

BANK OF MONTREAL
MINUTES OF ANNUAL MEETING OF SHAREHOLDERS

Tuesday, March 31, 2015

The Annual Meeting of Shareholders of Bank of Montreal (the “Bank”) was held in the Presentation Hall, BMO’s Institute for Learning (“IFL”), Toronto, Ontario, Tuesday, March 31, 2015 commencing at 9:30 a.m. (local time).

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

The Chair extended a warm welcome to shareholders and opened the meeting by thanking the two retiring Board members, Robert Astley and Bruce Mitchell, for their service to the Bank. He then introduced the Bank executives on the platform: Mr. William Downe, Chief Executive Officer; Mr. Tom Flynn, Chief Financial Officer; Mr. Simon Fish, General Counsel; and Ms. Muir.

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

PROCEDURES

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

CHIEF EXECUTIVE OFFICER REMARKS

In his address to shareholders, Mr. Downe discussed the current position of the Bank, reviewing the fiscal 2014 results and the change in the Bank’s competitive position over the past decade. Mr. Downe then spoke to the opportunities the Bank is engaged in realizing upon, including plans for the future, positioning for growth in the U.S. market, differentiating in the digital space and maintaining customer service as priority number one in everything we do.

ADDITIONAL PROCEDURES

The Chair reviewed additional procedures for the meeting and noted that voting on all matters of business requiring a vote by shareholders would be conducted by electronic ballot. In respect of the electronic voting mechanism, the Chair took the meeting through a sample practice vote for the benefit of those shareholders and proxyholders present who were voting at the meeting.

2014 ANNUAL FINANCIAL STATEMENTS AND AUDITORS' REPORT TO SHAREHOLDERS

The Chair referred to the Annual Report for the financial year ended October 31, 2014, a copy of which was forwarded to shareholders in advance of the meeting. He noted that the Annual Financial Statements were included on pages 123 to 189 of the Annual Report.

The Chair advised that the Auditors' Report contained on page 121 of the Bank's 2014 Annual Report would be taken as read.

ELECTION OF THE BOARD OF DIRECTORS

The Chair introduced the eleven nominees standing for re-election as Directors and the two new nominees, Mr. Martin Eichenbaum and Ms. Lorraine Mitchelmore, who were standing for election as Directors for the first time. In this regard, he reviewed Mr. Eichenbaum's and Ms. Mitchelmore's respective backgrounds and experience.

He thanked the current Directors for their service to the Bank, and noted the contributions of the four Committee Chairs (Philip Orsino, Ronald Farmer, Martha Piper and Don Wilson III) and the Chair of the Board of Directors of The Pension Fund Society of the Bank of Montreal (Christine Edwards). The following 13 persons were then nominated (with such nomination seconded) to be elected as Directors of the Bank until the next succeeding Annual Meeting of Shareholders of the Bank, or until their successors are elected or appointed:

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

The Chair called for discussion on the motion and then asked the shareholders and proxyholders present to cast their votes.

APPOINTMENT OF THE SHAREHOLDERS' AUDITORS

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

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

The Chair called for discussion on the motion and then asked the shareholders and proxyholders present to cast their votes.

ADVISORY RESOLUTION ON THE BANK'S APPROACH TO EXECUTIVE COMPENSATION

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

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

RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the Shareholders accept the approach to executive compensation disclosed in the Management Proxy Circular delivered in advance of the 2015 Annual Meeting of

Shareholders of the Bank.

The Chair called for discussion on the motion and then asked the shareholders and proxyholders present to cast their votes.

SHAREHOLDER PROPOSALS

The Chair advised that the next item of business was to consider the three Shareholder Proposals as set out on pages 47 to 51 of the management proxy circular for the meeting.

The following motions on the three proposals, submitted by the Mouvement d'Éducation et de Défense des Actionnaires ("MÉDAC"), were presented to the meeting by its representative, Ms. Michelle Bussi res, who also made supporting comments at the meeting in respect of each:

Proposal No. 1

THAT the Bank implement a policy regarding the compensation of its executives that provides for the use, each year, of the equity ratio as a compensation benchmark in order to assure shareholders that its executive compensation strategy is fair and equitable.

Proposal No. 2

THAT the Board of Directors abolish, over a period of five years, stock options as a means of compensation and replace them with a form of compensation focused on the institution's long term performance.

Proposal No. 3

THAT the Bank Disclose, at the next annual meeting, the policy it intends to adopt in order to avoid being sued again for abusive business and pricing practices within the credit card market.

Following the presentation of each motion, the Chair called for discussion and then asked the shareholders and proxyholders present to cast their votes. He reminded shareholders that the Board's position and recommendation on each of the three proposals was stated in the management proxy circular, copies of which were provided to those in attendance for their reference.

In respect of Shareholder Proposal No. 1, Mr. John Mountain, a representative of NEI Investments, addressed the meeting and advised that NEI could not fully support the proposal over concerns about the specific vertical metric being proposed. Notwithstanding, he noted NEI's continuing issue with pay disparity and its promotion of equitable pay and moderation of executive pay. He did, however, thank the Bank for being open to engagement and for the recent steps taken to disclose the use of vertical comparisons in compensation decision-making.

VOTING RESULTS

The Chair then called upon the Scrutineers to report the results of the voting. Mr. Gilbert announced the results of the voting which are appended to and form part of these minutes as Appendix A.

The Chair declared that: the thirteen nominees proposed for election as Directors of the Bank were elected; the audit firm of KPMG LLP was appointed as the Shareholders' Auditors of the Bank for the ensuing year; the advisory resolution on the Bank's approach to executive compensation was approved; and shareholder proposals 1, 2 and 3 were defeated.

SHAREHOLDERS' QUESTIONS

The Chair then declared the meeting open for shareholder questions. Comments and questions were received from various shareholders or proxyholders and were addressed, with respect to: sensitivity of the Bank's earnings to a drop in real estate prices and low oil prices; concerns over deflation; logistics of the annual meeting of shareholders; the Bank's ability to capitalize on the low price of oil; Registered Disability Savings Plans and Canada's aging population; and use of old GAAP (Generally Accepted Accounting Practices) vs. IFRS (International Financial Reporting Standards).

TERMINATION OF MEETING

The Chair thanked all those who attended the meeting. With there being no further business, the Chair declared the meeting terminated.

Confirmed

Chair

Verified

Secretary

LIST OF APPENDICES

Appendix A Voting Results