BMO Capital Markets

UK MiFIR Product Governance Fact Sheet

Bank of Montreal, London Branch ("**BMO**") may act as a "manufacturer" or a "distributor" in the context of the product governance regime under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**Product Governance Requirements**"), for the following products:

Notes issued under the Bank of Montreal Note Issuance Programme
Notes issued under the Bank of Montreal Structured Securities Issuance Programme
(the "**Products**")

When acting as manufacturer and/or distributor, BMO has put in place the following arrangements:

INTERNAL PROCESSES

Approval of the Products will be managed by internal approval committees in line with BMO's governance framework.

When acting as a manufacturer, BMO will identify the target market (and negative target market) for the Products based on:

- client type;
- client's Knowledge and experience;
- client financial situation and ability to bear losses;
- risk tolerance and compatibility of the risk/reward profile of the product with the target market;
- client's objective and needs.

BMO will also define a distribution strategy that is consistent with the target market. BMO has a governance process in place to ensure that any third party distributing the Products has the required expertise.

When acting as a distributor, BMO will ensure that the Products are sold in line with the target market assessment and that the Products are compatible with the profile of the client.

INFORMATION MADE AVAILABLE BY BMO

When acting as a manufacturer, BMO will provide certain information to third party distributors (in such form, and through such media, as BMO may determine from time to time), including but not limited to: target market information, term sheets and marketing materials. Distributors should assume that all such information is "distributor-only information", unless BMO has confirmed otherwise. Any "distributor-only information" used by distributors (and/or any sub-distributor used) should not be made available and/or provided to any underlying investors in the Products ("end clients").

Please note that the identified target market for the Products will be **eligible counterparties and professional clients.**

BMO has determined that the Products may be "consumer composite investments" (products in scope of *the Consumer Composite Investments (Designated Activities) Regulations 2024 ("**CCI Regulations**")*); however, no offers of the Products may be made to retail investors and as such BMO has not prepared a disclosure document as required by the UK FCA Product Disclosure Sourcebook and the CCI Regulations.

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INFORMATION TO BE PROVIDED BY DISTRIBUTORS

When acting as a manufacturer, BMO will regularly review the Products under its product governance framework. The review will include feedback from distributors. Therefore BMO may request that distributors provide data and information necessary for BMO to review the Products and check that they remain consistent with the needs, characteristics and objectives of the target market identified by BMO, in particular (but not limited to):

- information on sales including, without limitation, summary information on the types of clients to whom the Product has been distributed, identifying sales made outside the target market as defined by BMO;
- a summary of complaints received;
- responses from end clients to questions that BMO may suggest from time to time for the purposes of obtaining feedback from a client sample; and
- information on the product governance reviews that distributors carry out for the purposes of the Product Governance Requirements.

TERMINATION AND WITHDRAWAL OF PRODUCTS FROM SALE

BMO may terminate any relationship with a distributor upon the occurrence of a crucial event which BMO concludes adversely impacts the risk and/or return expectation of the Products. BMO may also at any time and without giving any reason, suspend the issuance or cease accepting orders for a particular Product or request that a distributor withdraws a particular Product from sale.

DISTRIBUTORS' OBLIGATIONS

Distributors should not distribute (or arrange for any other person to distribute) any Product if they do not understand such Product, its features and its risks. Distributors should also not permit any individual to distribute on their behalf (or on behalf of any other person) any Product where that individual does not possess the relevant knowledge and competency to properly do so.

Distributors of the Products should:

- ensure that they have the necessary information, understanding and knowledge of each Product, its features and risks;
- distribute the Products in compliance with the target market assessment communicated by BMO and in accordance with the needs, characteristics and objectives of the target market;
- where appropriate, define their own target market; and
- ensure that: (a) there is development and periodic review of any product governance arrangements; (b) its management body has effective oversight over such arrangements, including the range of investment products and services offered or recommended and the investment services provided to the respective target markets; and (c) all relevant staff have been trained and possess the necessary expertise to understand the characteristics and risks of the Products the distributor intends to distribute, the investment services provided by BMO, and the needs, characteristics and objectives of the identified target market for each Product.

Should you have any questions on the content of this document, please do not hesitate to get in contact.

BMO contact: BMOCMLegalUK@bmo.com