

Conflicts of Interest Statement

The following statement outlines certain potential conflicts of interest as at December 3, 2018 which may arise between you, as an account holder, and us, BMO Nesbitt Burns Inc., as a Canadian investment dealer. If you have any questions about anything in this statement please do not hesitate to contact your investment advisor or relationship manager.

Related and Connected Issuers

Terminology

Where we act as your broker, advise you, or exercise discretion on your behalf with respect to securities issued by us or a related party or a connected party in the course of distribution, we must disclose to you our relationship with the issuer of the securities.

- An issuer is **related** to us if we are an influential securityholder of theirs, or they are an influential securityholder of ours, or if we have a common influential securityholder.
- An issuer is **connected** to us where a reasonable prospective purchaser of their securities might question the issuer's independence from us, a party related to us, one of our directors or officers or a director or officer of our related party.
- A party is **associated** with us if we beneficially own, directly or indirectly, securities carrying more than 10% of the voting rights of the party, or if the party is a trust, if we have a substantial beneficial interest or we, or another party in a close relationship to us such as one of our salespeople, directors or officers serve as trustee.

Bank of Montreal

We are a wholly-owned indirect subsidiary of **Bank of Montreal**. Bank of Montreal is a reporting issuer with securities listed and trading on the Toronto Stock Exchange and the New York Stock Exchange. Because Bank of Montreal is an influential securityholder of ours it is considered to be a related party and where its securities are being distributed to the public it would be considered to be a connected party under Canadian securities laws.

Issuers and Mutual Funds

The following are also considered to be issuers that are related and/or connected to us:

- the mutual funds in the **BMO Mutual Funds** group of funds which are managed and distributed by our affiliate BMO Investments Inc.;
- the mutual funds in the **BMO Private Portfolios**, which are managed by our affiliate BMO Private Investment Counsel Inc.;
- the investment funds in the **BMO TACTIC Funds and BMO Q-Model Funds** group of funds which are managed and distributed by us;
- the mutual funds in the **BMO ETFs** group of funds which are managed by our affiliate BMO Asset Management Inc.;
- the investment funds that comprise the **BMO Pooled Funds** which are managed and distributed by BMO Asset Management Inc.;
- such issuer corporations as may in certain circumstances be deemed to be connected issuers under applicable securities laws when BMO Nesbitt Burns Inc. or its affiliates are members of the underwriting group for a new issue of securities.

Additionally, we or one of our affiliates, BMO Asset Management Inc., BMO Private Investment Counsel Inc., BMO Asset Management Corp., LGM Investments Limited, Pyrford International Limited, BMO Global Asset Management (Asia) Limited, F&C Management Limited and Taplin, Canada & Habacht LLC act as portfolio advisors to certain of these investment funds and flow-through limited partnerships.

Where to find Information

Where we act for you in transactions involving related and/or connected issuers a conflict between our interest and yours may arise. In such case the potential conflict will be disclosed to you in the following places:

- Where we act as underwriter for an issuance of securities of a related or connected issuer, the **prospectus** (or other document being used to qualify those securities) will contain a description of the nature of our relationship with the issuer.
- Where we buy or sell securities of a related or connected issuer for your account, the **confirmation of the trade** and your **monthly statement** will indicate that the issuer is a related and/or connected party.
- Where we advise you with respect to the purchase or sale of securities of a related and/or connected issuer we will **notify** you of our relationship with the issuer when giving you the advice.
- Where we exercise discretion, under your authority, in the purchase or sale of securities for your account, we will obtain your **prior specific and informed written consent** before exercising that discretion for transactions involving related and connected issuers.

Acting as Principal

In certain instances where we act as your broker or exercise discretion on your behalf, securities purchased for you may be bought from or sold to us, a party associate with us or, in the course of distribution, a connected party.

Relationships with other members of BMO Financial Group

Disclosure of related registrants

In addition to being our principal shareholder Bank of Montreal is the principal shareholder and certain of our officers and directors are also directors and officers of certain of the following Canadian registrants:

- BMO Asset Management Inc.,
- BMO Harris Financial Advisors, Inc.,
- BMO Private Investment Counsel Inc.,
- BMO Investments Inc.,
- BMO InvestorLine Inc.,
- Pyrford International Limited.

In connection with our ongoing business activities we may obtain or provide management, administrative, referral and/or other services from or to the following affiliates:

- Bank of Montreal,
- BMO Asset Management Inc.,
- BMO Capital Market Corp.,
- BMO Capital Markets Limited,
- BMO Harris Bank N.A.
- BMO Private Investment Counsel Inc.,
- BMO Investments Inc.,
- BMO InvestorLine Inc.
- Pyrford International Limited.

Insurance

Although we are a subsidiary of Bank of Montreal we are a separate corporation from the Bank. This means that securities sold by us (unless we inform you otherwise concerning a specific security) are:

- (a) not insured by CDIC or any other government deposit insurer;
- (b) are not guaranteed by Bank of Montreal; and
- (c) are subject to fluctuations in market values.

None of the above represents a change in the way we have operated in the past and cash held in securities accounts continues to be backed, up to prescribed limits by the Canadian Investor Protection Fund (CIPF).

Changes to Conflicts of Interest Statement

This Conflicts of Interest Statement is updated regularly to reflect changes in the related and connected issuer list and other updates. You should be referring to the most recently dated Conflicts of Interest Statement.