

## **BANK OF MONTREAL**

### **MINUTES OF ANNUAL MEETING OF SHAREHOLDERS**

**Tuesday, April 5, 2016**

The Annual Meeting of Shareholders of Bank of Montreal (the “Bank”) was held in the Presentation Hall, BMO’s Institute for Learning (“IFL”), Toronto, Ontario, Tuesday, April 5, 2016 commencing at 9:30 a.m. (local time).

In accordance with the By-laws of the Bank, Robert Prichard, the Bank’s Chairman of the Board, acted as Chair of the meeting, and Barbara Muir, the Bank’s Corporate Secretary, acted as Secretary of the meeting.

The Chair extended a warm welcome to shareholders and opened the meeting by recognizing the attendance by one of the Bank’s Honorary Directors, Mr. John Ellis who was attending his 66<sup>th</sup> annual meeting, having only missed two in the last 68 years. He then introduced the Bank executives on stage: Mr. William Downe, Chief Executive Officer (CEO); Mr. Tom Flynn, Chief Financial Officer; Mr. Simon Fish, General Counsel; and Ms. Muir.

The Chair noted that members of the Board of Directors of Bank of Montreal and the Bank’s senior management team were seated in the audience. The Chair then advised that notice of the meeting had been duly given in accordance with the *Bank Act* and a quorum of shareholders was present in person or represented by proxy. He therefore declared the meeting to be properly constituted for the transaction of such business as may be properly brought before it, following which he appointed Mr. Steve Gilbert and Ms. Sonia Ciavaglia, representatives of Computershare Trust Company of Canada, as Scrutineers for the meeting. The Chair also noted that the following representatives of the shareholders’ auditors, KPMG LLP, were in attendance: Mr. Jim Newton (the lead audit partner); Mr. Naveen Kalia; and Mr. Brent Elson.

#### **PROCEDURES**

The Chair outlined certain procedures to be followed in the conduct of the meeting. The Chair also advised that closed captioning was provided for the hearing impaired and that the meeting was being broadcast live on the Internet in both official languages. He then outlined the agenda for the meeting and made comments in respect of forward-looking statements and non-GAAP financial measures.

#### **CHAIRMAN’S GENERAL COMMENTS**

The Chair made some general comments concerning the Bank’s performance over the past year and noted the confidence of the Board of Directors in the CEO and his management team to execute for the future.

#### **CHIEF EXECUTIVE OFFICER REMARKS**

In his address to shareholders, Mr. Downe discussed the economic environment in addition to addressing the Bank’s views on the current commodity cycle. Mr. Downe then spoke about the strategic importance of technology, and outlined the technology transformation that the Bank has undergone over the past five years. He reviewed the extensive architecture the Bank has built to integrate processes and information across the organization. Mr. Downe also discussed BMO’s fiscal 2015 results and highlighted the Bank’s plans for the future, which include further differentiating in the digital space while driving efficiency, and maintaining customer loyalty as a singular priority of the Bank.

## **ADDITIONAL PROCEDURES**

The Chair reviewed additional procedures for the meeting and noted that voting on all matters of business requiring a vote by shareholders would be conducted by paper ballot.

## **2015 ANNUAL FINANCIAL STATEMENTS AND AUDITORS' REPORT TO SHAREHOLDERS**

The Chair referred to the Annual Report for the financial year ended October 31, 2015, a copy of which was forwarded to shareholders in advance of the meeting. He noted that the Annual Financial Statements were included on pages 135 to 201 of the Annual Report.

The Chair advised that the Auditors' Report contained on page 133 of the Bank's 2015 Annual Report would be taken as read.

## **ELECTION OF THE BOARD OF DIRECTORS**

The Chair introduced the twelve nominees standing for re-election as Directors.

He thanked the Directors for their service to the Bank, and noted the contributions of the four Committee Chairs (Christine Edwards, Ron Farmer, Philip Orsino and Don Wilson III). He also took the opportunity to thank Martha Piper for her contributions to the Bank, having retired as a Director in September 2015 after serving as a Board member for over 9 years.

The following twelve persons were then nominated (with such nomination seconded) to be elected as Directors of the Bank until the next succeeding Annual Meeting of Shareholders of the Bank, or until their successors are elected or appointed:

Janice M. Babiak	Ronald H. Farmer
Sophie Brochu	Eric La Flèche
George A. Cope	Lorraine Mitchelmore
William A. Downe	Philip S. Orsino
Martin S. Eichenbaum	J. Robert S. Prichard
Christine Edwards	Don M. Wilson III

The Chair called for discussion on the motion and, there being none, then asked the shareholders and proxyholders present to cast their votes.

## **APPOINTMENT OF THE SHAREHOLDERS' AUDITORS**

The following motion (duly made and seconded) was presented to the meeting:

**THAT** the firm of KPMG LLP be appointed as auditors of the Bank for the ensuing year.

The Chair called for discussion on the motion and, there being none, then asked the shareholders and proxyholders present to cast their votes.

## **ADVISORY RESOLUTION ON THE BANK'S APPROACH TO EXECUTIVE COMPENSATION**

The Chair introduced the next item of business which was the approval of an advisory resolution on the Bank's approach to executive compensation, details of which were set out on page 6 of the management proxy circular for the meeting.

The following motion (duly made and seconded) was presented to the meeting:

**RESOLVED**, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the Shareholders accept the approach to executive compensation disclosed in the Management Proxy Circular delivered in advance of the 2016 Annual Meeting of Shareholders of the Bank.

The Chair called for discussion on the motion and, there being none, then asked the shareholders and proxyholders present to cast their votes.

### **SHAREHOLDER PROPOSALS**

The Chair advised that the next item of business was to consider the one shareholder proposal as set out on pages 47 and 48 of the management proxy circular for the meeting.

The following motion on the proposal, submitted by the Mouvement d'Éducation et de Défense des Actionnaires ("MÉDAC"), was presented to the meeting by its representative, Ms. Hélène Dufresne, who also made some supporting comments at the meeting in respect of the proposal:

#### **Proposal No. 1**

**THAT** the Board adopt an action plan to streamline financial statements and make them more accessible or establish a committee with small shareholders in order to streamline financial statements and make them more accessible.

Following the presentation of the motion, the Chair called for discussion on the motion and, there being none, then asked the shareholders and proxyholders present to cast their votes. He reminded shareholders that the Board's position and recommendation on the proposal were stated in the management proxy circular, copies of which were provided to those in attendance for their reference.

### **VOTING RESULTS**

Following collection and tabulation of the ballots cast at the meeting, the Chair called upon the Scrutineers to report the results of the voting. Mr. Gilbert announced the results of the voting which are appended to and form part of these minutes as Appendix A.

The Chair declared that: the twelve nominees proposed for election as Directors of the Bank were elected; the audit firm of KPMG LLP was appointed as the Shareholders' Auditors of the Bank for the ensuing year; the advisory resolution on the Bank's approach to executive compensation was approved; and the shareholder proposal was defeated.

### **SHAREHOLDERS' QUESTIONS**

The Chair then declared the meeting open for shareholder questions. No questions were asked and only one comment was made in respect of a recent law passed in Israel concerning limiting the pay of banking executives in that country.

**TERMINATION OF MEETING**

Following a brief video, the Chair thanked all those who attended the meeting. With there being no further business, the Chair declared the meeting terminated.

Confirmed

Chair

Verified

Secretary

**LIST OF APPENDICES**

Appendix A      Voting Results

**REPORT UNDER  
NATIONAL INSTRUMENT 51-102  
REPORT OF VOTING RESULTS**

**To: Canadian Securities Administrators**

In accordance with section 11.3 of National Instrument 51-102 – Continuous Disclosure Obligations, the following sets out the matters voted on at the Annual Meeting of Shareholders of Bank of Montreal (the “Bank”) held on April 5, 2016 and, as such votes were conducted by ballot, the number and percentage of votes cast for, against/withheld or abstentions from each vote. Each of the matters set out below is described in greater detail in the Notice of Annual Meeting of Shareholders and Management Proxy Circular which was mailed to shareholders prior to the Annual Meeting and is available at [www.bmo.com/investorrelations](http://www.bmo.com/investorrelations).

The Board of Directors and management of the Bank recommended that shareholders vote FOR the election as director of each of the 12 nominees listed in the Management Proxy Circular, FOR the appointment of KPMG LLP as Auditors of the Bank, FOR the advisory resolution on the Bank’s approach to executive compensation and AGAINST the Shareholder Proposal.

**1. Election of Directors**

A ballot was conducted to vote on each resolution to appoint each of the following 12 nominees as a Director of the Bank to serve until the next Annual Meeting of Shareholders of the Bank or until their resignation or their successor is elected or appointed, and the outcome was as follows:

Nominee	Votes For		Votes Withheld	
Janice M. Babiak	290,420,120	99.38%	1,801,947	0.62%
Sophie Brochu	290,102,747	99.27%	2,119,321	0.73%
George A. Cope	287,383,263	98.34%	4,838,802	1.66%
William A. Downe	290,043,959	99.25%	2,178,642	0.75%
Christine A. Edwards	287,921,021	98.53%	4,301,138	1.47%
Martin S. Eichenbaum	290,128,953	99.28%	2,093,649	0.72%
Ronald H. Farmer	288,527,477	98.74%	3,695,123	1.26%
Eric R. La Flèche	290,093,635	99.27%	2,128,968	0.73%
Lorraine Mitchelmore	290,270,419	99.33%	1,952,182	0.67%
Philip S. Orsino	287,323,312	98.32%	4,899,290	1.68%
J. Robert S. Prichard	279,134,637	95.52%	13,087,963	4.48%
Don M. Wilson III	289,896,553	99.20%	2,326,047	0.80%

**2. Appointment of Shareholders’ Auditors**

A ballot was conducted to vote on the resolution to appoint the firm of KPMG LLP as the auditors of the Bank for the 2016 fiscal year and the outcome was as follows:

Votes For		Votes Withheld	
305,742,555	99.29%	2,199,952	0.71%

### 3. Advisory Resolution on Executive Compensation

A ballot was conducted to vote on the advisory resolution on the Bank's approach to executive compensation as outlined in the Management Proxy Circular and the outcome was as follows:

Votes For		Votes Against	
271,346,279	92.87%	20,842,139	7.13%

### 4. Shareholder Proposal

A ballot was conducted to vote on a shareholder proposal regarding "Streamlining Financial Reporting" and the outcome was as follows:

Votes For		Votes Against		Abstentions
6,858,108	2.36%	283,586,135	97.64%	1,776,448

Dated this 5<sup>th</sup> day of April, 2016.

**Bank of Montreal**

By: /s/ Barbara M. Muir  
Barbara M. Muir  
Corporate Secretary