

## **BMO ETFs**

### **Distribution Reinvestment Plan**

#### **1. Introduction**

All defined terms used herein are defined under the heading “Important Terms” below.

This Plan has been created by each of the BMO ETFs to provide beneficial holders of Units of the BMO ETF with a method of reinvesting all cash distributions paid on such Units declared and payable to them in additional Units of the same BMO ETF, as described in the Plan.

Distributions on Institutional Units are automatically reinvested in additional Institutional Units of the applicable BMO ETF unless the investor requests in writing the BMO ETF pay the distributions in cash

Distributions on Units, including Plan Units, will be reinvested on behalf of Plan Participants by the Plan Agent, on the terms and conditions contained in the Plan.

#### **2. Important Terms**

***Beneficial Unitholder*** – means a beneficial holder of Units, which are not registered in his, her or its name.

***BMO ETFs*** – means any exchange traded fund established and/or managed now or in the future by the Manager, such establishment and/or management communicated to the Plan Agent by the Manager.

***Business Day*** – means a day other than a Saturday, a Sunday, a day observed as a holiday under the laws of the Province of Ontario or a day on which either the Toronto Stock Exchange or the Plan Agent’s principal office in Toronto is closed for business.

***CDS or Depository*** – refers to The Canadian Depository for Securities Limited, which acts as a nominee for certain Canadian brokers, investment dealers, financial institutions.

***CDS Participant*** – means a participant in CDS or a Depository through which certain Beneficial Unitholders may enroll in the Plan.

***Distribution*** – with respect to a BMO ETF, a distribution of net income, net realized capital gains or return of capital payable in cash by the BMO ETF on its Units in respect of a specific Distribution Record Date.

***Distribution Payment Date*** – means a day that is no later than the 10<sup>th</sup> Business Day following the applicable Distribution Record Date, on which a BMO ETF pays a Distribution to its Unitholders.

***Distribution Record Date*** – means a date determined by the Manager as a record date for the determination of Unitholders entitled to receive a Distribution.

***Fiscal Year*** – means the financial year of the BMO ETFs, which ends on December 31.

***Institutional Unit*** – in relation to each BMO ETF, a redeemable unit of that BMO ETF issued on a private placement basis and not listed for trading on any stock exchange, which represents an undivided interest in the net assets of that BMO ETF and ***Institutional Units*** means more than one Institutional Unit.

***Listed Units*** – means a class of Units that are listed on the TSX.

***Manager*** – means BMO Asset Management Inc., a corporation incorporated under the laws of Ontario.

***Plan Agent*** – means CST Trust Company, a company existing under the laws of Canada.

***Plan Participant*** – with respect to a BMO ETF, means a Unitholder who has notified the Manager and the Plan Agent via the applicable CDS Participant that such Unitholder wishes to participate in the Plan.

***Parties*** – means the Manager, on behalf of the BMO ETFs, and the Plan Agent, collectively, and ***Party*** means either one of them.

***Plan*** – means the BMO ETFs' Distribution Reinvestment Plan.

***Plan Units*** – means the Units with respect to a BMO ETF purchased under the Plan by the Plan Agent for a Plan Participant.

***Registered Participant*** – means a registered holder of Units, which are registered in the name of CDS.

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

***TSX*** – means the Toronto Stock Exchange.

***Unit*** – means in relation to a particular BMO ETF, a redeemable, transferable unit of that BMO ETF, which represents an equal, undivided interest in the net assets of that BMO ETF and ***Units*** means more than one Unit.

***Unitholder*** – means a holder of a Unit or Units of a BMO ETF.

### **3. Participation in the Plan**

Any eligible Unitholder may participate in the Plan by notifying the CDS Participant through which the Unitholder holds its Units of such Unitholder's intention to participate in the Plan.

Under the Plan, cash Distributions will be used to acquire Plan Units in the open market or from treasury, as applicable, and will be credited to the account of the Plan Participant through CDS in accordance with the following procedure:

- (a) *Listed Units* • the CDS Participant must, on behalf of such Plan Participant, provide notice to CDS that the Unitholder wishes to participate in the Plan no later than 4:00 p.m. (Toronto time) on the applicable Distribution Record Date in respect of the next expected Distribution in which the Unitholder wishes to participate. CDS shall, in turn, notify the Plan Agent no later than 2:00 p.m. (Toronto time) on the Business Day immediately following the applicable Distribution Record Date that such Unitholder wishes to participate in the Plan. If notice is not received by the Plan Agent prior to this deadline, the Unitholder will not participate in the Plan for that Distribution.
- (b) *Institutional Units* • Distributions are automatically reinvested in additional Institutional Units of the applicable BMO ETF. A Unitholder may elect to receive such Distributions in cash by notifying CDS via the applicable CDS Participant through which such Unitholder holds its units of the Unitholder's intention not to participate in the Plan. The CDS Participant must on behalf of such Unitholder, provide a notice to CDS that the Unitholder does not wish to participate in the Plan no later than 4:00 p.m. (Toronto Time) on the applicable Distribution Record Date in respect of the next expected Distribution in which the Plan Participant does not wish to participate. CDS shall in turn notify the Plan Agent no later than 2:00 p.m. (Toronto time) on the business day following the applicable Distribution Record Date that such Plan Participant does not wish to participate in the Plan. If notice is not received by the Plan Agent prior to this deadline, the Plan Participant will participate in the Plan for that Distribution.

Participation in the Plan is restricted to Unitholders who are residents of Canada for the purposes of the Tax Act. A partnership (other than a "Canadian partnership" as defined in the Tax Act) is not eligible to participate in the Plan. Upon becoming a non-resident of Canada or a partnership (other than a "Canadian partnership"), a Plan Participant shall be required to notify its CDS Participant and terminate its participation in the Plan immediately. The Plan Agent will have no duty to inquire into the residency status or partnership status of Plan Participants, and neither the Plan Agent nor the Manager will be required to know the residency status or partnership status of Plan Participants.

CDS shall have no duty to inquire into or have knowledge of the residency or partnership status of any Plan Participants.

#### **4. Administration**

On each Distribution Payment Date, the BMO ETF shall pay to the Plan Agent, on behalf of the Plan Participants, all amounts paid as Distributions in respect of the Units (including Plan Units) for which Plan Participants were beneficial owners as of the applicable Distribution Record Date. The Plan Agent shall purchase Plan Units for the Plan Participants as described below under

“Purchase of Units by Plan Agent”. Plan Units will be credited for the benefit of a Plan Participant to the account of CDS through whom a CDS Participant holds Units.

## **5. Purchase of Units by Plan Agent**

Distributions payable to the Plan Participants will be used, on behalf of Plan Participants, to purchase Plan Units from treasury (in respect of Institutional Units) or in the open market (in respect of all Plan Units other than Institutional Units). The Plan Agent shall purchase Plan Units in the open market or from treasury, as applicable, on the Distribution Payment Date.

Plan Units purchased in the open market will be:

- (a) allocated to CDS based on their entitlement to the Distributions used to purchase Plan Units; and
- (b) purchased through a broker-dealer designated by the Plan Agent, and the price of such Plan Units shall be the price paid (excluding brokerage commissions, fees and all transaction costs) per unit for all Units purchased by the Plan Agent in respect of the Plan on the Canadian open market on the relevant Distribution Payable Date.

For Plan Units issued from treasury, the Manager shall provide the Plan Agent with the net asset value per Unit as of the close of trading on the Distribution Record Date.

## **6. Insufficient Funds**

The Plan Agent shall not be obligated to purchase Plan Units unless it shall have first received the amounts paid as Distributions on the Units of the Plan Participants.

## **7. Fractional Units**

No fractional Plan Units will be purchased under the Plan. Cash payments for any funds remaining after the Plan Agent has purchased whole Plan Units will be made in lieu of fractional Plan Units by the Plan Agent to CDS, on a timely basis. Where applicable, CDS will credit the Plan Participant via the applicable CDS Participant.

## **8. Termination of Participation in the Plan**

Plan Participants may voluntarily terminate their participation in the Plan as of a particular Distribution Record Date by notifying their CDS Participant sufficiently in advance of that Distribution Record Date. Plan Participants should contact their CDS Participant to receive details of the appropriate procedures for terminating their participation in the Plan. Beginning on the first Distribution Payment Date after which a termination notice has been received from a Plan Participant and accepted by a CDS Participant, distributions to such Plan Participant will be made in cash. Any expenses associated with the preparation and delivery of a termination notice will be borne by the Plan Participant exercising its right to terminate participation in the Plan.

## **9. No Issuance of Certificates**

Certificates will not generally be issued for Plan Units purchased under the Plan.

## **10. Voting of Plan Units**

Plan Units may be voted in the same manner as the Plan Participants' other Units may be voted.

## **11. Statements of Account**

A Plan Participant will receive, from its CDS Participant for tax reporting purposes, confirmation of the number of Plan Units purchased by the Plan Participant under the Plan in accordance with the CDS Participant's usual practice.

## **12. Commissions and Administrative Costs**

All commissions and administrative costs and brokerage fees and commissions associated with the operation of the Plan with respect to any BMO ETF will be borne by the Manager.

## **13. Limitation of Liability**

None of the BMO ETFs, the Manager or the Plan Agent shall be liable for any act done by any of them in good faith or for any good faith omission to act. In particular, none of the BMO ETFs, the Manager or the Plan Agent shall have any liability with respect to:

- (a) the prices at which Plan Units are purchased for the Plan Participants' accounts or the times at which such purchases are made; or
- (b) any action or responsibilities of CDS or any CDS Participant in relation to the Plan, or otherwise, including, without limitation:
  - (i) any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Units held by and registered in the name of CDS or any CDS Participant; and
  - (ii) any authority, advice, or representation made or given by CDS or any CDS Participant to the Plan Agent or otherwise, including representations with respect to rules of CDS and any action taken or to be taken by CDS or any CDS Participant.

None of the BMO ETFs, the Manager or the Plan Agent can assure a gain or protect against loss as a result of participation in the Plan or the purchase of Plan Units.

## **14. Termination, Amendment, Modification or Suspension**

The Manager may terminate the Plan with respect to any BMO ETF in its sole discretion, upon:  
(a) not less than 30 days' notice to: (i) CDS; (ii) the CDS Participants through which the Plan

Participants hold their Units; (iii) the Plan Agent; and (iv) if necessary, the TSX; and (b) delivery by the Plan Agent of all documents and monies being held by the Plan Agent on the BMO ETF's behalf pursuant to this Agreement.

The Manager may also amend, modify or suspend the Plan with respect to any BMO ETF at any time in its sole discretion, provided that it complies with certain requirements and gives notice of that amendment, modification or suspension to: (i) CDS; (ii) the CDS Participants through which the Plan Participants hold their Units; (iii) the Plan Agent; and (iv) if necessary, the TSX.

The Plan will terminate automatically with respect to any BMO ETF upon the termination of such BMO ETF.

The Manager may, in its sole discretion, and upon at least 30 days' written notice to the Plan Agent, remove the Plan Agent and appoint a new Plan Agent, provided that the BMO ETF may not remove the Plan Agent until such time as the successor to the Plan Agent is appointed as plan agent.

## **15. Rules and Regulations**

The Manager may from time to time adopt rules and regulations to facilitate the administration of the Plan (subject to obtaining any approvals required by the TSX rules). The Manager reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

## **16. No Personal Liability**

No Unitholder of a BMO ETF will have any personal liability and no resort will be had to, nor recourse or satisfaction sought from, the property or assets of any Unitholder for any liability whatsoever to any person in connection with the property of a BMO ETF or its affairs, including for satisfaction of any obligations or claims of such BMO ETF arising out of or in connection with the Plan. The property and assets of such BMO ETF only are intended to be liable and subject to levy or execution for satisfaction of any such obligations or claims.

## **17. Currency**

All references in this Plan to dollar amounts refer to Canadian dollars.

## **18. Notices**

All notices required to be given to Plan Participants by a BMO ETF will be given to the Plan Agent to be further provided to Registered Participants.

Written communications to any BMO ETF or the Manager should be addressed to:

BMO Asset Management Inc.  
100 King Street West, 43<sup>rd</sup> Floor

Toronto, ON M5X 1A1

Attention: Office & Compliance Administrator

Facsimile: 416-359-5950

Written communications from a Registered Participant to the Plan Agent should be addressed to:

CST Trust Company

P.O. Box 4229

Station A

Toronto, ON M5W 0G1

Attention: Income Disbursement Department

Facsimile: 1-888-488-1416