

BMO ETFs
Distribution Reinvestment
Plan

1. Introduction

This Distribution Reinvestment Plan has been created by each of the BMO ETFs to provide Unitholders with a method of reinvesting cash distributions payable to them in additional Units of the same BMO ETF.

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

Holders of Listed Units are not automatically enrolled in the Plan and will receive distributions in cash unless they request to participate in the Plan.

Holders of Unlisted Units are automatically enrolled in the Plan and will receive Plan Unlisted Units unless the Unitholder requests in writing that the BMO ETF pay Distributions in cash.

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

2. Defined Terms

Beneficial Unitholder – means a beneficial holder of Units, which Units 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, so long as such establishment and/or management has been 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 an applicable Exchange or the Plan Agent’s principal office in Toronto is closed for business.

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

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

Distribution – with respect to a BMO ETF, means a distribution of net income, net realized capital gains or return of capital by the BMO ETF in respect of a specific Distribution Record Date.

Distribution Payment Date – means a day on which a BMO ETF pays a Distribution to its Unitholders, such date being no later than the 10th Business Day following the applicable Distribution Record Date.

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

Exchange – means the TSX, NEO Exchange or another “marketplace” as defined in National Instrument 21-101 *Marketplace Operations* that is located in Canada.

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

Listed Unit – in relation to each BMO ETF, means a redeemable unit of that BMO ETF which is distributed pursuant to a prospectus and listed for trading on an Exchange.

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

NEO Exchange – means the Aequitas NEO Exchange Inc.

Nominees – means brokers, investment dealers, financial institutions and other nominees (other than CDS) who hold Units on behalf of Beneficial Unitholders.

Parties – means the Manager, on behalf of the BMO ETFs, and the Plan Agent.

Plan – means this Distribution Reinvestment Plan.

Plan Account – means an account maintained by the Plan Agent for each Registered Participant, within which Plan Unlisted Units acquired on behalf of such Registered Participant in accordance with the provisions of the Plan are credited.

Plan Agent – means State Street Trust Company Canada, a trust company existing under the laws of Canada.

Plan Listed Units – in relation to each BMO ETF, means the additional Listed Units that are issued to a Unitholder pursuant to the Plan by the Plan Agent for a Plan Participant.

Plan Participant – with respect to a BMO ETF, means an eligible Unitholder who is enrolled in the Plan.

Plan Units – means the Plan Listed Units and the Plan Unlisted Units.

Plan Unlisted Units – in relation to each BMO ETF, means the additional Unlisted Units that have been issued to a Registered Participant pursuant to the Plan by the Plan Agent for a Plan Participant.

Registered Holder – means a holder of Units that are registered in the unit register of a BMO ETF, in its own name, whether such Units are beneficially owned by such holder or held in the holder’s capacity as Nominee.

Registered Participant – means a Registered Holder who is enrolled in the Plan.

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

TSX – means the Toronto Stock Exchange Inc.

Units – in relation to each BMO ETF, may mean Listed Units, Plan Listed Units, Unlisted Units and/or Plan Unlisted Units, as the case may be.

Unitholder – in relation to each BMO ETF, may mean a Registered Holder or a Beneficial Unitholder, as the case may be.

Unlisted Unit – in relation to each BMO ETF, means a redeemable unit of that BMO ETF issued on a private placement basis and not listed for trading on any Exchange.

3. Participation in the Plan

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 in the case of a Beneficial Unitholder and Plan Agent in the case of a Registered Holder and its participation in the Plan shall terminate immediately. None of the Plan Agent, CDS or the Manager will have any duty to inquire into, or know, the residency status or partnership status of any of the Plan Participants.

Listed Units

Unitholders who hold Listed Units of a BMO ETF, and who wish to participate in the Plan, must notify their CDS Participant sufficiently in advance of the deadlines set forth below.

The CDS Participant must, on behalf of a Unitholder, 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.

Unlisted Units

Unitholders who hold Unlisted Units of a BMO ETF are automatically enrolled in the Plan.

Distributions on Unlisted Units of a BMO ETF are reinvested in additional Unlisted Units of the applicable BMO ETF, unless the Unitholder of such Unlisted Units submits a request in writing, in the manner described below, to pay the distributions on such Unlisted Units in cash.

(a) Unlisted Units Registered with CDS

A Beneficial Unitholder of Unlisted Units who wishes to receive Distributions on such Unlisted Units in cash instead of additional Unlisted Units must provide written notice to CDS via the applicable CDS Participant through which such Beneficial Unitholder holds its Units of the Beneficial Unitholder's intention to not participate in the Plan. The CDS Participant must, on behalf of such Beneficial Unitholder, provide a written notice to CDS that the Beneficial 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 Beneficial Unitholder does not wish to participate. CDS shall in turn provide written notice to the Plan Agent no later than 2:00 p.m. (Toronto time) on the Business Day following the applicable Distribution Record Date that such Beneficial Unitholder does not wish to participate in the Plan. If notice is not received by the Plan Agent prior to this deadline, the Beneficial Unitholder will in fact participate in the Plan for that Distribution.

(b) Unlisted Units Not Registered with CDS

A Registered Holder (other than CDS) may elect to receive cash by delivering a completed Authorization Form to the Plan Agent five Business Days prior to the Distribution Record Date. If the completed Authorization Form is received by the Plan Agent from the Registered Holder after that time, it will not be effective for such Distribution but will instead take effect for the next and subsequent Distribution Payment Dates.

4. Administration

On each Distribution Payment Date, the BMO ETF shall pay to the Plan Agent, on behalf of Plan Participants, all cash amounts payable as Distributions so that the Plan Agent may reinvest such cash amounts in Plan Units. The Plan Agent shall effect such reinvestment in accordance with the process described below under the heading titled "Purchase of Units by Plan Agent".

5. Purchase of Units by Plan Agent

Listed Units

Under the Plan, Distributions in respect of Listed Units of a BMO ETF will be reinvested in Plan Listed Units of the BMO ETF. Such Plan Listed Units shall be purchased in the open market through the facilities of the applicable Exchange on the Distribution Payment Date.

Plan Listed Units purchased in the open market will be:

- (a) allocated to CDS based on their entitlement to the Distributions used to purchase Plan Listed Units; and

- (b) purchased through a dealer designated by the Plan Agent, which dealer may be an affiliate of the Plan Agent, and the price of such Plan Listed Units shall be the price paid (excluding brokerage commissions, fees and all transaction costs) per unit for all Plan Listed Units purchased by the Plan Agent in respect of the Plan on the open market through the facilities of the Exchange on the applicable Distribution Payable Date.

Plan Listed Units purchased on behalf of a Beneficial Unitholder by CDS will be credited through CDS to the Plan Account of the applicable CDS Participant on behalf of the Beneficial Unitholder for whom the CDS Participant is acting.

Unlisted Units

Under the Plan, Distributions in respect of Unlisted Units of a BMO ETF will be automatically reinvested in Plan Unlisted Units of the BMO ETF. Such Plan Unlisted Units shall be issued from treasury on the Distribution Payment Date.

In respect of Plan Unlisted Units of a BMO ETF issued from treasury, the Manager shall provide the Plan Agent with the net asset value per Unlisted Unit of the BMO ETF 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 for a Plan Participant unless it shall have first received the amounts paid as Distributions on the Units held by such Plan Participant.

7. Fractional Units

Full reinvestment is possible under the Plan as the Plan Agent will credit to the applicable Plan Account, on each reinvestment made under the Plan, fractions of Plan Units, calculated to three decimal places, for any amount that cannot be reinvested in whole Plan Units. The crediting of fractions of Plan Units in favour of Beneficial Unitholders who participate in the Plan through a Nominee will depend on the policies of that Nominee.

No fractional Plan Listed Units will be purchased under the Plan for CDS because CDS is the sole Registered Holder of Listed Units. Cash payments for any funds remaining after the Plan Agent has purchased whole Plan Listed Units will be made in lieu of fractional Plan Listed Units by the Plan Agent to CDS, on a timely basis.

Where applicable, CDS will credit the Plan Participant via the applicable CDS Participant in respect of the Plan Listed Units and/or Plan Unlisted Units.

8. Termination of Participation in the Plan

Listed Units

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.

Unlisted Units

(a) Unlisted Units Registered with CDS

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.

(b) Unlisted Units Not Registered with CDS

Registered Participants may voluntarily terminate their participation in the Plan as of a particular Distribution Record Date by notifying the Plan Agent no later than five Business Days prior to the Distribution Record Date. Beginning on the first Distribution Payment Date after which a termination notice has been received from such Registered Participant and accepted by the Plan Agent, Distributions to such Registered Participant will be made in cash. If notice of termination is received less than five Business Days prior to the Distribution Record Date, the Distributions payable on the relevant Payment Date will be reinvested under the Plan and the termination will be effective only with respect to the cash Distribution subsequently declared. Any expenses associated with the preparation and delivery of a termination notice will be borne by the Registered Participant exercising its right to terminate participation in the Plan.

If participation in the Plan is terminated, the number of whole Plan Unlisted Units held in the Plan will be moved to a non-certificated issue credit position in his or her account and cash payment for any fractional Plan Unlisted Units will be paid out to the Registered Holder. The fractional Plan Institutional Unit payment will be based on the price of Unlisted Units purchased for the Plan on the preceding "investment date".

9. No Issuance of Certificates

Physical certificates evidencing ownership of a Unit of a BMO ETF are not issued. Accordingly, physical certificates will not be issued for any Plan Units purchased under the Plan.

10. Withdrawal of Plan Units

A Plan Participant holding Plan Unlisted Units may withdraw some or all of their whole Plan Unlisted Units at any time upon written request to the Plan Agent, provided that written notice of withdrawal of Plan Unlisted Units is received not less than five Business Days prior to a Distribution Record Date. Requests received after the deadline will be processed after that Distribution Payment is completed. The requested number of whole Plan Unlisted Units withdrawn from the Plan will be moved to a non-certificated issue credit position in his or her account.

Non-Registered Participants should contact their Nominee to determine the procedures for withdrawing Plan Units from the Plan.

11. Voting of Plan Units

Plan Units may be voted in the same manner as Listed Units and/or Unlisted Units may be voted.

12. Statements of Account

The Plan Agent will maintain a Plan Account for each Plan Participant who holds Plan Unlisted Units. A statement of the Plan Account will be mailed to each Plan Participant who holds Plan Unlisted Units as promptly as practicable after each Distribution Payment Date. Such statements will constitute the Plan Participant's continuing record of the date and valuation of the acquisition of Plan Unlisted Units and should be retained for income tax purposes.

In respect of Plan Listed Units, the Plan Agent will deliver applicable taxation information to the Registered Holder on an annual basis.

In respect of Plan Listed Units and/or Plan Unlisted Units held by a Beneficial Unitholder indirectly through a Nominee, such Nominee shall, for taxation reporting purposes, deliver to the Beneficial Unitholder confirmation of the number of Plan Listed Units and/or Plan Unlisted Units issued to the Beneficial Unitholder pursuant to the Plan in accordance with the Nominee's policies, practices and procedures.

13. 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.

14. 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 on behalf of Plan Participants 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.

15. 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) Registered Participants, including CDS;
 - (ii) the CDS Participants through which the Plan Participants hold their Units;
 - (iii) the Plan Agent; and
 - (iv) if necessary, the applicable Exchange; 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 the Plan.

The Manager may also amend, modify or suspend the Plan with respect to any BMO ETF at any time in its sole discretion, provided:

- (a) that it complies with certain requirements and gives notice of that amendment, modification or suspension to:
 - (i) Registered Participants, including CDS;
 - (ii) the CDS Participants through which the Plan Participants hold their Units;

- (iii) the Plan Agent; and
- (iv) if necessary, the applicable Exchange; and

(b) obtains prior approval for the amendments from 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.

16. 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 applicable Exchange 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.

17. 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.

18. Currency

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

19. 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, 43rd 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:

State Street Trust Company Canada
c/o State Street Bank and Trust Company One
Heritage Drive, Floor One BostonQuincy,
Massachusetts 02171 USA

Attention: Marc Reyome, Assistant Vice-President
Facsimile: 617-937-8139