,000,000,000

Global Registered Covered Bond Program

unconditionally and irrevocably guaranteed as to payments of interest and principal by

BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP

(the Program)

[Title of relevant Tranche of Covered Bonds (specifying type of Covered Bonds)]

issued pursuant to the Program

We hereby confirm the agreement for the issue to us of [describe issue] Covered Bonds due [] (the **Covered Bonds**) under the above Program pursuant to the terms of issue set out in the [Final Terms Document][Pricing Supplement] which we are faxing herewith.

[The selling commission in respect of the Covered Bonds will be [] per cent. of the nominal amount of the Covered Bonds and will be deductible from the net proceeds of the issue.]

The Covered Bonds are to be credited to [Euroclear/Clearstream, Luxembourg] account number [] in the name of [Name of Dealer]. [Settlement instructions if DTC Notes]

[Include any additional selling restriction]

[We hereby acknowledge our appointment by you as the central point responsible for adequate public disclosure of information, and handling any request from a competent authority, in accordance with Article 6(5) of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.]⁸[Solely for the purposes of the requirements of Article 9(8) of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**) regarding the mutual responsibilities of manufacturers under the MiFID Product Governance Rules:

- (a) [Insert name of Dealer] (the **Manufacturer**) acknowledges that it understands the responsibilities conferred upon it under the MiFID Product Governance Rules relating to each of the product approval process, the target market and the proposed distribution channels as applying to the Notes and the related information set out in the Final Terms/announcement(s) in connection with the Notes; and

⁸ This paragraph is to be included if stabilisation is to be conducted following the safe harbour set out in Article 5 of the Market Abuse Regulation and Delegated Regulation (EU) 2016/1052 and a Stabilisation Manager is named in the applicable final terms/pricing supplement for a series of covered bonds which are to be admitted to trading on a regulated stock market.

(b) by signing and returning a copy of the attached Final Terms, the Issuer notes the application of the MiFID Product Governance Rules and acknowledges the target market and distribution channels identified as applying to the Notes by the Manufacturer and the related information set out in the Final Terms/announcement(s) in connection with the Notes.]⁹

Please confirm your agreement to the terms of issue by signing and returning to us a copy of the attached [Final Terms Document][Pricing Supplement]. Please also send a copy of the [Final Terms Document][Pricing Supplement] to the Agent [and the Bond Trustee].

For and on behalf of [*Name of Dealer*]

By:
Authorised signatory

⁹ This paragraph is to be included if the Dealer is a MiFID 2 investment firm that considers itself to be a manufacturer under the Product Governance Rules

ANNEX 3

[]

PART 1

FORM OF FINAL TERMS DOCUMENT

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (CMHC) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS. THE COVERED BONDS ARE NEITHER INSURED NOR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

[MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturers' (or manufacturer's) target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' (or manufacturer's) target market assessment) and determining appropriate distribution channels.]¹⁰

[PRIIPS REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, **IMD**) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]¹¹

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the SFA) – [To insert notice if classification of the Covered Bonds is not "capital markets products other than prescribed capital markets products" ¹², pursuant to Section 309B of the

¹⁰ Legend to be included on front of the Final Terms Document if transaction is in scope of MiFID II and following the ICMA 1 "all bonds to all professionals" target market approach.

¹¹ This legend is to be included on the front of the Final Terms Document if the Covered Bonds potentially constitute "packaged" products or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case, the "Prohibition of Sales to EEA Retail Investors" selling restriction should be specified to be "Applicable".

¹² Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

SFA or Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].]

[Date]

Bank of Montreal

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]
unconditionally and irrevocably guaranteed as to payment of principal and interest by
BMO Covered Bond Guarantor Limited Partnership
under the U.S.\$30 billion
Global Registered Covered Bond Program**

PART 1

CONTRACTUAL TERMS

Terms used herein will be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated [date] [and the supplemental Prospectus dated [date]] which [together] constitute[s] a base prospectus (the **Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended or superseded, the **Prospectus Directive**). This document constitutes the final terms of the Covered Bonds described herein for the purposes of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer and the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms Document and the Prospectus. The Prospectus is available for viewing at [address] [and] <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies of the Prospectus [and the supplemental Prospectus] are available free of charge to the public at the Executive Offices of the Issuer and from the specified office of each of the Paying Agents.

The Guarantor is not now, and, immediately following the issuance of the Covered Bonds pursuant to the Trust Deed, will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the **Volcker Rule**. In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the Guarantor has relied on the exemption from registration set forth in Section 3(c)(5) of the Investment Company Act of 1940, as amended. See "*Certain Volcker Rule Considerations*" in the Prospectus dated [date].

- | | | | |
|----|-----|--|--|
| 1. | (a) | Issuer: | Bank of Montreal |
| | (b) | Guarantor: | BMO Covered Bond Guarantor Limited Partnership |
| 2. | (a) | Series Number: | [●] |
| | (b) | Tranche Number: | [●] |
| | (c) | Series which Covered Bonds will be consolidated and form a single Series with: | [●]/[Not Applicable] |

- (d) Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: [●]/[Issue Date]/[Not Applicable]
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount of Covered Bonds admitted to trading:
- (a) [Series:] [●]
- (b) [Tranche:] [●]
5. (a) Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
- (b) Canadian Dollar exchange rate on the date hereof: [●]
- (c) U.S. Dollar exchange rate on the date hereof: [●]
6. (a) Specified Denominations: [● (not to be less than €100,000)]/[€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000]]/At least [U.S.\$200,000 (and no less than the equivalent of €100,000) and integral multiples of U.S.\$1,000 in excess thereof].
- (b) Calculation Amount: [●]
7. (a) Issue Date: [●]
- (b) Interest Commencement Date: [●]/[Issue Date]/[Not Applicable]
8. (a) Final Maturity Date: [Fixed rate—[●]]/
[Floating rate—Interest Payment Date falling in or nearest to [●]]
- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: [Fixed rate—[●]]
[Floating rate—Interest Payment Date falling in or nearest to [●]]
9. Interest Basis: [[●] per cent. Fixed Rate]
[[●]month EURIBOR/LIBOR] +/-[●] per cent. Floating Rate]

- [Zero Coupon]
10. Redemption/Payment Basis: [Redemption at par]
[Hard Bullet Covered Bond]
11. Change of Interest Basis or Redemption/Payment Basis: [Fixed to Floating] [Floating to Fixed] [Floating to Floating]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. [Date of [Board] approval for issuance of Covered Bonds: [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Covered Bond Provisions: [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [●] per cent. per annum payable annually in arrears on each Interest Payment Date]
- (b) Interest Payment Date(s): [●] in each year up to and including the [Final Maturity Date]/[Extended Due for Payment Date, if applicable] [each, an Original Due for Payment Date] [adjusted in accordance with Business Day Convention]/[not adjusted] (*provided however* that after the Extension Determination Date, the Interest Payment Date may be monthly)
- (c) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (d) Business Day(s): [●]
- (e) Additional Business Centre(s): [●]
- (f) Fixed Coupon Amount(s): [●] per Calculation Amount
- (g) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/[Not Applicable]
- (h) Day Count Fraction: [[Actual/365]/[Actual/Actual]/[Actual/Actual (ISDA)]]/[Actual/365 (Fixed)]]/[Actual/Actual (ICMA)]]/[Actual/360]/[Actual/365]

(Sterling)]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]]

- (i) Determination Date(s): in each year
 - (j) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: [Not Applicable/]
15. Floating Rate Covered Bond Provisions: [Applicable/Not Applicable] [Applicable in respect of the Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee]
- (a) Interest Period(s):
 - (b) Interest Payment Date(s): (*provided however* that after the Extension Determination Date, the Interest Payment Date may be monthly)
 - (c) First Interest Payment Date:
 - (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Not Applicable]]
 - (e) Business Day(s):
 - (f) Additional Business Centre(s):
 - (g) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
 - (h) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):
 - (i) Screen Rate Determination: [Applicable]/[Not Applicable]
 - (i) Reference Rate and Relevant Financial Centre: Reference Rate: [SONIA]/[[] month
[EURIBOR/LIBOR]
Relevant Financial Centre: [London/Brussels/New York/Toronto]
 - (ii) Interest Determination Date(s): [[][TARGET/] Business Days [in [] prior to the [] day in each Interest Period/each Interest Payment Date][[] London Banking Days prior to the end of each Interest Period][]

- (iii) Relevant Screen Page:
- (j) ISDA Determination: [Applicable/Not Applicable]
 - (i) Floating Rate Option:
 - (ii) Designated Maturity:
 - (iii) Reset Date:
- (k) Floating Rate Covered Bond Margin(s): per cent. per annum
 - [+/-]
- (l) Minimum Rate of Interest: per cent. per annum
- (m) Maximum Rate of Interest: per cent. per annum
- (n) Day Count Fraction:
 - Actual/365 (Fixed)
 - Actual/365 (Sterling)
 - Actual/360
 - [Actual/Actual (ICMA)]
 - [Actual/Actual (ISDA)]
 - 30/360
 - 360/360
 - Bond Basis
 - 30E/360
 - Eurobond Basis]
- 16. Zero Coupon Covered Bond Provisions: [Applicable/Not Applicable]
 - (a) Accrual Yield: per cent. per annum
 - (b) Reference Price:
 - (c) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
 - (d) Business Day(s):
 - (e) Additional Business Centre(s)

- (f) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6.7(b) (*Early Redemption Amounts*) and 6.10(b) (*Late Payment*) apply]
- (g) Determination Date(s): [●]

PROVISIONS RELATING TO REDEMPTION

17. Issuer Call: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount of each Covered Bond and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [●] per Calculation Amount
- (ii) Maximum Redemption Amount: [●] per Calculation Amount
18. Put Option: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s): [●] per Calculation Amount
19. Final Redemption Amount of each Covered Bond: [●] per Calculation Amount
20. Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 6.7 (*Early Redemption Amounts*)): [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21. Form of Covered Bonds: [Bearer Covered Bonds:

[Temporary Global Covered Bond exchangeable for Bearer Definitive Covered Bonds on [●] days' notice]

[Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only upon an Exchange Event]

[Registered Covered Bonds:

[Regulation S Global Covered Bond ([●] nominal amount) registered in the name of the [common depositary/common safekeeper] for [DTC or its nominee/Euroclear and Clearstream, Luxembourg or its nominee]][Rule 144A Global Covered Bond ([●] nominal amount) registered in the name of the [common depositary/Common Safekeeper] for [DTC or its nominee/Euroclear and Clearstream, Luxembourg or its nominee]

22. New Global Covered Bond: [Yes/No]
23. Global Covered Bond held under the New Safekeeping Structure: [Yes/No]
24. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]
25. Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No]
26. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions in Condition 5.8 (Redenomination) apply]

RESPONSIBILITY

[[●] has been extracted from [●]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorized

Signed on behalf of the Guarantor:

By:

Duly authorized

PART 2

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: Application [is expected to be][has been] made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's Regulated Market and to the Official List of the UK Listing Authority with effect from [●].
- (b) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: The Covered Bonds to be issued [are expected to be][have been rated]:
- Fitch: [●]
- Moody's: [●]
- DBRS: [●]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save as discussed in *Subscription and Sale and Transfer and Selling Restrictions*, so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.] [The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. YIELD (*Fixed Rate Covered Bonds only*)

- Indication of yield: [●]

5. OPERATIONAL INFORMATION

- (a) ISIN Code: [●]
- (b) Common Code: [●]
- (c) WKN Code: [●]
- (d) Any clearing system(s) other than DTC, Euroclear or Clearstream, Luxembourg and the relevant [Not Applicable/[●]]

identification number(s) or codes such as CUSIP and CINS codes:

- (e) Name and address of initial Paying Agent(s)/Registrar(s)/Transfer Agent(s):
- (f) Names and addresses of additional Paying Agent(s)/Transfer Agent(s) (if any):
- (g) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of this Final Terms Document, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes]*. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

- U.S. Selling Restrictions: [Rule 144A]/ [Regulation S Category]/ [Other [TEFRA D/TEFRA C/TEFRA not applicable]
- Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

7. UNITED STATES TAX CONSIDERATIONS

[Not applicable]/[For Covered Bonds issued in compliance with Rule 144A:][For U.S. federal income tax purposes, the Issuer intends to treat the Covered Bonds as [Discount Bonds/fixed rate debt/Contingent Payment Bonds, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent. compounded [semi-annually/quarterly/monthly], and the projected payment schedule with respect to a Covered Bond consists of the following payments:[●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/Variable Rate Bonds/Variable Rate Bonds issued with original issue discount/foreign currency Covered Bonds/foreign currency Covered Bonds issued with original issue discount/foreign currency Contingent Payment Bonds, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent. compounded [semi-annually/quarterly/monthly], and the projected payment schedule with respect to a Covered Bond consists of the following payments: [●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/Short-Term Bonds.]]

[For a Qualified Reopening of Covered Bonds issued in compliance with Rule 144A:][Qualified Reopening. The issuance of the Covered Bonds should be treated as a "qualified reopening" of the Covered Bonds issued on [●] within the meaning of the U.S. Treasury regulations governing original issue discount on debt instruments (the **OID Regulations**). Therefore, for purposes of the OID Regulations, the Covered Bonds issued in this offering should be treated as having the same issue date and the same issue price as the Covered Bonds issued on [●] and should [not] be considered to have been issued with original issue discount for U.S. federal income tax purposes.]

PART 2

FORM OF PRICING SUPPLEMENT

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (CMHC) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. THE COVERED BONDS ARE NEITHER INSURED NOR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

[MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.]¹³

[PRIIPS REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, **IMD**) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]¹⁴

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the SFA) – [To insert notice if classification of the Covered Bonds is not "capital markets products other than prescribed capital markets products", pursuant to Section 309B of the SFA or Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].¹⁵

Set out below is a form of Pricing Supplement for use in connection with Exempt Covered Bonds issued under the Program. This pro forma Pricing Supplement is subject to completion and amendment to set out the terms upon which each Tranche or Series of Exempt Covered Bonds is to be issued.

¹³ Legend to be included on front of the Pricing Supplement if transaction is in scope of MiFID II and following the ICMA 1 "all bonds to all professionals" target market approach.

¹⁴ Legend to be included on the front of the Pricing Supplement if the Covered Bonds potentially constitute "packaged" products or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case, the "Prohibition of Sales to EEA Retail Investors" selling restriction should be specified to be "Applicable".

¹⁵ Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

IMPORTANT NOTICE

In accessing the attached pricing supplement (the Pricing Supplement) you agree to be bound by the following terms and conditions.

The information contained in the Pricing Supplement may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Pricing Supplement and/or in the Prospectus (as defined in the Pricing Supplement) and is not intended for use and should not be relied upon by any person outside those countries and/or to whom the offer contained in the Pricing Supplement is not addressed. Prior to relying on the information contained in the Pricing Supplement, you must ascertain from the Pricing Supplement and/or Prospectus whether or not you are an intended addressee of the information contained therein.

The Guarantor is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the **Volcker Rule**. In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the Guarantor has relied on the exemption from registration set forth in Section 3(c)(5) of the Investment Company Act of 1940, as amended. See "*Certain Volcker Rule Considerations*" in the Prospectus dated [date].

Neither the Pricing Supplement nor the Prospectus constitutes an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC AS AMENDED OR SUPERSEDED (THE PROSPECTUS DIRECTIVE) FOR THIS ISSUE OF COVERED BONDS. THE COVERED BONDS WHICH ARE THE SUBJECT OF THIS PRICING SUPPLEMENT ARE NOT COMPLIANT WITH THE PROSPECTUS DIRECTIVE, AND THE UK LISTING AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.

[Date]

Bank of Montreal

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]
unconditionally and irrevocably guaranteed as to payment of principal and interest by
BMO Covered Bond Guarantor Limited Partnership
under the U.S.\$30 billion
Global Registered Covered Bond Program**

The Prospectus referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Covered Bonds in any member state of the EEA which has implemented Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus pursuant to the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.

PART A

CONTRACTUAL TERMS

Terms used herein will be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated [date] [and the supplemental Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended or superseded, the **Prospectus Directive**). This document constitutes the pricing supplement of the Covered Bonds described herein for the purposes of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer and the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus [and the supplemental Prospectus] are available free of charge to the public at the Executive Offices of the Issuer and from the specified office of each of the Paying Agents.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]

1. (a) Issuer: Bank of Montreal
- (b) Guarantor: BMO Covered Bond Guarantor Limited Partnership
2. (a) Series Number: [●]
- (b) Tranche Number: [●]
- (If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible)
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount of Covered Bonds admitted to trading:
 - (a) [Series:] [●]
 - (b) [Tranche:] [●]
5. (a) Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]] *(if applicable)*
- (b) Canadian Dollar exchange rate on the date hereof: [●]
- (c) U.S. Dollar exchange rate on the date hereof: [●]
6. (a) Specified Denominations: [[●] (not to be less than €100,000)]/[€100,000 and integral multiples of [€1,000] in excess thereof up to

and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000]/At least [\$200,000 (and no less than the equivalent of €100,000) and integral multiples of \$1,000 in excess thereof].

(in the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made)

(N.B. Where multiple denominations above €100,000 (or the equivalent in another currency) are being used, the following sample wording should be followed: €100,000 (or the equivalent in another currency) and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Bearer Covered Bonds in definitive form will be issued with a denomination above [€199,000].)

[So long as the Covered Bonds are represented by a Temporary Global Covered Bond or a Permanent Global Covered Bond and the relevant clearing system(s) so permit, the Covered Bonds will be tradable only in the principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of [●], notwithstanding that no Bearer Covered Bonds in definitive form will be issued with a denomination above [●]]

(N.B. If an issue of Covered Bonds is (i) not admitted to trading on a regulated market within the European Economic Area exchange, and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €100,000 (or the equivalent in another currency) minimum denomination is not required.)

(b) Calculation Amount:
(Applicable to Covered Bonds in definitive form)

[●]

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination or integral multiples, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations or integral multiples.)

7. (a) Issue Date:

[●]

(b) Interest Commencement Date:

[●]/[Issue Date]/[Not Applicable]

8. (a) Final Maturity Date:

[Fixed rate—[specify date]]/

[Floating rate—Interest Payment Date falling in or nearest to *[specify month and year]*]

- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: [Fixed rate—*[specify date]*]
[Floating rate—Interest Payment Date falling in or nearest to *[specify month and year, falling after the Final Maturity Date]*]

9. Interest Basis: [[●] per cent. Fixed Rate]
[SONIA][●] EURIBOR/LIBOR +/- [●] per cent. Floating Rate]

[Zero Coupon]

10. Redemption/Payment Basis: [Redemption at par]
[Hard Bullet Covered Bond]
[specify other]

(N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive, and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

11. Change of Interest Basis or Redemption/Payment Basis: (Specify details of any provision for convertibility of Covered Bonds into another Interest Basis or Redemption/Payment Basis)

12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]

13. [Date of [Board] approval for issuance of Covered Bonds: [●]

(N.B. Only relevant where Board (or similar authorisation) is required for the particular Tranche of Covered Bonds or the Covered Bond Guarantee)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Covered Bond Provisions: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Rate(s) of Interest: [●] per cent. per annum payable annually in arrears on each [Interest Payment Date]

(N.B. If an Extended Due for Payment Date is specified, interest following the Due for Payment Date will continue to accrue and be payable on any unpaid amount at a Rate of Interest determined in accordance with Condition 4.2 (Interest on Floating Rate Covered Bonds))

(b) Interest Payment Date(s): [●] in each year up to and including the [Final Maturity Date]/[Extended Due for Payment Date, if applicable]/[specify other] [each, an Original Due for Payment Date] [adjusted in accordance with Business Day Convention]/[not adjusted] *(provided however that after the Extension Determination Date, the Interest Payment Date may be monthly)*

(c) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[specify other]

(d) Business Day(s): [●]

(e) Additional Business Centre(s): [●]

(f) Fixed Coupon Amount(s): [●] per Calculation Amount

(g) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/[Not Applicable]

(h) Day Count Fraction: [[Actual/365]/[Actual/Actual]/[Actual/Actual (ISDA)],[Actual/365 (Fixed)],[Actual/Actual (ICMA)],[Actual/360]/[Actual/365 (Sterling)],[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]]

(N.B. If interest is not payable on a regular basis (for example, if Broken Amounts are specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction)

(i) Determination Date(s): [●] in each year

(N.B. Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or

short first or last coupon) (This will need to be amended in the case of regular interest payment dates which are not of equal durations)

(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))

- (j) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: [Not Applicable/[Give details]]

15. Floating Rate Covered Bond Provisions: [Applicable/Not Applicable] [Applicable in respect of the Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Interest Period(s): [●]

- (b) Interest Payment Date(s): [●] *(provided however that after the Extension Determination Date, the Interest Payment Date may be monthly)*

(NB: Specify the Interest Period(s)/Interest Payment Date(s) up to and including the Extended Due for Payment Date, if applicable)

- (c) First Interest Payment Date: [●]

- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Not Applicable]]

- (e) Business Day(s): [●]

- (f) Additional Business Centre(s): [●]

- (g) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]/[specify other]

- (h) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent): [●]

- (i) Screen Rate Determination: [Applicable]/[Not Applicable]

- (i) Reference Rate and Relevant [●] *(Either SONIA, LIBOR, EURIBOR or other,*

- Financial Centre: *although additional information is required if other — including amendment to fallback provisions in the Terms and Conditions*) Relevant Financial Centre: [London/Brussels/New York/Toronto]
- (ii) Interest Determination Date(s): (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR*)
- (iii) Relevant Screen Page:
(N.B. Specify the Interest Determination Date(s) up to and including the Extended Due for Payment Date, if applicable)
- (j) ISDA Determination: [Applicable/Not Applicable]
- (i) Floating Rate Option:
- (ii) Designated Maturity:
- (iii) Reset Date:
- (k) Floating Rate Covered Bond Margin(s): +/-] per cent. per annum
- (l) Minimum Rate of Interest: per cent. per annum
- (m) Maximum Rate of Interest: per cent. per annum
- (n) Day Count Fraction: [Actual/365 (Fixed)
 Actual/365 (Sterling)
 Actual/360
 [Actual/Actual (ICMA)]
 [Actual/Actual (ISDA)]
 30/360
 360/360
 Bond Basis
 30E/360

Eurobond Basis]

16. Zero Coupon Covered Bond Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Accrual Yield: per cent. per annum
- (b) Reference Price:
- (c) Any other formula/basis of determining amount payable: *(Consider applicable Day Count Fraction if not U.S. dollar denominated)*
- (d) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (e) Business Day(s):
- (f) Additional Business Centre(s)
- (g) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6.7(b) (Early Redemption Amounts) and 6.10(b) (Late Payment) apply]
- (h) Determination Date(s):

(N.B. Zero Coupon Covered Bonds are not to be issued with an Extended Due for Payment Date unless otherwise agreed with the relevant Dealer(s) and the Bond Trustee)

PROVISIONS RELATING TO REDEMPTION

17. Issuer Call:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Optional Redemption Date(s):

(N.B. Optional Redemption Dates must be Interest Payment Dates unless otherwise agreed with the relevant Dealer(s) and the Bond Trustee)
- (b) Optional Redemption Amount of each Covered Bond and method, if any, of calculation of such amount(s): per Calculation Amount

- (c) If redeemable in part:
 - (i) Minimum Redemption Amount: [●] per Calculation Amount
 - (ii) Maximum Redemption Amount: [●] per Calculation Amount
- (d) Notice period (if other than as set out in the Terms and Conditions): [●]

(N.B. If setting notice periods which are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or Bond Trustee)

18. Put Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (c) Notice Period [●]

(NB: If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer or any trustee)

19. Final Redemption Amount of each Covered Bond: [●] per Calculation Amount

20. Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default or other early redemption and/or the method of calculating [●] per Calculation Amount

the same (if required or if different from that set out in Condition 6.7 (Early Redemption Amounts)):

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21. Form of Covered Bonds: [Bearer Covered Bonds:
[Temporary Global Covered Bond exchangeable for Bearer Definitive Covered Bonds on [●] days' notice]
[Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only upon an Exchange Event]
[Registered Covered Bonds:
Regulation S Global Covered Bond ([●] nominal amount) registered in the name of the [common depository/common safekeeper] for [DTC or its nominee/Euroclear and Clearstream, Luxembourg or its nominee]
22. New Global Covered Bond: [Yes/No]
23. Global Covered Bond held under the New Safekeeping Structure: [Yes/No]
24. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]
(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraphs 14(e), 15(f), and 16(e) relate)
25. Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No]
26. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions in Condition 5.8 (Redenomination) apply]

DISTRIBUTION

27. (a) If syndicated, names of Managers: [Not Applicable/[●]]
(b) Stabilising Manager (if any): [Not Applicable/[●]]
28. If non-syndicated, name and address of [●]

Dealer:

29. (a) U.S. Selling Restrictions: [Rule 144A]/[[Reg. S Category [●]/Other [●]; TEFRA [C/D] Rules/TEFRA not applicable]
- (b) ERISA: [Yes/No]
30. Non-exempt Offer: Not Applicable
31. Additional selling restrictions: [Not Applicable/[●]]
32. Additional United States Tax Considerations [Not Applicable/[●]]
33. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the pricing supplement required for issue of Exempt Covered Bonds described herein pursuant to the U.S.\$30 billion Global Registered Covered Bond Program of Bank of Montreal.

RESPONSIBILITY

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement. [[●] has been extracted from [●]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

Signed on behalf of the Guarantor:

By:

Duly authorised

PART B

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: [Not Applicable] [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the [(insert name of stock exchange outside of the EEA)] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the [(insert name of stock exchange outside of the EEA)] with effect from [●].].
- (b) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: The Covered Bonds to be issued [are expected to be][have been rated]:
- Fitch: [●]
- Moody's: [●]
- DBRS: [●]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save as discussed in *Subscription and Sale and Transfer and Selling Restrictions*, so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.] [The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. YIELD (*Fixed Rate Covered Bonds only*)

- Indication of yield: [●]
- [The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. OPERATIONAL INFORMATION

- (a) ISIN Code: [●]
- (b) Common Code: [●]
- (c) WKN Code: [●]
- (d) Any clearing system(s) other than DTC, Euroclear or Clearstream, Luxembourg and the relevant [Not Applicable/[●]]

identification number(s) or codes such as CUSIP and CINS codes:

- (e) Name and address of initial Paying Agent(s)/Registrar(s)/Transfer Agent(s):
- (f) Names and addresses of additional Paying Agent(s)/Transfer Agent(s) (if any):
- (g) Intended to be held in a manner which would allow Eurosystem Eligibility: [Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of this Final Terms Document, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes]*. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

- U.S. Selling Restrictions: [Rule 144A]/ [Regulation S Category /Other]; TEFRA [C/D] Rules; TEFRA not applicable]
- Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

7. UNITED STATES TAX CONSIDERATIONS

[Not applicable]/[For Covered Bonds issued in compliance with Rule 144A:][For U.S. federal income tax purposes, the Issuer intends to treat the Covered Bonds as [Discount Bonds/fixed rate debt/Contingent Payment Bonds, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent. compounded [semi-annually/quarterly/monthly], and the projected payment schedule with respect to a Covered Bond consists of the following payments:[●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/Variable Rate Bonds/Variable Rate Bonds issued with original issue discount/foreign currency Covered Bonds/foreign currency Covered Bonds issued with original issue discount/foreign currency Contingent Payment Bonds, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent. compounded [semi-annually/quarterly/monthly], and the projected payment schedule with respect to a Covered Bond consists of the following payments: [●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/Short-Term Bonds.]]

[For a *Qualified Reopening of Covered Bonds issued in compliance with Rule 144A*:][Qualified Reopening. The issuance of the Covered Bonds should be treated as a "qualified reopening" of the Covered Bonds issued on [●] within the meaning of the U.S. Treasury regulations governing original issue discount on debt instruments (the **OID Regulations**). Therefore, for purposes of the OID Regulations, the Covered Bonds issued in this offering should be treated as having the same issue date and the same issue price as the Covered Bonds issued on [●] and should [not] be considered to have been issued with original issue discount for U.S. federal income tax purposes.]

ANNEX 4

TRADING DESK AND ADMINISTRATIVE INFORMATION

The Issuer

BANK OF MONTREAL

100 King Street West
1 First Canadian Place, 10th Floor
Toronto, Ontario
Canada M5X 1A1

Fax: 416-867-7193
Attention: Muhammad Amir, Senior Manager – Securitization

The Guarantor

BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP

100 King Street West
Suite 6100, 1 First Canadian Place
Toronto, Ontario
Canada M5X 1B8

Telephone: 416-867-7083
Telefax: 416-867-7193
Attention: Muhammad Amir, Senior Manager – Securitization

The Dealers

BARCLAYS BANK PLC

5 The North Colonnade
Canary Wharf
London E14 4BB

Telephone: +44 (0)20 7773 9098
Telefax: +44 (0)20 7516 7548
Attention: Debt Syndicate

BANK OF MONTREAL, LONDON BRANCH

95 Queen Victoria Street
London EC4V 4HG

Telephone: +44 (0)20 7664 8062
Telefax: +44 (0)20 7664 8109
Attention: New Issue Desk

The Agent

THE BANK OF NEW YORK MELLON

101 Barclay Street Floor 4E
New York, New York 10286
USA

Telephone: 212-815-5587

Attention: Joellen McNamara, Vice President/Client Service Manager

The Bond Trustee

COMPUTERSHARE TRUST COMPANY OF CANADA

11th Floor, North Tower
100 University Avenue
Toronto, Ontario Canada M5J 2Y1

Telephone: (416) 263-9341

Telefax: (416) 981-9777

Attention: Mr. Sean Pigott

SIGNATORIES

The Issuer and Seller

SIGNED By
BANK OF MONTREAL

By: /s/ Caroline Dufaux

Name: Caroline Dufaux
Title: Head, Capital Management

ADDRESS FOR NOTICES:

Bank of Montreal
10th Floor
1 First Canadian Place
100 King Street West
Toronto, ON, M5X 1A1
Facsimile number: +1 416-867-7193
Attention: Senior Manager, Corporate Funding

SIGNED By

**BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP, by its managing general partner,
BMO COVERED BOND GP, INC.**

By: /s/ Caroline Dufaux

Name: Caroline Dufaux

Title: President

ADDRESS FOR NOTICES:

BMO Covered Bond Guarantor Limited Partnership

c/o Bank of Montreal

10th Floor

1 First Canadian Place

100 King Street West

Toronto, ON, M5X 1A1

Facsimile number: +1 416-867-7193

Attention: Senior Manager, Corporate Funding

The Arrangers and Dealers

BARCLAYS CAPITAL INC.

By: /s/ Kenneth Chang

Name: Kenneth Chang

Title: Managing Director

ADDRESS FOR NOTICES:

Barclays Capital Inc.

745 Seventh Avenue

New York, New York 10019

Attn: Syndicate Registration

BANK OF MONTREAL, LONDON BRANCH

By: /s/ Sylvain Martinez

Name: Sylvain Martinez
Title: Chief Risk Officer, ENEA

By: /s/ Edward Mizuhara

Name: Edward Mizuhara
Title: DCM Origination & Syndication

ADDRESS FOR NOTICES:

Bank of Montreal, London Branch

95 Queen Victoria Street
London EC4V 4HG
Facsimile: +44 20 7664 8201
Attention: Associate General Counsel, Legal

BMO CAPITAL MARKETS CORP.

By: /s/ Adrian Adduci

Name: Adrian Adduci

Title: Director

ADDRESS FOR NOTICES:

BMO Capital Markets Corp.

3 Times Square

New York, New York

Facsimile: (212) 702 1205

Attention: Legal Department

BARCLAYS BANK PLC

By: /s/ Kenneth Chang

Name: Kenneth Chang
Title: Managing Director

ADDRESS FOR NOTICES:

5 The North Colonnade
Canary Wharf
London E14 4BB, United Kingdom
Tel: +44 (0)20 7773 9098
Fax: +44 (0)20 7516 7548
Attention: Debt Syndicate