Conflicts of Interest Policy - Bank of Montreal Capital Markets Limited ("BMOCML")

November 2026

BMO Financial Group

Introduction and Application

This document provides a summary of the Conflicts of Interest Policy for Bank of Montreal Capital Markets Limited ("BMOCML"). The purpose of this Conflicts of Interest Policy ("Policy") is to ensure that all appropriate steps are taken to identify, prevent, manage, and where necessary, disclose conflicts of interest. This Policy applies to BMOCML and its staff members.

Policy Objectives

Actual, potential and perceived conflicts of interest are inherent in financial services activities. Under FCA rules, BMOCML is required to maintain and operate effective organisational and administrative arrangements to identify, monitor, prevent and manage conflicts of interest.

Conflicts of Interest Defined

A conflict of interest arises when BMOCML, its affiliates or any member of staff, may benefit at the expense of a client or where a client may benefit at the expense of another client. Clients may include existing or potential clients.

A conflict may be actual, potential or perceived:

- An **actual** conflict of interest exists where there is a current identifiable risk of damage to the interests of a client.
- A **potential** conflict of interest exists where a conflict could reasonably arise in the future but has not yet materialised.
- A **perceived** conflict of interest exists where a third party could reasonably perceive that BMOCML, its affiliates or its staff are subject to a conflict of interest, even if no actual conflict exists.

How BMOCML Deals with Conflicts

BMOCML has established policies and procedures designed to safeguard the interests of clients and ensure that behaviour that could lead to conflicts of interest is not incentivised or rewarded.

BMOCML has processes and procedures to:

- Identify potential conflicts of interest that could reasonably arise;
- Maintain a register of all identified potential conflicts of interest;
- Prevent or manage conflicts of interest on an ongoing basis;
- Disclose conflicts of interest where appropriate; and
- Maintain evidence of any conflicts that cannot be effectively managed.

Identifying Conflicts of Interest

- Personal conflicts: these can arise where the personal or business interests of Staff are not compatible with those of BMO Capital Markets London, its Affiliates, and / or a Client.
- Conflicts between the firm and a client: when the interests of BMOCML and / or its Affiliates conflict with those of a Client.
- Conflicts between clients: this is a scenario where, in the context of activities undertaken by BMOCML, the interests of a Client are incompatible with the interests of another Client.
- Conflicts within BMO Financial Group: this occurs where:
  (i) the interests of BMOCML conflict with those of its Affiliates; or
  (ii) the interests of a business division within BMOCML are incompatible with those of another.
- Third-party services providers and suppliers (a "**Supplier or Provider**"): this describes a conflict between:
  (i) the commercial interests of a Supplier or Provider used by BMOCML; and
  (ii) the interests of BMOCML and / or its customers, where those interests may be

different.

Conflicting / Incompatible Interests

In relation to the above, categories of a conflicting or incompatible interest could include the following Where BMOCML, its Affiliates, or Staff:

- make a financial gain or avoid a financial loss at the expense of a Client;
- have an interest in the outcome of a service provided to, or transaction carried out on behalf of, a Client that is different from the client's interest in that outcome;
- have a financial or other incentive to favour the interest of one Client or group of Clients over the interests of another;
- carry on the same business as the Client; and/or
- receive or will receive from a person other than the Client an inducement in relation to a service provided to the Client, in the form of monetary or non-monetary benefits or services.

Preventing and Managing Conflicts of Interest

BMOCML prevents or manages conflicts of interest through one or more of the following measures:

- **Withdrawal** – the individual(s) whose function may be conflicted is withdrawn from the activity.
- **Restriction** – measures implemented to prevent or control the involvement of an individual in the activity.
- **Information barriers** – internal arrangements such as ethical walls or physical barriers to restrict the flows of information between different areas or individuals.
- **Supervision** – separate supervision of individuals whose functions may involve undertaking activities for clients that may conflict with other clients.
- **Influence** – measures to prevent individuals from exercising inappropriate influence or disproportionate influence over decisions or activities.
- **Segregation of duties** – measures implemented to ensure that individuals and teams undertaking activities that may conflict can operate independently of each other. This may also include entrusting conflicting activities to different individuals or teams.
- **Inducements** – BMOCML staff are prohibited from making or accepting payments and non-monetary benefits unless the payment or benefit falls within a category of acceptable inducement. In addition, BMOCML employees are required to follow BMOCML's procedures and limits in relation to gifts and entertainment.
- **Remuneration** – the removal of any direct links between the remuneration of persons engaged in one activity and the remuneration or revenues generated by another individual where a conflict of interest may arise in relation to those activities.
- **Education and Training** – training is provided to all BMOCML staff, along with the promotion of a culture of integrity.
- **Information** – maintaining effective organisational arrangements and controls around inside or confidential information such as restricted and grey lists.

The list above is non-exhaustive. Any of the above measures and procedures may be combined as necessary and appropriate to manage conflicts of interest as well as to ensure the appropriate level of independence.

Mitigants include ongoing training and surveillance on markets abuse and the annual attestation to the Trade Floor Supervision Conduct Procedures. In addition, the order execution policy states that BMOCML must take all sufficient steps to obtain the best possible result for clients when executing orders. Best execution monitoring is performed by Trade Floor Supervision (TFS), which would highlight execution outliers which require investigation.

Disclosure as a Last Resort

If organisational or administrative arrangements, made by BMOCML to prevent conflicts of interest from adversely affecting the interests of its clients are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, BMOCML will disclose to the client a specific description of the conflict, the general nature and sources of conflicts of interest, the risks to the client and the steps taken to mitigate those risks, before undertaking business for the client. Such disclosure is a measure of last resort and prevention is the primary objective.

Specifically, BMOCML will disclose the conflict to the client, including:

- The nature and source of the conflict;
- The risk posed to the client; and
- The measures taken to mitigate those risks.

Declining to Act

In some circumstances, BMOCML may be unable to effectively manage a particular conflict and will therefore decline to act for the client.

Oversight

BMOCML's Compliance Department and management bodies have oversight of conflicts and will undertake an annual review of its Conflicts of Interest Policy and arrangements to ensure the effective identification, prevention and management of conflicts of interest within BMOCML.