

BMO Bank of Montreal is committed to providing complete and concise disclosure to investors interested in purchasing a BMO Progressive GIC.

Summary of Investment Terms and Conditions

Term of Series:	3 years
Issue Date of Series:	November 1, 2010
Series Maturity Date:	November 1, 2013
Guaranteed Rate of Return for the Term:	1.20%
Number of Periods:	3
Guaranteed Rate of Return for each Period:	0.40%
Income Payment Frequency:	Annual
Annual Income Payment Dates:	November 1, 2011; November 1, 2012; November 1, 2013
Additional Rate of Return for the Term:	0.00% - 5.00%
Calculation Date:	October 18, 2013
Maximum Rate of Return for the Term:	6.20%
STIC Rate of Return:	0.75% per annum
Eligible for CDIC coverage:	Yes
Reference Portfolio for the Series:	S&P/TSX Banks Index – 50% ¹ S&P/TSX Capped Utilities Index – 50%

- On each Annual Income Payment Date set out above, you will receive the Guaranteed Rate of Return for each Period on the amount you invest.
- On the Series Maturity Date, you are guaranteed to receive 100% of the amount you invest in the BMO Income Enriched GIC plus an Additional Rate of Return for the Term, if any.
 - The Additional Rate of Return for the Term payable to you will be the Portfolio Return (up to the Maximum Rate of Return for the Term) minus the Guaranteed Rate of Return for the Term. The Portfolio Return will be the average of the percentage changes in the values of the index or indices in the Reference Portfolio for the Series during the Term of Series (subject to a minimum of zero).
 - If the Additional Rate of Return for the Term is calculated to be less than zero, it will be set to zero.
 - If market disruptions or other special circumstances affect the calculation of the return, we may adjust or delay this calculation or payment of any interest. These are the only circumstances in which we may amend the terms of the GIC.
- The BMO Income Enriched GIC may be suitable for you if you want an investment for a term of 3 years with a guaranteed minimum return that is paid annually and you are prepared to accept the risks set out in the accompanying Terms and Conditions, including those summarized below:
 - The Rate of Return for the Term on the GIC differs from the return payable on a fixed-rate investment in that (i) it is not based on a fixed rate of interest that is known when the GIC is issued, (ii) it cannot be calculated before the Series Maturity Date because a portion of it is based on the performance of the Reference Portfolio over the Term of Series (provided that it will never be less than the Guaranteed Rate of Return for the Term), and (iii) no part of the return on the GIC is paid before the Series Maturity Date other than the Guaranteed Rate of Return for each Period.
 - The Rate of Return for the Term will never be more than the Maximum Rate of Return for the Term, no matter how well the Reference Portfolio performs.

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- The level of the indices in the Reference Portfolio is unpredictable and will be influenced by complex interrelated factors that affect the markets generally and the specific indices in particular. The historical performance of indices in the Reference Portfolio does not indicate the future performance of those indices or of the Reference Portfolio.
 - Neither you nor we can redeem the GIC before it matures. You cannot transfer your GIC and there will be no market through which you can sell it.
4. Bank of Montreal and its affiliates may hold interests in or securities of, extend credit to or enter into other business dealings with one or more of the entities whose securities are included in the Reference Portfolio for the Series.
 5. There are no fees and expenses applicable to an investment in the GIC.
 6. If you deposit funds with us before the Issue Date of Series, those funds will be invested in a Short Term Guaranteed Investment Certificate or "STIC" until the Issue Date of Series. On the Issue Date of Series, the funds in the STIC, plus interest at an annual rate equal to the STIC Rate of Return, accrued daily, will be invested in the GIC. There are no fees and expenses applicable to an investment in the STIC. If you cancel your order to purchase the GIC, we will return the funds you invested together with interest at the STIC Rate of Return from the date of investment to the earlier of the cancellation date and the Issue Date of Series. The STIC cannot otherwise be redeemed or transferred.
 7. You may cancel your order to purchase the BMO Income Enriched GIC by contacting Bank of Montreal either at a branch or by telephone any time up to the third business day after the later of: (i) today's date; and (ii) receipt of the written Investment Terms and Conditions of the BMO Income Enriched GIC.

You will be deemed to have received the Investment Terms and Conditions of the BMO Income Enriched GIC on the earlier of: (i) the day recorded as the time of sending by the server or other electronic means, if sent to you by electronic means; (ii) the day recorded as the time of sending by the fax machine, if sent to you by fax; (iii) five business days after the postmark date, if sent to you by mail; and (iv) today, if given to you in person.

8. This is only a summary of certain terms of the GIC.
 - You should carefully read the application form for the GIC and the accompanying Terms and Conditions for further details and a more complete discussion of the risk factors associated with an investment in the GIC.
 - We will send a copy of the Terms and Conditions of the GIC to you at your request. Complete information about the GIC may also be found at www.bmo.com/gic.
 - An indicative rate of return on the GIC, based on the performance of the Reference Portfolio for the Series since the Issue Date of Series, will be available at any Bank of Montreal branch or www.bmo.com/gic. The indicative rate of return is not a guarantee of the Additional Rate of Return for the Term.

By signing below, you acknowledge that this summary has been read to you, that you have received a written copy of this summary and that you consent to this summary being read to you and provided to you in writing at any time before you enter into a contract to purchase the GIC.

Name: _____ Signature: _____ Date: _____

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Guaranteed Rate of Return for each Period:	0.40%
Income Payment Frequency:	Annual
Annual Income Payment Dates:	November 1, 2011; November 1, 2012; November 1, 2013
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Calculation Date:	October 18, 2013
Maximum Rate of Return for the Term:	6.20%
STIC Rate of Return:	0.75% per annum
Eligible for CDIC coverage:	Yes
Reference Portfolio for the Series:	S&P/TSX Banks Index – 50% ¹ S&P/TSX Capped Utilities Index – 50%

- On each Annual Income Payment Date set out above, you will receive the Guaranteed Rate of Return for each Period on the amount you invest.
- On the Series Maturity Date, you are guaranteed to receive 100% of the amount you invest in the BMO Income Enriched GIC plus an Additional Rate of Return for the Term, if any.
 - The Additional Rate of Return for the Term payable to you will be the Portfolio Return (up to the Maximum Rate of Return for the Term) minus the Guaranteed Rate of Return for the Term. The Portfolio Return will be the average of the percentage changes in the values of the index or indices in the Reference Portfolio for the Series during the Term of Series (subject to a minimum of zero).
 - If the Additional Rate of Return for the Term is calculated to be less than zero, it will be set to zero.
 - If market disruptions or other special circumstances affect the calculation of the return, we may adjust or delay this calculation or payment of any interest. These are the only circumstances in which we may amend the terms of the GIC.
- The BMO Income Enriched GIC may be suitable for you if you want an investment for a term of 3 years with a guaranteed minimum return that is paid annually and you are prepared to accept the risks set out in the accompanying Terms and Conditions, including those summarized below:
 - The Rate of Return for the Term on the GIC differs from the return payable on a fixed-rate investment in that (i) it is not based on a fixed rate of interest that is known when the GIC is issued, (ii) it cannot be calculated before the Series Maturity Date because a portion of it is based on the performance of the Reference Portfolio over the Term of Series (provided that it will never be less than the Guaranteed Rate of Return for the Term), and (iii) no part of the return on the GIC is paid before the Series Maturity Date other than the Guaranteed Rate of Return for each Period.
 - The Rate of Return for the Term will never be more than the Maximum Rate of Return for the Term, no matter how well the Reference Portfolio performs.

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- The level of the indices in the Reference Portfolio is unpredictable and will be influenced by complex interrelated factors that affect the markets generally and the specific indices in particular. The historical performance of indices in the Reference Portfolio does not indicate the future performance of those indices or of the Reference Portfolio.
 - Neither you nor we can redeem the GIC before it matures. You cannot transfer your GIC and there will be no market through which you can sell it.
4. Bank of Montreal and its affiliates may hold interests in or securities of, extend credit to or enter into other business dealings with one or more of the entities whose securities are included in the Reference Portfolio for the Series.
 5. There are no fees and expenses applicable to an investment in the GIC.
 6. If you deposit funds with us before the Issue Date of Series, those funds will be invested in a Short Term Guaranteed Investment Certificate or "STIC" until the Issue Date of Series. On the Issue Date of Series, the funds in the STIC, plus interest at an annual rate equal to the STIC Rate of Return, accrued daily, will be invested in the GIC. There are no fees and expenses applicable to an investment in the STIC. If you cancel your order to purchase the GIC, we will return the funds you invested together with interest at the STIC Rate of Return from the date of investment to the earlier of the cancellation date and the Issue Date of Series. The STIC cannot otherwise be redeemed or transferred.
 7. You may cancel your order to purchase the BMO Income Enriched GIC by contacting Bank of Montreal either at a branch or by telephone any time up to the third business day after the later of: (i) today's date; and (ii) receipt of the written Investment Terms and Conditions of the BMO Income Enriched GIC.

You will be deemed to have received the Investment Terms and Conditions of the BMO Income Enriched GIC on the earlier of: (i) the day recorded as the time of sending by the server or other electronic means, if sent to you by electronic means; (ii) the day recorded as the time of sending by the fax machine, if sent to you by fax; (iii) five business days after the postmark date, if sent to you by mail; and (iv) today, if given to you in person.

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 - You should carefully read the application form for the GIC and the accompanying Terms and Conditions for further details and a more complete discussion of the risk factors associated with an investment in the GIC.
 - We will send a copy of the Terms and Conditions of the GIC to you at your request. Complete information about the GIC may also be found at www.bmo.com/gic.
 - An indicative rate of return on the GIC, based on the performance of the Reference Portfolio for the Series since the Issue Date of Series, will be available at any Bank of Montreal branch or www.bmo.com/gic. The indicative rate of return is not a guarantee of the Additional Rate of Return for the Term.

By signing below, you acknowledge that this summary has been read to you, that you have received a written copy of this summary and that you consent to this summary being read to you and provided to you in writing at any time before you enter into a contract to purchase the GIC.

Name: _____ Signature: _____ Date: _____

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CUSTOMER COPY

BMO Income Enriched GIC – Investment Terms and Conditions

You have invested in the BMO Income Enriched Guaranteed Investment Certificate (“**BMO Income Enriched GIC**”). Between your deposit date and the issue date of the BMO Income Enriched GIC, your deposit funds will be invested in a BMO Short Term Guaranteed Investment Certificate (“**STIC**”). This document forms part of your application and, together with your application and the Summary of Investment Terms and Conditions (the “**Summary**”), sets out the terms and conditions that apply to your investment. In these terms and conditions, “we” “us” and “our” refer to Bank of Montreal Mortgage Corporation, the issuer of the STIC and the BMO Income Enriched GIC, “you” and “your” refers to the owner or owners of the investment named on the application form, and “Bank” refers to Bank of Montreal. We are a subsidiary of the Bank. Capitalized terms not otherwise defined herein have the meanings attributed to them in the Summary. A Calculation Agent, being the Bank or other third party appointed by us, will make all calculations and determinations in respect of the investment and all such calculations and determinations will, absent manifest error, be final and binding.

Issuer. Bank of Montreal Mortgage Corporation

Guarantor. Bank of Montreal

Minimum Investment. You must invest a minimum of **\$1000**.

Issue Date of Series. Your BMO Income Enriched GIC will be issued to you on the Issue Date of Series set out in the Summary.

Term of Series and Series Maturity Date. Your BMO Income Enriched GIC has a term that begins on the Issue Date of Series and continues for the period specified as the Term of Series in the Summary. Your BMO Income Enriched GIC matures on the day on which the Term of Series ends (the “**Series Maturity Date**”). If the Series Maturity Date would fall on a Saturday, Sunday or holiday, it will be extended to the next day that is not a Saturday, Sunday or holiday.

Fees and Expenses. There are no fees and expenses applicable to the BMO Income Enriched GIC.

Payment on Annual Income Payment Dates. Income payments will commence on the first Annual Income Payment Date as set out in the Summary, and will be made periodically in accordance with the Income Payment Frequency set out in the Summary. On each date on which an income payment is made (“**Annual Income Payment Date**”), as described above, you will receive, in respect of the Interest Period then ending, the Guaranteed Rate of Return for each Period.

If you have elected to receive your income payments via deposit to your Bank of Montreal bank account, the payments will be made on the Annual Income Payment Dates. If you have elected to receive your income payments via cheque, the cheque will be issued and mailed to you on the Annual Income Payment Dates. If an Annual Income Payment Date falls on a Saturday, Sunday or holiday, the income payment will be made or mailed, as the case may be, on the next day that is not a Saturday, Sunday or holiday.

Reference Portfolio for the Series. The Reference Portfolio for the Series used to determine the Additional Rate of Return for the Term, if any, is described in the Summary. The Reference Portfolio for the Series is a notional portfolio, consisting of one or more equally weighted indices as set out in the Summary. The Reference Portfolio for the Series is simply a list of the index or indices on whose performance the Additional Rate of Return for the Term will be based.

Guaranteed Rate of Return for Each Period. An “Interest Period” is a period commencing on an Annual Income Payment Date (or, in the case of the first Interest Period, on the Issue Date of Series) and ending on the next Annual Income Payment Date. The “Guaranteed Rate of Return for each Period” refers to the rate of return set out in the Summary, which is the rate of return that you will receive in respect of each Interest Period during the Term of Series. All income payments relating to the Guaranteed Rate of Return for each Period made on a particular Annual Income Payment Date relate solely to the Interest Period which ends on that Annual Income Payment Date.

Calculation of Interest Payable on Annual Income Payment Dates. The amount of interest you will receive on an Annual Income Payment Date will be equal to the Guaranteed Rate of Return for each Period multiplied by the Issue Amount (“**Guaranteed Interest**”).

Periods. For purposes of determining the amount of interest you will receive on an Annual Income Payment Date and Income Payment Frequency, the Term of Series is divided into the “Number of Periods” specified in the Summary. All Periods (each referred to as a “Period”) begin two business days after the Issue Date of Series and end on the respective Annual Income Payment Date set out in the Summary. The first Period ends on the Annual Income Payment Date on or about one year after the Issue Date of Series,

the second Period ends on the Annual Income Payment Date on or about two years after the Issue Date of Series, and so on until the Calculation Date. The Guaranteed Rate of Return for a Period is independent of, and has no effect on, the Guaranteed Rate of Return for any other Period.

Payment on Series Maturity Date. In addition to the Guaranteed Rate of Return for each Period, on the Series Maturity Date you will be paid the initial amount you have deposited with us, plus interest accrued on the STIC at the STIC Rate of Return set out in the Summary (the “**Issue Amount**”).

On the Series Maturity Date you may also receive a variable rate of return (“**Additional Rate of Return for the Term**”) linked to the performance of the Reference Portfolio for the Series. The Additional Rate of Return for the Term is described below under “Calculation of Interest Payable on Series Maturity Date”.

Measurement of Performance of the Reference Portfolio for the Series. The performance of the Reference Portfolio for the Series for the Term of Series (“**Portfolio Return**”) is determined as follows:

- 1) The performance of each index comprising the Reference Portfolio for the Series is determined by measuring the percentage change in the value of that index, as of market close, two business days after the Issue Date of Series (“**Issue Date Value**”), compared to its closing value on the Calculation Date (“**Calculation Date Value**”). We will determine the Issue Date Value and the Calculation Date Value for each of the indices in the Reference Portfolio for the Series using the publicly listed closing prices of the indices on the Issue Date of Series and the Calculation Date set out in the Summary, without reference to any dividends or distributions paid on the securities comprising the indices. The performance of each of the indices (expressed as a percentage) is determined as follows:

$$\frac{\text{Calculation Date Value} - \text{Issue Date Value}}{\text{Issue Date Value}} \times 100$$

- 2) The Portfolio Return, if any, will equal the simple average of the percentage changes in the values of each index (positive, zero or negative, as the case may be), as determined above, for all of the indices comprising the Reference Portfolio for the Series. However, if the simple average of the percentage changes, as so determined, is zero or negative, the Portfolio Return will be zero.

Additional Rate of Return for the Term. Subject to the occurrence of a market disruption event, the Additional Rate of Return for the Term will be the Portfolio Return up to the Maximum Rate of Return for the Term set out in the Summary minus the Guaranteed Rate of Return for the Term set out in the Summary. The Guaranteed Rate of Return for the Term is the sum of the Guaranteed Rates of Return for each Period. Under no circumstances will the Guaranteed Rate of Return for the Term plus the Additional Rate of Return for the Term be greater than the Maximum Rate of Return for the Term.

Calculation of Interest Payable on Series Maturity Date. In addition to the payment of the Guaranteed Interest for each Period, the amount of interest, if any, you will receive on the Series Maturity Date will be equal to the Additional Rate of Return for the Term, if any, multiplied by the Issue Amount (“**Variable Interest**”).

The Guaranteed Rate of Return for the Term and the Additional Rate of Return for the Term, if any, are not annual interest rates but together represent the total return on the BMO Income Enriched GIC over the Term of Series. If the average percentage change of the indices comprising the Reference Portfolio for the Series is less than the Guaranteed Rate of Return for the Term, you will receive only the Guaranteed Rate of Return for each Period in respect of any Interest Period during the Term of Series.

Rate of Return for the Term Example. The following information is presented to provide an example of how the payment of interest on an Annual Income Payment Date and on the Series Maturity Date is calculated pursuant to these terms and conditions. **This example is based on a hypothetical return on a hypothetical portfolio consisting of two indices and is not intended as a forecast of future returns of the index or indices underlying the Reference Portfolio for the Series or as a forecast of any payment of interest.**

The Rate of Return for the Term includes the Guaranteed Rate of Return for each Period plus the Additional Rate of Return for the Term, if any. The Additional Rate of Return for the Term, if any, is based on the average percentage increase, if any, in the index or indices comprising the Reference Portfolio for the Series, up to a Maximum Rate of Return for the Term, as set out in the Summary. **The indices underlying the Reference Portfolio for**

the Series and the Maximum Rate of Return for the Term can change from Series to Series. The index or indices underlying the Reference Portfolio for the Series and the Maximum Rate of Return for the Term applicable to your investment are outlined in the Summary.

For this example, the Guaranteed Rate of Return for each Period is 2.00%. On each Annual Income Payment Date, a BMO Income Enriched GIC would pay, in respect of the Interest Period then ending, an interest payment equal to the Issue Amount multiplied by the Guaranteed Rate of Return for each Period. In the example above, and assuming an Issue Amount of \$1000, the holder of a BMO Income Enriched GIC would have received a Guaranteed Interest payment of \$20.00 in respect of each Period.

The hypothetical reference portfolio in this example contains two indices. The table below shows the percentage change in the value of the indices from the Issue Date to the Calculation Date.

Index	Issue Date Value	Calculation Date Value	Percentage Change (%)
Index A	600	540	-10.00
Index B	250	350	40.00
Total			30.00

In this example, the sum of the percentage changes in the values of the indices on the Calculation Date is 30.00%.

Based on this example, the Portfolio Return is determined as follows:

$$\frac{\text{Sum of the percentage changes in values of indices in hypothetical portfolio (30.00\%)}}{\text{Number of indices in hypothetical portfolio (2)}} = 15.00\%$$

The Maximum Rate of Return for the Term in our example is 20.00%. Since the Portfolio Return is greater than the Guaranteed Rate of Return for the Term and less than the Maximum Rate of Return for the Term, the Rate of Return for the Term is equal to the Portfolio Return minus the Guaranteed Rate of Return for the Term (i.e., 15.00% - 6.00% = 9.00%).

Assuming an Issue Amount of \$1000, the holder of a BMO Income Enriched GIC would have received a Variable Interest payment of \$90.00 on the Series Maturity Date.

If the Portfolio Return had been less than the Guaranteed Rate of Return for the Term, the Additional Rate of Return for the Term would have been zero and there would have been no Variable Interest payable.

BMO Income Enriched Index. An index created by the Calculation Agent (the “**BMO Income Enriched Index**”) will be provided to you as a tool or proxy to help you track the performance of the Reference Portfolio for the Series. The Opening Index Value for the Series is 100.00 and is used to represent the value of your investment in the BMO Income Enriched GIC. On subsequent dates, this value will depend on payments of Guaranteed Interest then remaining and the current market price of the index or indices making up the Reference Portfolio for the Series. The value of the BMO Income Enriched Index at particular dates (the “**Current Index Value for the Series**”) will be disclosed in periodic investment statements, including your maturity notice and will also be available at any branch of the Bank or through the Bank’s Online Banking service. The BMO Income Enriched Index is only a tool to help you track the performance of the Reference Portfolios for the Series and is not, under any circumstances, a representation of the value of the BMO Income Enriched GIC at any point in time.

Market Disruption And Other Special Circumstances. There is always the possibility of a market disruption or other events beyond our or the Bank’s reasonable control that may have a material effect on our ability to calculate a rate of return on your investment, to manage the related risk or otherwise perform our obligations. If a market disruption event occurs on a day on which the value of an index is to be determined, the determination of the value may be delayed. Fluctuations in the value of the index may occur in the interim. In certain unusual circumstances, the Calculation Agent may estimate the value of the index, replace an existing index with a new index and/or determine the amount of interest, if any, that may be payable in an alternate manner. However, in no event will the Issue Amount or the Additional Rate of Return for the Term, if any, of a BMO Income Enriched GIC be paid prior to the Series Maturity Date.

We have the right to replace the investments within the Reference Portfolio for the Series with Canadian stock market indices [or Canadian securities], which we will exercise in certain circumstances, including if an index within the Reference Portfolio for the Series becomes discontinued or otherwise wound-up or if it merges into, consolidates with or is combined with any other index, or where the cost or ability of any dealer to hedge our obligation under your investment is materially adversely affected by circumstances beyond its control.

In the event that a market disruption event materially affects our cost or ability to hedge our obligation under your investment, no further Additional Rate of Return for the Term will be calculated, determined or earned for the remaining term of the investment. The Issue Amount and any Additional Rate of Return for the Term earned up to the date of such market disruption event will be paid at, but not prior to, the Series Maturity Date. If such a market disruption event occurs, the possibility of your investment earning any Variable Interest is significantly reduced.

Income Payment Instructions. On each Annual Income Payment Date, we will pay you the Guaranteed Interest for the Period that ends on such Annual Income Payment Date according to the instructions provided by you on the application form. Under no circumstances will you be able to reinvest the Guaranteed Interest for each Period into the same Series of BMO Income Enriched GICs.

Reinvestment of the Issue Amount. At the Series Maturity Date, if you have not provided us with the Maturity Instructions (as described below), the Issue Amount will be automatically reinvested in a non-redeemable BMO Guaranteed Investment Certificate issued by us, and fully guaranteed by the Bank, having a one-year term to maturity at the annual interest rate then applicable to the new investment and with interest compounded annually.

Maturity Instructions. If, at the Series Maturity Date you do not wish the Issue Amount to be automatically reinvested as provided for above, you must complete a Maturity Option Change Request, available at the Bank, and deliver the completed Maturity Option Change Request to the Bank at least 20 days prior to the end of the Term of Series. A Maturity Option Change Request is not available through the Bank’s Online Banking service.

Confirmation. At the time of issue of the BMO Income Enriched GIC, we will provide you with written confirmation of the Series #, Issue Amount, Issue Date of Series, Term of Series, Opening Index Value for the Series, Guaranteed Rate of Return for each Period, and any other information we consider to be necessary.

Statements. We will issue statements semi-annually, showing the Issue Amount, Opening Index Value for the Series, Current Index Value for the Series and any other information we consider to be necessary. The value of your investment in the BMO Income Enriched GIC shown on the statements will not change over the period of your investment.

Currency. All amounts will be deposited, calculated and paid in Canadian dollars.

Certificate. A certificate representing your investment is not available.

Restrictions on Sale. Your BMO Income Enriched GIC is only available for sale within Canada and may only be held by Canadian residents. Your BMO Income Enriched GIC may be subject to further restrictions within any relevant province or territory. Your BMO Income Enriched GIC has not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered, sold or delivered within the United States or to United States persons (as such expressions are defined in the United States Internal Revenue Code and regulations thereunder).

Transfer. Your investment in the STIC and BMO Income Enriched GIC is not transferable.

Early Redemption. You may not redeem your investment prior to the Series Maturity Date. However, we may redeem your investment without penalty prior to the Series Maturity Date in the event of your death.

Ownership Status. We are not obligated to (i) inquire into your interest in the investment, (ii) advise as to tax considerations or (iii) see to the execution of any trust. For each investment that you purchase (i) on behalf of a minor, (ii) that is registered other than “in trust”, or (iii) as a gift for others, we will require proof of ownership satisfactory to us and you will be required to sign to effect transactions with respect to your investment after purchase of the investment.

CDIC Deposit Insurance. Only deposits held in Canadian currency, having a term of 5 years or less and payable in Canada are insurable under the *Canada Deposit Insurance Corporation Act*.

STIC Terms & Conditions. Between the date you deposit funds with us (the “**Purchase Date**”, set out in the application form or Confirmation as applicable) and the Issue Date of Series, your deposit funds will be invested in a STIC, a fixed return short-term deposit issued by us. The Purchase Amount of the STIC set out in the application form or Confirmation as applicable, and interest payable on the Purchase Amount is unconditionally guaranteed by the Bank. At the maturity date of the STIC, being the Issue Date of Series set out in the Summary, the Purchase Amount and the interest accrued on the Purchase Amount at the STIC Rate of Return, accrued daily, for the period from the Purchase Date up to the Issue Date of Series, will be

the Issue Amount automatically reinvested in the BMO Income Enriched GIC. There are no fees and expenses applicable to an investment in the STIC. If you cancel your order to purchase the BMO Income Enriched GIC, we will return the funds you invested together with interest at the STIC Rate of Return from the date of investment to the earlier of the cancellation date and the Issue Date of Series. The STIC cannot otherwise be redeemed or transferred.

Tax Considerations. The following is a summary of the principal Canadian federal income tax implications and considerations that generally apply to individuals who purchase a BMO Income Enriched GIC and who, at all times, for the purposes of the Income Tax Act (Canada) (the “Act”) are resident in Canada, hold the BMO Income Enriched GIC until maturity outside of a registered plan, deal at arm’s length and are not affiliated with Bank of Montreal Mortgage Corporation, and hold the BMO Income Enriched GIC as capital property. **This summary is of a general nature, is not exhaustive of all Canadian federal income tax considerations and does not constitute legal or tax advice to any particular holder. Holders should consult their tax advisors for advice with respect to the income tax consequences of an investment in a BMO Income Enriched GIC in their particular circumstances.** The information provided below is based on the provisions of the Act and the regulations thereunder (“Regulations”) in effect on the date that this summary was drafted, all specific proposed amendments to the Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date on which this summary was drafted, and certain administrative policies and practices of the Canada Revenue Agency. Provincial and foreign tax implications and considerations are not addressed herein.

You will be required to include in your income in each taxation year the Guaranteed Interest for each Period, except to the extent that the amount was included in computing your income for a preceding year. The “prescribed debt obligation” rules in the Act and the Regulations should not apply to require a greater amount to be included in your income at any time. In the year of maturity, you will be required to include in your income the amount, if any, of the Variable Interest. Interest accrued on your STIC to the Issue Date of Series must be included in your income in the year in which the BMO Income Enriched GIC is issued.

The return on your BMO Income Enriched GIC will be treated as interest and will be reported on a Form T5 and Relevé 3 (where applicable) in accordance with the Act and the Regulations and the Taxation Act (Quebec) and the regulations thereunder.

Risk Factors. An investment in the BMO Income Enriched GIC is subject to certain risk factors that you should carefully consider before acquiring a BMO Income Enriched GIC, including the following factors:

No Assurance of Variable Interest. Aside from the Guaranteed Rate of Return for each Period, there is no assurance that the Reference Portfolio for the Series will be able to generate any Variable Interest. Therefore, a BMO Income Enriched GIC is not a suitable investment for you if you need or expect to receive a return on your investment greater than the Guaranteed Rate of Return for the Term and are not prepared to assume risks with respect to an Additional Rate of Return for the Term tied to the performance of the Reference Portfolio for the Series.

Non-Conventional Indebtedness. The BMO Income Enriched GIC has certain characteristics that differ from those of conventional forms of indebtedness. With the exception of the Guaranteed Rate of Return for each Period, an investment in a BMO Income Enriched GIC does not provide you with a return or income stream calculated by reference to a fixed or floating rate of interest that is determinable prior to the Calculation Date. You will not have an opportunity to reinvest any income generated by the BMO Income Enriched GIC prior to each Annual Income Payment Date.

No Secondary Market. The BMO Income Enriched GIC is designed for investors who are prepared to hold their investment to the Series Maturity Date. Your BMO Income Enriched GIC will not be listed on any exchange and there will be no market through which the BMO Income Enriched GIC may be sold. Also, the BMO Income Enriched GIC is not transferable. As a result, you will not be able to redeem or sell your BMO Income Enriched GIC prior to the Series Maturity Date.

Risks Relating to the Reference Portfolio for the Series. The Additional Rate of Return for the Term will be based on the values of the indices comprising the Reference Portfolio for the Series at the Calculation Date. The values of the indices is unpredictable and will be influenced by factors that are beyond our control. The values of the indices will be influenced by both the complex and interrelated political, economic, financial and other factors that can affect markets generally, and by various circumstances that can influence the value of a particular index. Historical prices of the indices comprising the Reference Portfolio for the Series should not be considered any indication of

the future performance of the indices and the Reference Portfolio for the Series.

Limit on Variable Interest. The Variable Interest, if any, payable on your BMO Income Enriched GIC is subject to a maximum value. If the Portfolio Return is greater than the Maximum Rate of Return for the Term, you will not participate in the increase in value of the Reference Portfolio beyond the Maximum Rate of Return for the Term.

No Independent Calculation. The Calculation Agent will be solely responsible for computing the Rate of Return for the Term based on the performance of the Reference Portfolio for the Series. No independent calculation agent will be retained to confirm any determinations and any calculations made.

No Ownership of the Securities Comprising the Indices in the Reference Portfolio for the Series. Owning the BMO Income Enriched GICs is different from owning the securities or indices in the Reference Portfolio for the Series. The BMO Income Enriched GICs do not represent a direct substitute for an investment in those securities or indices and will not entitle you to any direct or indirect ownership of or entitlement to any securities comprising the indices or the indices held by the Reference Portfolio for the Series. As such, you will not be entitled to the rights and benefits of a securityholder, including any right to receive distributions or dividends or to vote at or attend meetings of securityholders.

Conflicts of Interest. We, the Bank and our respective affiliates may, from time to time in the course of normal business operations, hold interests in or hold securities of (including under hedging arrangements related to the investment), extend credit to or enter into other business dealings with one or more of the entities whose securities are held in the Reference Portfolio for the Series. Such actions shall be based on normal commercial criteria in the particular circumstances, which may include payment of trailer fees to us, the Bank or our affiliates, and may not take into account the effect, if any, of such actions on the amount of Variable Interest that may be payable on the BMO Income Enriched GIC.

Credit Risk. Because the obligation to make payments to you under the terms and conditions of the BMO Income Enriched GIC is an obligation of us and the Bank, the likelihood that you will receive the payments owing to you in connection with the BMO Income Enriched GIC will be dependent upon the financial health and creditworthiness of us and the Bank.

Right of Rescission. You may cancel your order to purchase the BMO Income Enriched GIC by contacting Bank of Montreal either at a branch or by telephone any time up to the third business day after the later of: (i) the day on which the agreement to purchase the BMO Income Enriched GIC is entered into; and (ii) receipt of these Investment Terms and Conditions.

Deemed Date of Agreement to Purchase. If you place an order to purchase a BMO Income Enriched GIC in person or by telephone, the agreement to purchase the BMO Income Enriched GIC will be deemed to have been entered into on the date you agreed in writing, if in person, or orally, if by telephone, to the summary of the terms of the BMO Income Enriched GIC.

Deemed Date of Receipt of these Investment Terms and Conditions. You will be deemed to have received these Investment Terms and Conditions on the earlier of: (i) the day recorded as the time of sending by the server or other electronic means, if sent to you by electronic means; (ii) the day recorded as the time of sending by the fax machine, if sent to you by fax; (iii) five business days after the postmark date, if sent to you by mail; and (iv) when it is actually received by you, if given to you in person.

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