

# BMO Money Multiplier Variable Term Deposit Note

## Information Statement

November 18, 2019

This Information Statement should be read in conjunction with the Series Supplement providing specific details about the Deposit Note. No securities commission or similar authority in Canada has expressed an opinion on the Deposit Note and it is an offence to claim otherwise. This Information Statement relates only to the Deposit Note and does not relate to the Index or the Securities that make up the Index or the issuers of such Securities. We have taken reasonable care to ensure that the facts in this Information Statement with respect to the description of the Deposit Note are true and accurate in all material respects. All information in this Information Statement relating to the Index, the Securities and the Companies has been obtained from the public disclosure filed on [www.sedar.com](http://www.sedar.com) and other publicly available sources; it is the sole responsibility of such respective Companies to ensure the accuracy, reliability and completeness of such information.

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## A. GENERAL DISCLOSURE

### Overview

We have prepared this information statement (the “**Information Statement**”) to help you decide whether to invest in the BMO Money Multiplier Variable Term Deposit Note (also referred to as the “**Deposit Note**”). This Information Statement was prepared specifically to describe the main features of the Deposit Note, and explains your rights if you invest in the Deposit Note.

The specific terms relating to any particular series of Deposit Note can be found in the applicable “**Series Supplement.**” Each series of the Deposit Note provides exposure to the price performance of the S&P/TSX Composite Index Banks (Industry Group) (Price Return Version) (the “**Index**”). You may obtain a Series Supplement for any current offering of Deposit Note from any Bank of Montreal branch during normal business hours and this Information Statement is available on our public website at:

<https://www.bmo.com/main/personal/investments/gic/money-multiplier>.

To make this Information Statement easier to understand, we use “**we**”, “**our**” and “**us**” to refer to Bank of Montreal or any of its Affiliates and “**you**” and “**your**” to refer to the reader of this document as a potential or actual investor in the Deposit Note. Capitalized terms are described in more detail in the Glossary of Terms at the end of this Information Statement.

This Information Statement and the relevant Series Supplement contain all the information you should know about a series of Deposit Note. You should read both this Information Statement and the Series Supplement.

This Information Statement has nine parts:

- **Part A** gives you general information about the Deposit Note.
- **Part B** describes in detail how the Deposit Note works, including details of the Offering, what payments will be made under the Deposit Note, how the Index Performance Coupon is calculated, and how the Fixed Coupon Payments work.
- **Part C** gives you information about the underlying Index that determines the amount of any Index Performance Coupon you may earn on your Deposit Note, if the Deposit Note matures early.
- **Part D** describes your legal rights as an investor in the Deposit Note.
- **Part E** gives you information about how to determine

if the Deposit Note is an appropriate investment for you, the risks of investing in the Deposit Note, and how to buy the Deposit Note.

- **Part F** describes certain Canadian federal income tax considerations that you should take into account in deciding whether to invest in the Deposit Note.
- **Part G** gives important additional information about the Deposit Note that is not contained in any other part of this document.
- **Part H** describes certain special circumstances that may affect the Fixed Coupon Payments and Index Performance Coupon, if any, you may receive on your Deposit Note.
- **Part I** is a glossary of some of the important terms we use in this document.

### What is a Deposit Note?

The Deposit Note blends the characteristics of growth-oriented and yield-generating investments with instruments that secure your principal.

It is an unsecured and unsubordinated debt obligation owed to its Holder by us with the following features:

- The Deposit Note ranks equally with our other deposit liabilities. That means we must repay amounts owing on the Deposit Note on an equal basis with our other deposit liabilities without giving preference to one or the other.
- The Deposit Note is not eligible to be insured by the Canada Deposit Insurance Corporation or any other entity. Therefore, a Holder will not be entitled to Canada Deposit Insurance Corporation protection.
- The Deposit Note is not a conventional note or debt security in that the return is not calculated solely by reference to a fixed or floating rate of interest that can be determined prior to Maturity.
- The Deposit Note is not designed to be redeemed or repaid prior to Maturity. You are typically not able to redeem or withdraw any amount invested in a Deposit Note until it matures.

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## B. DESCRIPTION OF THE DEPOSIT NOTE PROGRAM

### Introduction

The Deposit Note is being issued by us with a Subscription Price of \$100.00 per Deposit Note and a minimum subscription of \$1000.00 (10 Deposit Notes).

### The Deposit Note Program

The Deposit Note has a term to maturity that is variable. The Deposit Note has a minimum term of 5 years and a maximum term of 10 years. The maturity of the Deposit Note will be determined by the Early Maturity Feature, which is based on the price performance of the Index.

### Annual Fixed Coupon Payments

The Deposit Note pays a Fixed Coupon Payment annually until Maturity. Please refer to the Series Supplement for the specific rate and payment dates. You will receive this Fixed Coupon Payment annually until Maturity, regardless of the price performance of the Index.

### Early Maturity Feature and Index Performance Coupon

The Deposit Note will mature early and be repaid by Bank of Montreal if the Closing Level of the Index is equal to or above 150% of the Initial Level on any Valuation Date.

If the Deposit Note matures early, Bank of Montreal will repay to you your initial Deposit Amount and you will also receive (i) the annual Fixed Coupon Payment, and (ii) the index performance coupon (the “**Index Performance Coupon**”) of 100% plus 5% of any price return of the Index above 50% of the Initial Level (the “**Excess Return**”) on the applicable Fixed Coupon Payment Date. If the Index Return is equal to 50% on the relevant Valuation Date, then the Excess Return will be zero.

If the Closing Level of the Index is never equal to or above 150% on any Valuation Date, the Deposit Note will mature on the Maturity Date and your Deposit Amount will be repaid by us.

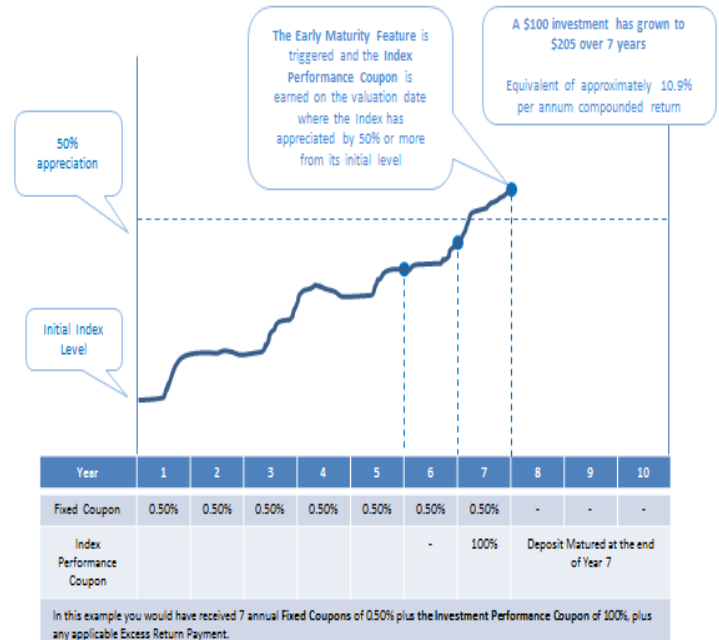
In all circumstances, and until your Deposit Note matures, you will receive the annual Fixed Coupon Payments, regardless of the price performance of the Index.

### Examples

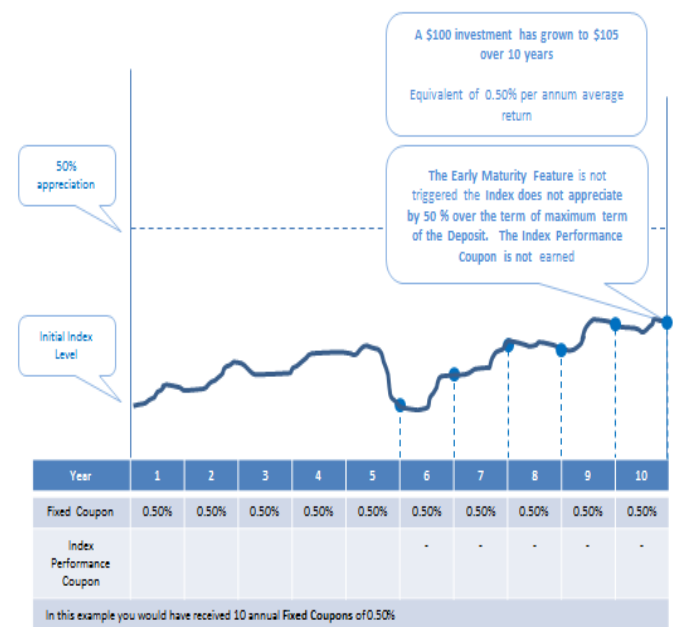
The examples below are provided for illustration purposes only. These examples assume that a Holder has purchased a Deposit

Note with a principal amount of \$100.00, that a Holder holds the Deposit Note until the Deposit Note matures early, or until Maturity. The two scenarios are hypothetical and are not estimates or forecasts of expected changes in the Index level from the Issue Date to and including the Valuation Date.

#### Example 1 – Early Maturity and Payment of the Index Performance Coupon



#### Example 2 – 10 Year Maturity and No Index Performance Coupon



## Index Valuation and Early Maturity Dates

The Closing Level will be observed on each Valuation Date and if the Closing Level of the Index is above 150% of the Initial Level, the Deposit Note will be called by us on the corresponding Early Maturity Date, which then becomes the Maturity Date. The specific Valuation Dates and potential Early Maturity/Maturity Dates for the Deposit Note can be found in the applicable Series Supplement.

In the event that a scheduled Valuation Date is not an Exchange Day for any reason, then the Valuation Date will be the immediately preceding Exchange Day. In the event that the Early Maturity/Maturity Date is not a Business Day, the related payment we are obligated to make on such day will be paid to the Holder on the immediately following Business Day and no interest will be paid in respect of such delay. If the Deposit Note matures early, the Deposit Note will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Deposit Note.

## Rank

The Deposit Note will constitute a direct unconditional obligation on our part. The Deposit Note will be issued on an unsubordinated basis and will rank equally, as among all Deposit Notes and with all our other outstanding, direct, unsecured and unsubordinated, present and future obligations (except as otherwise prescribed by law), and will be payable ratably without any preference or priority.

## Fees and Expenses

No annual fees will be charged by us and no expenses will be paid out of the proceeds of the offering.

## Currency

The Deposit Note is a Canadian dollar deposit liability, and we will pay all amounts on the Deposit Note in Canadian dollars.

## No Certificate

You will not receive a certificate or other document representing your ownership of the Deposit Note. Instead we will maintain records showing the holders of the Deposit Note.

Upon receiving amounts payable in respect of the Deposit Note, we will arrange for payment to Holders in amounts proportionate to their respective interests in the Deposit Note recorded in the register maintained by us.

All records maintained by us shall, absent manifest error, be final for all purposes and binding on all persons including the Holders. We will not be responsible for its errors if made in

good faith.

## Selling Your Deposit Note Early

The Deposit Note is intended to be an instrument held to Maturity with its principal being payable on the Maturity Date. We will not establish or arrange for a secondary market through which the Deposit Note may be sold prior to Maturity.

Please see “Is the Deposit Note Right for Me and What are the Risks – What are the Risks of Investing in the Deposit Note – No Secondary Trading of the Deposit Note”.

## Where can I find out more about the Deposit Note?

You may request information about the Deposit Note or another copy of this Information Statement by contacting the BMO Investment Centre at 1-800-665-7700 or from any Bank of Montreal branch during normal business hours.

During the term of the Deposit Note, you may inquire as to its value by contacting the BMO Investment Centre at the above number, or at any Bank of Montreal branch during normal business hours or by visiting

<https://www.bmo.com/main/personal/investments/gic/money-multiplier>.

## How will I receive notices?

Any notices about the Deposit Note may be given by publishing once in a French language Canadian newspaper and once in the national edition of an English language Canadian newspaper or communicated to you by mail, electronic and/or any other means. Notices given in this way will be considered valid for purposes of communicating with Holders of the Deposit Note. We will give notice in this way of any material change or material fact relating to the Deposit Note.

## How do I purchase the Deposit Note?

The minimum purchase for the Deposit Note is \$1000.00 (10 Deposit Notes). The Deposit Note may be purchased at any Bank of Montreal branch until 4:00 p.m. (Toronto time) on the last day the particular series of Deposit Note is available, as indicated in the relevant Series Supplement.

We may reject orders to buy the Deposit Note in whole or in part. We also have the right to stop taking orders at any time without notice and may decide not to proceed with the issuance of the Deposit Note before it is issued. If you have given us an order to purchase the Deposit Note or you have purchased the

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Deposit Note, your funds will be placed in a non-interest bearing account until the date on which the Deposit Note is issued by us. You may be able to cancel your order or purchase if you do so shortly after placing or making it.

### Date of Agreement

If you place an order to purchase the Deposit Note in person or electronically, the agreement to purchase the Deposit Note will be deemed to have been entered into on the day after the day such purchase order is received. The Information Statement and Series Supplement must be delivered electronically by the financial advisor prior to any order to purchase the Deposit Note. If an order to purchase the Deposit Note is received by telephone, the agreement to purchase the Deposit Note will be deemed to have been entered into at the time the purchase order is received.

## C. THE INDEX

### General Description

The S&P/TSX Composite Index Banks (Industry Group) (Price Return Version) (the “**Index**”) is a market capitalization-weighted index comprised of ten (10) actively traded large-cap Canadian financial companies. The constituents of the S&P/TSX Composite Index Banks (Industry Group) are a subset of the constituents of the S&P/TSX Composite Index that have been classified according to the Global Industry Classification Standard as belonging to the Banks Industry Group.

You may obtain further information regarding the Index at [www.standardandpoors.com/home/en/us](http://www.standardandpoors.com/home/en/us) or other publicly available sources. The content of this website is not incorporated by reference in, and does not form part of, this Information Statement.

All information in this Information Statement relating to the Index and the Index Sponsor, including its make-up, method of calculation and changes in its constituent securities (the “**Securities**”), comes from publicly available sources and is presented in this Information Statement in summary form. Such information is subject to change by the Index Sponsor. The Index Sponsor has no obligation to continue to publish, and may discontinue publication of the Index at any time. As such, we do not assume any responsibility for the accuracy, reliability or completeness of such information, or accept responsibility for the calculation or other maintenance of or any adjustments to the Index or the provision of any future information in respect of the Securities, the Companies and the Index Sponsor. We do not have any duty or obligation to update such information up to or after the Issue Date. You should make your own investigation

into the Index, the Securities, the Companies and the Index Sponsor.

### Constituents of the Index

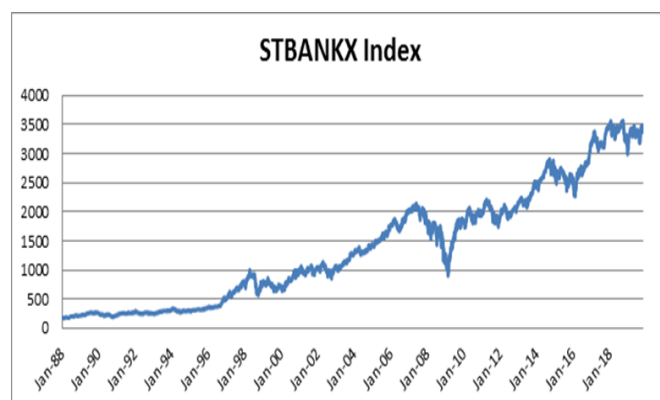
The following table sets forth the 10 companies that comprise the Index as of November 13, 2019 and their respective weightings.

Company	Weight
Royal Bank of Canada	28.95%
The Toronto-Dominion Bank	26.00%
The Bank of Nova Scotia	17.35%
Bank of Montreal	11.96%
Canadian Imperial Bank of Commerce	9.48%
National Bank of Canada	4.36%
Canadian Western Bank	0.56%
Genworth MI Canada Inc.	0.40%
Laurentian Bank of Canada	0.36%
Home Capital Group Inc.	0.35%

For the purposes of determining whether the Index Performance Coupon will be paid, the Index Return will be calculated using the price return of the Index, which does not reflect the value of any dividends or distributions declared on any of the constituent securities comprising the Index.

### Historical Index Data

The following graph illustrates the price performance of the Index for the period beginning on January 3, 1988 and ending on November 4, 2019. Past price performance of the Index is not indicative of future price performance.



## D. YOUR LEGAL RIGHTS

You are entitled to cancel an order to buy the Deposit Note or a purchase of the Deposit Note already issued to you if you do so, in either case, no more than 48 hours after you enter into an agreement to buy the Deposit Note or, if later, 48 hours after you receive, or are considered to have received, this Information Statement and Series Supplement. You are considered to have received a document:

- when we or one of our representatives gives it to you or your representative in person, or you or your representative receives it by some other means,
- at the time we send it, if we send it to you or your representative by email, fax or other electronic means,
- five days after we mail it, if we send it to you or your representative by mail.

The 48-hour period does not begin until you receive or are considered to have received both documents. When you cancel an order or purchase of the Deposit Note in this way, you will receive the full amount you paid for the Deposit Note.

## E. IS THE DEPOSIT NOTE RIGHT FOR ME AND WHAT ARE THE RISKS?

### Should I invest in the Deposit Note?

This section will help you to decide whether an investment in the Deposit Note is right for you. You should invest in the Deposit Note only after carefully considering the following questions with a Bank of Montreal investment professional at any Bank of Montreal branch:

- What are your investment goals?
- Will the Deposit Note help you to achieve these goals?
- What investments do you already hold?
- How long are you prepared to invest?
- What risks are you prepared to accept?

The Deposit Note may be a suitable and appropriate investment for you if you are prepared to:

- invest in a variable term Deposit Note that could mature in as little as 5 years or as long as 10 years;
- invest in a product where you may only receive the annual Fixed Coupon Payments as a return;
- waive the aggregate dividend or distribution yield provided by the Index; and

- assume the risks described in this Information Statement under the heading “What are the risks of investing in the Deposit Note?”

You should only make a decision to invest in the Deposit Note after carefully considering, with your advisor, the suitability of this investment in light of your investment objectives, your overall portfolio, and the information in this Information Statement and the Series Supplement.

### What are the risks of investing in the Deposit Note?

You should carefully consider the risks of holding the Deposit Note before deciding to invest in it. The following section does not describe all of the possible risks, but highlights the most significant risks as they relate to the Deposit Note.

#### Risks Relating to the Deposit Note

**Suitability** – you should invest in the Deposit Note only after carefully considering your investment goals, how long you want to invest and what risks you are prepared to accept. You should then discuss these factors with a Bank of Montreal investment professional at any Bank of Montreal branch to determine whether the Deposit Note is the right investment for you. Considerations you should take into account in deciding whether to invest in the Deposit Note are set out above under the heading “Should I invest in the Deposit Note?”

The Deposit Note is not a suitable investment for you if you do not understand its terms or the risks involved in holding the Deposit Note.

**The Deposit Note differs from conventional fixed income investments** – the return on the Deposit Note, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain. If the Index does not generate sufficient positive returns, it is possible at Maturity a Holder will only receive the Deposit Amount and the annual Fixed Coupon Payments.

The Deposit Note is not considered a conventional instrument or debt security. The Deposit Note does not provide Holders with a return or income stream prior to Maturity, or a return at Maturity, that is calculated solely by reference to a specific fixed or floating rate of interest that can be determined prior to the Final Valuation Date. Any Index Performance Coupon will be based on the price performance of the Index. Holders will only participate in any price appreciation of the securities of

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the Index to the extent the Index Return exceeds 50% on a Valuation Date, and then such participation will only be at the Participation Rate. The return on the Deposit Note, unlike that on many deposit liabilities of Canadian chartered banks, is uncertain in that the Deposit Note could provide no return, other than the annual Fixed Coupon Payment.

**The Deposit Note has a variable maturity term** – the Deposit Note has a term to maturity which is variable. The Deposit Note has a minimum term of 5 years and a maximum term of 10 years. The maturity of the Deposit Note will be determined by the Early Maturity Feature, which is based on the price performance of the Index.

The Deposit Note is designed for investors who are prepared to invest for an uncertain term from five years to ten years and who are prepared to hold the Deposit Note to Maturity. The Deposit Amount is only repaid if the Deposit Note is held to Maturity, or if the Deposit Note matures early.

**No assurance of Index performance** – there is no assurance that the Index will generate sufficient positive returns to trigger the payment of the Index Performance Coupon.

If the Deposit Note matures early, the Index Performance Coupon payable on the Deposit Note may be different than the Index Return on that Valuation Date. Holders will only participate in any price appreciation of the securities of the Index to the extent that the Index Return exceeds 50% on a Valuation Date, and then such participation will be at the Participation Rate.

**No secondary trading of the Deposit Note** – the Deposit Note will not be listed on any stock exchange and we will not establish or arrange for a secondary market for the sale of the Deposit Note prior to Maturity. Moreover, we do not have the right to redeem (that is, buy or repay) the Deposit Note prior to Maturity and you do not have the right to require us to redeem the Deposit Note prior to Maturity. The Deposit Note is intended to be an instrument held to Maturity with its principal being payable on the Maturity Date.

**Credit rating** – the Deposit Note has not been rated by any ratings agency. As of the date of this Information Statement, our deposit liabilities with a term to Maturity of more than one year are rated “AA” by DBRS, “A+” by S&P and “Aa2” by Moody’s. Even if the Deposit Note was rated, there is no guarantee that it would receive the same ratings as our other deposit liabilities. A rating is not a recommendation to buy, sell

or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

**No deposit insurance** – currently, unlike conventional bank deposits, the Deposit Note is not eligible to be insured under the *Canada Deposit Insurance Corporation Act* or insured or guaranteed by any other organization. That means that if we experience financial difficulties in paying amounts we owe, you will not be able to look to any other person or organization for payment of amounts owing on your Deposit Note.

**May not be eligible for protection under the Canadian Investor Protection Fund** – there is no assurance that an investment in the Deposit Note will be eligible for protection under the Canadian Investor Protection Fund. A Holder should consult a financial advisor on whether the Holder’s investment in the Deposit Note is eligible for protection in light of such Holder’s particular circumstances.

**No independent calculation** – we, or someone appointed by us, are responsible for all calculations and determinations to be made in connection with the Deposit Note, including the Index Performance Coupon, if any, and for making certain important decisions about the Deposit Note. We will not hire an independent person to make or to confirm these calculations and determinations.

**No ownership of the Index or the Securities** – you understand that an investment in the Deposit Note is not the same as investing in the underlying Index. An investment in the Deposit Note will not entitle you to any right to receive dividends or distributions or to vote at or attend meetings of security holders in respect of the Securities. Owning the Deposit Note is different from owning the Securities.

**Special circumstances** – if certain events occur beyond our control, we may (i) adjust the method, components or variables in calculating the Index Performance Coupon, if any, (ii) defer the timing of the calculation of the Index Performance Coupon, if any, (iii) estimate the Closing Level of the Index, (iv) replace the Index with another comparable index, or, in extreme cases, estimate and pay prior to Maturity, the amount of the Fixed Coupon Payments, or Index Performance Coupon, if any, under a Deposit Note that when paid will cancel your Deposit Note and extinguish our obligation to pay any remaining Fixed Coupon Payments and Index Performance Coupon, if any. These events are described in Part H ‘Special Circumstances’.

[Risks Relating to Bank of Montreal](#)



**Credit risk** – the likelihood that holders of the Deposit Note will receive the payments owing to them depends on our financial health and creditworthiness.

**Conflicts of interest** – Bank of Montreal and/or BMO Capital Markets, whether in its capacity as Calculation Agent or Manager (or any of our Affiliates) may hold interests linked to the Index or the Securities and Companies or hold securities of, extend credit to or enter into other business dealings with the Companies, including under hedging arrangements relating to the Deposit Note. Each of Bank of Montreal and BMO Capital Markets has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances. Conflicts may also arise because we may engage in trading activities related to the Companies and the Securities that are not for the account of Holders or on their behalf. These trading activities may present a conflict between the Holders' interest in the Deposit Note and our interests in our proprietary accounts in facilitating transactions, including block trades and options and other derivatives transactions, for our customers and in accounts under our management. These trading activities, if they influence the Index, could be adverse to the interests of the Holders. Moreover, our subsidiaries (including BMO Capital Markets) have published, and in the future expect to publish, research reports with respect to some or all of the Securities. This research is modified from time to time and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Deposit Note. These actions may not take into account the effect, if any, of such actions on the Deposit Note or the Index Performance Coupon that may be payable on the Deposit Note.

All calculations and decisions made by us or a person appointed by us to make calculations and decisions in respect of the Deposit Note will be final and binding on us and on investors. The Calculation Agent will not be responsible for its errors or omissions if made in good faith, except in the case of its negligence or wilful misconduct

## Risks Relating to the Index

**Closing Level of the Index will fluctuate** – the Closing Level of the Index is used to determine payment of the Index Performance Coupon. It is impossible to predict whether the Closing Level of the Index will increase or decrease. Historical closing values and returns of the Securities that comprise the Index from time to time should not be taken as an indication of

future performance. The Closing Level of the Index from time to time will be influenced by the complex and interrelated political, economic, financial and other factors that can affect both equity trading markets and the capital markets generally. The Index may also change from time to time, as described in “Special Circumstances — Discontinuance or Modification of the Index”.

**Equity risk** – the Closing Level of the Index will be affected by changes in the market price of the Securities. The price of equity securities is influenced by the outlook for the company that issued them and by general economic, industry and market trends. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise. On the other hand, share prices usually decline with a general economic or industry downturn.

**The Index Sponsor has no obligation relating to the Deposit Note or the Holders** – the Index Sponsor has no obligations relating to the Deposit Note or amounts to be paid to Holders, including any obligation to take the interests of Holders into consideration for any reason. The Index Sponsor will not receive any of the proceeds of the Offering and is not responsible for, and has not participated in, the Offering. The Index Sponsor is also not responsible for, and will not participate in, the determination or calculation of the amount receivable by Holders.

The Index Sponsor is under no obligation to continue the calculation and dissemination of the Index. The Deposit Note is not sponsored, endorsed, sold or promoted by the Index Sponsor. No inference should be drawn from the information contained in this Information Statement of the Series Supplement that the Index Sponsor makes any representation or warranty, implied or express, to Bank of Montreal, the Holders or any member of the public regarding the advisability of investing in securities generally or in the Deposit Note in particular or the ability of the Index to track general stock market performance.

**Changes affecting the Index could impact the Deposit Note** – the policies of the Index Sponsor in respect of the Index and its calculation, additions, deletions or substitutions of the Securities and the manner in which changes affecting the Securities, such as stock dividends, reorganizations or mergers, are reflected, could affect the Closing Level of the Index and, therefore, could affect the amounts payable on the Deposit Note, and the market price of the Deposit Note prior to Maturity.

**Potential modification of the Index** – the Index may be

replaced with a Replacement Index. Although the Calculation Agent may make certain determinations in certain special circumstances to ensure that a Replacement Index is designated, certain information regarding the Replacement Index may not be readily available to Holders. Moreover, the return generated on such Replacement Index may not be as favourable as the return that would have been generated by the Index if it had not been replaced.

**Concentration risk** – the Securities in the Index are concentrated in the financial services sector and may be considered to be less diversified than a more broadly diversified index. Accordingly, market conditions that adversely affect one or more Companies in the Index are more likely to adversely affect other Companies represented in the Index. The profitability of companies in the Index depends on, among other things, the availability and cost of capital funds and can fluctuate significantly when interest rates change. Losses resulting from financial difficulties of borrowers can negatively impact such Companies. Similarly, the extensive governmental regulation to which such Companies are subject may affect their profitability.

We have not performed any due diligence investigation or review of any of the Index, the Securities or the Companies. Any information relating to the Index, the Securities or the Companies was derived from and based solely upon publicly available sources and its accuracy cannot be guaranteed. We do not have any obligations or responsibility to provide future information in respect of the Index, the Securities or the Companies. You will have no recourse against us in connection with any information about and/or relating to the Index, the Securities or the Companies that is not contained in this Information Statement or the Series Supplement. You should undertake an independent investigation to determine if an investment in the Deposit Note is suitable for you. None of the Companies or the Index Sponsor has participated in the preparation of this Information Statement and the Deposit Note are not in any way sponsored, endorsed, sold or promoted by any of the Companies or the Index Sponsor.

### Legal Risks

**Changes in laws, regulations or administrative practices** – changes to laws and regulations or the administrative practices of government agencies (including with respect to taxation) could impact you.

## F. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, our counsel, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of the Deposit Note by an investor (“**Initial Holder**”). This summary is applicable only to an Initial Holder who is an individual (other than a trust) and, for the purposes of the Income Tax Act (Canada) (the “**Tax Act**”), is, or is deemed to be, a resident of Canada, deals at arm’s length with and is not affiliated with us and holds the Deposit Note as capital property.

The Deposit Note will generally be considered to be capital property to an Initial Holder unless: (i) the Initial Holder holds such Deposit Note in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Holder acquired such Deposit Note as an adventure in the nature of trade. Certain Initial Holders resident in Canada whose Deposit Note might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Deposit Note as capital property may be entitled to make an irrevocable election to have the Deposit Note and all of the Initial Holder’s other “Canadian securities” (as defined in the Tax Act) deemed to be capital property pursuant to subsection 39(4) of the Act.

**This summary is based on the current provisions of the Tax Act and the regulations thereunder (the “Regulations”) as in force on the date of this Information Statement, counsel’s understanding of the current published administrative policies and assessing practices of the CRA and all specific proposals to amend the Tax Act or the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. No assurance can be given that any proposals to amend the Tax Act or the Regulations will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA’s administrative or assessing practices, whether by legislative, governmental or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Deposit Note, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.**

**This summary is of a general nature only and is not intended to be, nor should it be relied upon or construed as legal or tax advice to any particular Holder. Holders should consult their own tax advisors for advice with respect to the**

**income tax consequences of an investment in the Deposit Note, based on their particular circumstances.**

### Fixed Coupon Payments

An Initial Holder will be required to include a Fixed Coupon Payment as interest on the Deposit Note in income for the taxation year in which the Fixed Coupon Payment is received or became receivable (depending on the method regularly followed by the Initial Holder in computing income) to the extent such amount was not included in computing the Initial Holder’s income for a preceding taxation year.

Bank of Montreal will file an information return with the CRA in respect of any interest to be included in an Initial Holder’s income as and when required by law and will provide the Initial Holder with a copy of such return.

### Index Performance Coupon

A Deposit Note is a “prescribed debt obligation” within the meaning of the Tax Act. The rules in the Regulations applicable to a prescribed debt obligation (the “prescribed debt obligation rules”) generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium receivable on the obligation. Based in part on counsel’s understanding of the CRA’s administrative practice relating to “prescribed debt obligations”, there should be no deemed accrual of any Index Performance Coupon on the Deposit Note under the prescribed debt obligation rules prior to a Valuation Date on which the Closing Level of the Index is equal to or above 150%, or the Final Valuation Date, provided that Bank of Montreal has not given notice of the payment of a Variable Return Early Payment Amount following an Extraordinary Event.

If an Extraordinary Event occurs and Bank of Montreal has given notice of the payment of a Variable Return Early Payment Amount, the amount of any Variable Return Early Payment Amount will generally be required to be included in the Initial Holder’s income in the taxation year that includes the date such amount was determined, except to the extent otherwise included in income for the taxation year or a preceding taxation year. Bank of Montreal will file an information return with the CRA in respect of any such amount as and when required by law and will provide the Initial Holder with a copy of such return.

### Disposition of the Deposit Note

Where an Initial Holder assigns or transfers a Deposit Note, the Initial Holder will be required to include in income as accrued interest the amount, if any, by which the price for which the

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Deposit Note was assigned or transferred exceeds the Deposit Amount. An Initial Holder may realize a capital loss on such assignment or transfer to the extent that the price for which the Deposit Note was assigned or transferred is less than the Deposit Amount.

Upon a disposition of a Deposit Note at Maturity, an Initial Holder will be required to include in income for the taxation year in which the disposition occurs, the amount, if any, of the Index Performance Coupon, except to the extent otherwise included in income for the taxation year or a preceding taxation year. Bank of Montreal will file an information return with the CRA in respect of any such amount as and when required by law and will provide the Initial Holder with a copy of such return.

One-half of a capital loss (an “allowable capital loss”) realized by an Initial Holder is deductible against one-half of any capital gain (a “taxable capital gain”) realized in the taxation year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back and deducted against net taxable capital gains realized in the three preceding taxation years or carried forward and deducted against net taxable capital gains realized in subsequent taxation years, subject to the detailed rules in the Tax Act.

### Interest Accrued on Short Term Investment

An Initial Holder will be required to include interest on the Short Term Investment (“STI”) in income for the taxation year in which the interest is received or became receivable (depending on the method regularly followed by the Initial Holder in computing income) to the extent such amount was not included in computing the Initial Holder’s income for a preceding taxation year.

Bank of Montreal will file an information return with the CRA in respect of any interest to be included in an Initial Holder’s income as and when required by law and will provide the Initial Holder with a copy of such return.

Please see ‘Other Important Information – Short Term Investment’.

### Eligibility for Investment

In the opinion of Torys LLP, our counsel, the Deposit Note (and STI) offered will, at the date of issue, be a qualified investment under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, tax-free savings accounts, registered disability savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by us or by an employer with which we

do not deal at arm’s length within the meaning of the Tax Act).

## G. OTHER IMPORTANT INFORMATION

### Plan of Distribution

Each Deposit Note will be issued at 100% of its Deposit Amount. No annual fees will be charged and no expenses will be paid out of the proceeds of the Offering.

The proceeds to us from the issuance of the Deposit Note will constitute deposits received by us and will be used for general banking purposes.

The closing of the Offering is scheduled to occur on or about the Issue Date. We may, at any time prior to the Issue Date, in our sole and absolute discretion, elect whether or not to proceed in whole or in part with the issue of the Deposit Note. If for any reason the closing of the Offering does not occur, all subscription funds will be returned to subscribers without interest or deduction.

### Restrictions on sales of the Deposit Note

Neither this Information Statement nor any Series Supplement may be used to offer the Deposit Note to, or solicit orders for the Deposit Note from, anyone in a jurisdiction where that offer or solicitation is not authorized or any person to whom it is unlawful to make such an offer or solicitation.

The Deposit Note has not been and will not be registered under the U.S. Securities Act. No Deposit Note may or will be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S of the U.S. Securities Act). In connection with the issue and sale of the Deposit Note by us, no person is authorized to give any information or to make any representation not expressly contained in this Information Statement and we do not accept responsibility for any information not contained in this Information Statement. No action is being taken to permit an offering of the Deposit Note or the distribution of this Information Statement in the United States or to U.S. Persons (as defined in Regulation S of the U.S. Securities Act) or in any jurisdiction outside Canada where any action is required.

### Short Term Investment

If you deposit funds with us before the Issue Date, those funds will be invested in a STI until the Issue Date. On the Issue Date, the funds in the STI, plus interest at an annual rate equal to the Short Term Investment Rate of Return, accrued daily, will be invested in the Deposit Note. There are no fees and expenses applicable to an investment in the STI. If you cancel your order to purchase the Deposit Note, we will return the funds you invested together with interest at the Short Term Investment

Rate of Return from the date of investment to the earlier of the cancellation date and the Issue Date. The STI cannot otherwise be redeemed or transferred by you.

Between the date you deposit funds with us (the “**Purchase Date**”) and the Issue Date, your deposit funds will be invested in a STI. The purchase amount of the STI (the “**Purchase Amount**”) and interest payable on the Purchase Amount is unconditionally guaranteed by us. On the maturity date of the STI, being the Issue Date, the Purchase Amount and the interest accrued on the Purchase Amount at the Short Term Investment Rate of Return, accrued daily, for the period from the Purchase Date up to the Issue Date, will be the issue amount automatically invested in the Deposit Note.

Please see ‘Certain Canadian Federal Income Tax Considerations – Interest Accrued on Short Term Investment’.

### Trademarks and License Arrangements

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Deposit Note are to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices and TSX Inc. have no obligation or liability in connection with the administration, marketing or trading of the Deposit Note. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

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## H. SPECIAL CIRCUMSTANCES

### Discontinuance or Modification of the Index

If the Index is (i) not calculated and announced by the Index Sponsor existing on the Issue Date but is calculated and announced by a Successor Sponsor, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Index will be deemed to be the index so calculated and announced by the Successor Sponsor or that successor index, as the case may be, and the Index Performance Coupon will be calculated by reference to the closing value of the applicable index.

If any of the following occurs in respect of the Index (each a “**Material Index Change**”):

- (a) on or prior to any Valuation Date, the Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Closing Level of the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalization and other routine events) or permanently cancels the Index and no successor index exists;
- (b) on any Valuation Date, the failure of the Index Sponsor to calculate, announce and/or publish the Closing Level of the Index (or the information necessary for determining the Closing Level of the Index), or the temporary or permanent discontinuance or unavailability of the Index Sponsor; or
- (c) prior to the Final Valuation Date, we determine, in our sole discretion, that we have ceased to have any necessary license or right to utilize the Index in connection with the Deposit Note,

then the Calculation Agent may (A) determine if such Material Index Change has a material effect on the calculation of the Index Performance Coupon and, if so, shall calculate those payments using, in lieu of a published Closing Level for the Index, the value for the Index as at that Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Closing Level of the Index last in effect prior to the change, failure or cancellation, but using only those constituent securities that comprised the Index immediately prior to that Material Index Change, or (B) determine if another comparable equity index exists that (1) is reasonably representative of the equity market which was

represented by the Index, and (2) may be as efficiently and economically hedged by dealers in such equity market as the Index was so hedged. If the Calculation Agent determines that such other comparable index exists, then the comparable index (the “**Replacement Index**”) shall replace the Index as of the date of such determination. Upon such replacement (a “**Replacement Event**”), the Replacement Index shall be deemed to be the Index for purposes of determining the Index Performance Coupon and we will, as soon as practicable after such Replacement Event, make adjustments to the Initial Level, or any other component or variable relevant to the determination of any amounts payable in respect of the Deposit Note. Adjustments will be made in such a way as the Calculation Agent determines appropriate to account for the price performance of the Index up to the occurrence of such Replacement Event and the subsequent price performance of the Replacement Index thereafter. Upon any Replacement Event and the making of any adjustments, the Calculation Agent will promptly give notice to the Holders or their agents.

For greater certainty, the Calculation Agent, acting in its sole and absolute discretion, may determine that no other comparable index exists such that a Replacement Index is not substituted for the Index. See “Special Circumstances — Extraordinary Event” for more details.

### Market Disruption Event

If the Calculation Agent, acting in its sole and absolute discretion, determines that a Market Disruption Event (as defined below) in respect of the Index has occurred and is continuing on any day that, but for that event, would be the Final Valuation Date, then the Index Performance Coupon will be calculated (and the Closing Level will be determined) on the basis that the Final Valuation Date will be postponed to the next Exchange Business Day on which there is no Market Disruption Event in effect in respect of the Index.

However, there will be a limit for postponement of the Final Valuation Date. If on the eighth (8<sup>th</sup>) Exchange Day following the date originally scheduled as the Final Valuation Date, the Final Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event in respect of the Index on or after such eighth (8<sup>th</sup>) Exchange Business Day:

- (i) such eighth (8<sup>th</sup>) Exchange Business Day will be the Final Valuation Date, and
- (ii) the Closing Level for any calculations or determinations on such Final Valuation Date will be a value equal to the Calculation Agent’s estimate of the Closing Level of the Index as at such Final Valuation Date reasonably taking into account all relevant market circumstances.

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A Market Disruption Event may delay the calculation of the Index Performance Coupon that may be payable. Where there has been a Market Disruption Event, payment of the Index Performance Coupon will be made on the fifth (5<sup>th</sup>) Business Day after the Closing Level has been determined.

“**Market Disruption Event**” means, in respect of the Index, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond our reasonable control or any person that does not deal at arm’s length with us which (as determined by the Calculation Agent) has or will have a material adverse effect on the ability of a party to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Index or to realize, recover or remit the proceeds of any such hedge transaction. A Market Disruption Event may include, without limitation, any of the following events:

- (a) any failure of trading to commence, or the permanent discontinuation of trading or any suspension of or limitation imposed on trading of: (i) the Index; (ii) securities that comprise 10% or more of the value of the Index on a relevant Exchange; or (iii) any futures or options relating to the Index, by the relevant Exchange or Related Exchange, whether by reason of movements in price exceeding limits permitted by a relevant Exchange or Related Exchange or otherwise;
- (b) in respect of the Index, the failure of the Index Sponsor, or the Successor Sponsor, to determine or announce the Closing Level of the Index (or the information necessary for determining the Closing Level of the Index), or the temporary or permanent discontinuance or unavailability of such announcements;
- (c) the closure on any Exchange Business Day of a relevant Exchange or Related Exchange after it has opened for trading but prior to its scheduled closing time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be submitted for entry in the Exchange or Related Exchange system for execution at the close of trading on such Exchange Business Day;
- (d) any event (other than an event described in (c) above) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, in respect of the Index: (i) the Index, (ii) Securities that comprise 10% or more of the value of the Index on a relevant Exchange, or (iii) any futures or options contracts relating to the Index on a relevant Related Exchange;
- (e) the failure on any Exchange Day of the relevant Exchange(s) of the Index or any Related Exchange to open for trading during its regular trading session;
- (f) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or notice, howsoever described, or any order of any court or other governmental or regulatory authority, or any issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, any other event that (as determined by the Calculation Agent) makes or would make it unlawful or impracticable for us to perform our obligations under the Deposit Note Program or for dealers generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Index or to realize, recover or remit the proceeds of any such hedge transaction in respect of the Index or otherwise has or would have a material adverse effect on the Index, or on the economy or the trading of securities generally on any relevant Exchange or Related Exchange;
- (g) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, that (as determined by the Calculation Agent) has a material adverse effect on the financial markets of Canada or of a country in which a relevant Exchange or Related Exchange is located;
- (h) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) that (as determined by the Calculation Agent) has or would have a material adverse effect on our ability to perform our obligations under the Deposit Note Program or of dealers generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Index or to realize, recover or remit the proceeds of any such hedge transaction in respect of the Index or has or would have a material adverse effect on the economy of Canada or of a country in which a relevant Exchange or Related



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Exchange is located or the trading of securities generally on any relevant Exchange or Related Exchange; or

- (i) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying unwinding or disposing of any hedge transaction in connection with the Index or in the cost of realizing, recovering or remitting the proceeds of any such hedge transaction.

### Extraordinary Event

If the Calculation Agent determines in its sole and absolute discretion that:

- (i) a Market Disruption Event in respect of the Index has occurred and has continued for at least eight (8) consecutive applicable Exchange Days;
- (ii) a Material Index Change has occurred; or
- (iii) there is any change or proposed change in applicable law (or the interpretation or administration thereof) that, in the opinion of the Calculation Agent, acting reasonably, would have a significant adverse effect on the market price, value, marketability or return payable with respect to the Deposit Note,

the Calculation Agent may decide not to choose a Replacement Index as a substitute for the Index. The decision not to choose a Replacement Index in such circumstances (an “**Extraordinary Event**”) may be made if the Calculation Agent has determined that there is no comparable index traded on a major exchange or market quotation system that offers sufficient liquidity in order for the Calculation Agent to (A) acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of that index or (B) realize, recover or remit the proceeds of any hedge transaction. If an Extraordinary Event occurs, the Calculation Agent may, upon notice to the Holders to be given effective on an applicable Exchange Day (the “**Extraordinary Event Notification Date**”), elect to estimate the present value, which may be nil, as of the Extraordinary Event Notification Date (the “**Variable Return Early Payment Amount**”), taking into account all relevant market circumstances, of a right to receive payment of the remaining Fixed Coupon Payments, or any Index Performance Coupon that, but for such occurrence of the Extraordinary Event, would have been payable on any remaining Fixed Coupon Payment Dates and the Maturity Date. Upon the Calculation Agent making such an election, the following consequences will arise as of the Extraordinary Event Notification Date:

- (i) any Index Performance Coupon that may otherwise be payable by us will not be calculated in accordance with the provisions set out in “Deposit Note Program — Index Performance Coupon” above;
- (ii) the Variable Return Early Payment Amount, if any, will be determined as of the Extraordinary Event Notification Date, whether or not any Extraordinary Event is continuing on such date; and
- (iii) we will be discharged of all of our obligations in respect of any remaining Fixed Coupon Payments and any Index Performance Coupon.

Payment of the Variable Return Early Payment Amount, if any, will be made on the tenth (10<sup>th</sup>) Business Day after the Extraordinary Event Notification Date. Upon such payment, the Holder’s right to receive any Fixed Coupon Payments and any Index Performance Coupon per Deposit Note will be extinguished.

In these circumstances, payment of the Deposit Amount will not be accelerated and will remain due and payable only on the Maturity Date. The Variable Return Early Payment Amount, if any, will reflect a return to Holders that may be less than the aggregate amount of Fixed Coupon Payments, or Index Performance Coupon that may have been payable absent the occurrence of the relevant Extraordinary Event and the election by Bank of Montreal to pay the Variable Return Early Payment Amount.

## I. GLOSSARY OF TERMS

“**Affiliate**” means any other company that controls or is controlled by the first company or is controlled by the same person as the first company.

“**BMO Capital Markets**” means, collectively, BMO Nesbitt Burns Inc. and any of its affiliates.

“**Business Day**” means any day (other than a Saturday or a Sunday or a statutory holiday) on which commercial banks are open for business in Toronto, Ontario.

“**Calculation Agent**” means BMO Capital Markets or a third party appointed by BMO Capital Markets to act as calculation agent for the Deposit Note Program.

“**Canada Deposit Insurance Corporation Act (Canada)**” means the Canada Deposit Insurance Corporation Act (R.S.C., 1985, c. C-3), as amended.

“**Closing Level**” means the official closing level or value of the Index rounded to two decimal places on a given day as announced by the Index Sponsor, provided that, if on or after the Issue Date the Index Sponsor materially changes the time of day at which the official closing level or value is determined or no longer announces the official closing level or value, the Calculation Agent may thereafter deem the Closing Level to be the level or value of the Index as of the time of day used by the Index Sponsor to determine the official closing level or value prior to such change or failure to announce.

“**Companies**” means the issuers of the common shares and units, as applicable, comprising the Index, and each is a “**Company**”. Further information regarding the Index can be found at [www.standardandpoors.com/home/en/us](http://www.standardandpoors.com/home/en/us) or other publicly available sources. The content of this website is not incorporated by reference in, and does not form part of, this Information Statement.

“**CRA**” means the Canada Revenue Agency.

“**DBRS**” means DBRS Limited.

“**Deposit Amount**” means \$100.00 per Deposit Note.

“**Deposit Note**” means the BMO Money Multiplier Variable Term Deposit Note issued by Bank of Montreal.

“**Deposit Note Program**” means the BMO Money Multiplier Variable Term Deposit Note administered by BMO Capital Markets.

“**Early Maturity Date**” means the date following a Valuation Date that triggers the Deposit Note to automatically mature on which the Maturity Payment will be made by us and the Deposit Note will be cancelled, thus terminating any further payment

obligations we have. See ‘Description of the Deposit Note Program — Early Maturity Feature and Index Performance Coupon’ and ‘Description of the Deposit Note Program — Index Valuation and Early Maturity Dates’.

“**Excess Return**” means the product obtained by multiplying (i) any positive difference between the Index Return on a Valuation Date and 50% by (ii) the Participation Rate.

“**Exchange**” means any exchange or trading system from which prices of securities are used from time to time in the computation of the Closing Level, subject to the provisions set out under ‘Special Circumstances’.

“**Exchange Business Day**” means any Business Day which is also an Exchange Day on which the Exchange and each Related Exchange are open for trading.

“**Exchange Day**” means, in respect of the Index, any day on which the Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading sessions.

“**Extraordinary Event**” has the meaning given to that term under ‘Special Circumstances — Extraordinary Event’.

“**Extraordinary Event Notification Date**” has the meaning given to that term under ‘Special Circumstances — Extraordinary Event’.

“**Final Valuation Date**” means the date that is five Business Days prior to the Maturity Date or, if such Business Day is not an Exchange Business Day, the immediately preceding Exchange Business Day, subject to the provisions set out under ‘Special Circumstances’.

“**Fixed Coupon Payment**” means the payment per annum of the Deposit Amount to be made to Holders on each Fixed Coupon Payment Date, as indicated in the Series Supplement.

“**Fixed Coupon Payment Date**” means the days the Fixed Coupon Payments will be made, as indicated in the Series Supplement. If any scheduled Fixed Coupon Payment Date is not a Business Day, then the Fixed Coupon Payment to be made to Holders on such day will be paid on the immediately following Business Day and no interest or other compensation will be paid in respect of such delay.

“**Holder**” means a beneficial owner of a Deposit Note.

“**Index**” means S&P/TSX Composite Index Banks (Industry Group) (Price Return Version).

“**Index Performance Coupon**” has the meaning given to that term in ‘Description of the Deposit Note Program — Early Maturity Feature and Index Performance Coupon’.

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“**Index Return**” means the percentage change in the Closing Level of the Index measured from the Issue Date to the Valuation Date and rounded to two decimal places, calculated as follows:

$$\text{Index Return} = \frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$$

“**Index Sponsor**” means S&P or a person appointed by S&P to act as calculation agent for the Index.

“**Initial Holder**” means a Holder who purchases the Deposit Note only at the time of its issuance.

“**Initial Level**” means, in respect of the Index, the Closing Level on the Issue Date, provided that if such day is not an Exchange Business Day, then the Initial Level will be determined on the immediately preceding Exchange Business Day, subject to the provisions set out under ‘Special Circumstances’.

“**Issue Date**” has the meaning given to this term in each Series Supplement.

“**Manager**” means BMO Capital Markets or a person appointed by BMO Capital Markets to act as manager of the Deposit Note Program.

“**Market Disruption Event**” has the meaning given to that term under ‘Special Circumstances — Market Disruption Event’.

“**Material Index Change**” has the meaning given to that term under ‘Special Circumstances — Discontinuance or Modification of the Index’.

“**Maturity**” or “**Maturity Date**” has the meaning given to these terms in each Series Supplement, and includes the Early Maturity Date, as the case may be.

“**Moody’s**” means Moody’s Investors Service Inc.

“**Offering**” means the offering of the Deposit Note to prospective investors under this Information Statement.

“**Participation Rate**” means 5%.

“**Purchase Amount**” has the meaning given to the term under ‘Other Important Information – Short Term Investment’.

“**Purchase Date**” has the meaning given to the term under ‘Other Important Information – Short Term Investment’.

“**Related Exchange**” means any exchange or trading system on which futures or options relating to the Index are listed from time to time.

“**Replacement Event**” has the meaning given to that term under ‘Special Circumstances — Discontinuance or Modification of the Index’.

“**Replacement Index**” has the meaning given to that term under

‘Special Circumstances — Discontinuance or Modification of the Index’.

“**S&P**” means Standard & Poor’s Financial Services LLC.

“**Securities**” means, collectively, the common shares and units, as applicable, of the Companies comprising the Index and each is a “**Security**”, subject to the provisions set out under ‘Special Circumstances’.

“**Series Supplement**” has the meaning given to that term under ‘General Disclosure — Overview’.

“**Short Term Investment Rate of Return**” means 0.55% per annum.

“**STI**” has the meaning given to the term under ‘Other Important Information – Short Term Investment’.

“**Subscription Price**” means \$100.00 per Deposit Note.

“**Successor Sponsor**” means an entity that succeeds the Index Sponsor and continues calculation and publication of the Index, provided such Successor Sponsor is acceptable to Bank of Montreal.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**TSX**” means the Toronto Stock Exchange.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**Valuation Date**” means each date upon which the Closing Level will be observed by the Calculation Agent to determine whether the Deposit Note will automatically mature and to calculate the Index Performance Coupon, if any, provided that if any such day is not an Exchange Day then that Valuation Date will be the immediately preceding Exchange Day, subject to the occurrence of a Market Disruption Event or Extraordinary Event, or the Final Valuation Date, as the case may be. See ‘Description of the Deposit Note Program — Index Valuation and Early Maturity Dates’.

“**Variable Return Early Payment Amount**” has the meaning given to that term under ‘Special Circumstances — Extraordinary Event’.



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