

Information Memorandum



BANK OF MONTREAL

A\$5,000,000,000 Australian Medium Term Note Programme

Arranger

National Australia Bank Limited

Dealers

**National Australia Bank Limited
Bank of Montreal, London Branch**

This Information Memorandum is dated 20 April 2016

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Important Notice

Introduction

This Information Memorandum relates to a debt issuance programme (“**Programme**”) established by Bank of Montreal (“**Issuer**”) under which unsecured and unsubordinated medium term notes and other debt instruments (collectively referred to as “**Notes**”) may be issued from time to time up to the Programme Limit (as defined in the section entitled “Summary of the Programme” below).

Issuer’s responsibility

This Information Memorandum has been prepared by and issued with the authority of the Issuer.

The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Arranger, the Dealers and the Agents (each as defined in the section entitled “Summary of the Programme” below) in relation to their respective descriptions (if applicable) in the sections entitled “Summary of the Programme” and “Directory” below.

Place of issuance

Subject to applicable laws and directives, the Issuer may issue Notes under the Programme in any country including Australia and countries in Europe and Asia but not in the United States of America unless such Notes are exempt from, or not subject to, the registration requirements of the United States Securities Act of 1933 (as amended) (“**U.S. Securities Act**”).

Terms and conditions of issue

The Issuer is neither a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 of Australia (“**Banking Act**”). The Notes are not obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia. An investment in any Notes will not be covered by the depositor protection provisions in section 13A of the Banking Act and will not be covered by the Australian Government’s bank deposit guarantee (also commonly referred to as the Financial Claims Scheme). Notes that are offered for issue or sale or transferred in, or into, Australia are offered only in circumstances that would not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia (“**Corporations Act**”) and must only be issued and transferred in compliance with the terms of the exemption from compliance with section 66 of the Banking Act that is available to the Issuer (including that such Notes must be issued or transferred in, or into, Australia in parcels of not less than A\$500,000 in aggregate principal amount).

Notes will be issued in one or more series (each a “**Series**”). Each Series may comprise one or more tranches (each a “**Tranche**”) having one or more issue dates and on terms and conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest).

Each issue of Notes will be made pursuant to such documentation as the Issuer may determine. A pricing supplement and/or another supplement to this Information Memorandum (each a “**Pricing Supplement**”) will be issued for each Tranche or Series of Notes. A Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest (if any) payable together with any other terms and conditions not set out in this Information Memorandum that may be applicable to that Tranche or Series of Notes. Tax considerations applicable to Notes may be described more particularly in the Pricing Supplement related thereto if they are not otherwise addressed herein. The terms and conditions (“**Conditions**”) applicable to the Notes are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes.

The Issuer may also publish a supplement to this Information Memorandum (or additional information memoranda) which describes the issue of Notes not otherwise described in this Information Memorandum. A Pricing Supplement or a supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information set out in a Pricing Supplement or

incorporated by reference in this Information Memorandum or a supplement to this Information Memorandum.

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to “**Information Memorandum**” are to this Information Memorandum and any other document incorporated by reference and to any of them individually.

The following documents are incorporated by reference in, and deemed to form part of, this Information Memorandum:

- the most recently published Annual Report of the Issuer containing the audited consolidated financial statements of the Issuer and available on the Issuer’s website (<http://www.bmo.com/investorrelations>);
- the latest Issuer’s Annual Information Form;
- all amendments and supplements to this Information Memorandum prepared and approved in writing by the Issuer from time to time; and
- all documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference including, in the case of any Tranche of Notes, a Pricing Supplement.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement (including whether expressly or by implication).

Except as provided above, no other information, including any information on the internet sites of the Issuer or in any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of documents incorporated by reference are available for inspection from the Issuer or from such other person specified in a Pricing Supplement. For the avoidance of doubt, the Issuer’s website is not incorporated by reference in this Information Memorandum.

Investors should review, amongst other things, the documents which are incorporated by reference in, and deemed to form part of, this Information Memorandum when deciding whether to subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Reference to Internet site and addresses

Any internet site addresses provided in this Information Memorandum are for reference only and, unless expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

Forward looking statements and opinions

Certain statements included in this Information Memorandum may constitute forward-looking statements or statements of opinion, including statements regarding, among other matters, comments with respect to the Issuer’s objectives and priorities for 2016 and beyond, its strategies or future actions, its targets, expectations for its financial condition or share price, and the results of or outlook for its operations or for the Canadian, United States and international economies.

By their nature, forward-looking statements require the Issuer to make assumptions and are subject to inherent risks and uncertainties. Such forward-looking statements or opinions speak only as of the date they are made and are not guarantees of future performance. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that the Issuer's assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. The Issuer cautions readers of this document not to place undue reliance on its forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

No independent verification

The only role of the Arranger, the Dealers and the Agents in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective descriptions under the sections entitled "Summary of Programme" and "Directory" below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Arranger, the Dealers and the Agents has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them, as to the authenticity, origin, validity, accuracy or completeness of or any omission in, this Information Memorandum or any further information supplied by the Issuer in connection with the Programme.

The Arranger, the Dealers and the Agents do not undertake to review the financial condition or affairs of the Issuer at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer or the Notes.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Arranger, the Dealers or any of the Agents.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Issuer, the Programme and the Notes. Neither the information contained in this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes is intended to provide the basis of any credit or other evaluation in respect of the Issuer or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by any of the Issuer, the Arranger, the Dealers or any of the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Investors contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) their own independent investigation of the financial condition and affairs of, and their own appraisal of the creditworthiness of, the Issuer;
- determine for themselves the relevance of the information contained in this Information Memorandum and any other information supplied in connection with the Programme or the issue of any Notes, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary;
- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained herein or incorporated by reference; and

- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors in connection with an investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

Risks

Neither this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes describes the risks of an investment in any Notes. Prospective Investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the sustainability of investing in the Notes in light of their particular circumstances.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Arranger, the Dealers or the Agents to any person to subscribe for, purchase or otherwise deal in any Notes.

Selling restrictions and no disclosure

Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”). No action has been taken which would permit an offering of the Notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia (“**Corporations Act**”).

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act. In particular, no action has been taken by any of the Issuer, the Arranger, the Dealers or the Agents which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

The distribution and use of this Information Memorandum, including any Pricing Supplement, advertisement or other offering material, and the offer or sale of Notes, may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions.

The Issuer, the Arranger, the Dealers and the Agents do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and directives and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Information Memorandum or any Notes come must inform themselves about, and observe, any such restrictions.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes unless the offer or invitation complies with all applicable laws and directives.

For a description of certain restrictions on offers, sales and deliveries of the Notes, and on distribution of this Information Memorandum, any Pricing Supplement or other offering material relating to the Notes, see the section entitled “Selling Restrictions” below.

No registration in the United States of America

The Notes have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state in the United States of America. The Notes may not be offered, sold or delivered, directly or

indirectly, at any time within the United States of America, its territories, possessions and other areas under its jurisdiction or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), unless the Notes are exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

Agency and distribution arrangements

The Issuer has agreed to pay fees to the Agents for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme.

The Issuer may also pay a Dealer a fee in respect of the Notes subscribed for by it, may agree to reimburse the Dealers for certain expenses incurred in connection with this Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes.

Disclosure of interest

In accordance with the provisions of the Corporations Act, the Arranger, the Dealers and the Agents disclose that they, their subsidiaries, directors and employees may have pecuniary or other interests in the securities mentioned in this Information Memorandum, and may also have interests pursuant to other arrangements and may receive fees, brokerage or commissions, and may act as principal in any dealings in the Notes.

References to credit ratings

There are references in this Information Memorandum to credit ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant assigning organisation.

Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

References to currencies

In this Information Memorandum, references to “**C\$**” and “**Canadian Dollars**” are to the lawful currency of Canada, references to “**U.S.\$**” and “**U.S. Dollars**” are to the lawful currency of the United States of America and references to “**A\$**” and “**Australian Dollars**” are to the lawful currency of the Commonwealth of Australia.

Currency of information

The information contained in this Information Memorandum has been prepared by the Issuer and is correct and complete as at the Preparation Date (as defined below). Neither the delivery or distribution of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time after the Preparation Date implies that the information contained in it is correct, that any other information supplied in connection with the Programme is correct or that there has not been any change (adverse or otherwise) in the affairs or financial conditions of the Issuer at any time subsequent to the Preparation Date.

In this Information Memorandum, “**Preparation Date**” means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;

- in relation to annual reports and any financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

Description of Issuer

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum.

The Issuer started business in Montréal in 1817 and was incorporated in 1821 by an Act of Lower Canada as the first Canadian chartered bank. Since 1871, the Issuer has been a chartered bank under the *Bank Act* (Canada) (the “**Bank Act**”), and is named in Schedule I of the Bank Act. The Bank Act is the charter of the Issuer and governs its operations.

The Issuer’s registered office is 129 rue Saint Jacques, Montréal, Québec, H2Y 1L6. Its executive offices are 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1.

Principal Activities and Markets

The Issuer offers a broad range of products and services directly and through Canadian and non-Canadian subsidiaries, offices, and branches. The Issuer operates in Canada and internationally in major financial markets and trading areas through its international offices, branches and subsidiaries.

The Issuer conducts business through three operating groups: Personal and Commercial Banking (“**P&C**”), made up of Canadian P&C and United States P&C; Wealth Management; and BMO Capital Markets. Canadian P&C operates across Canada, offering a broad range of products and services, including banking, lending and treasury management. Operating predominately in the United States Midwest under the BMO Harris brand, United States P&C offers personal and commercial clients banking, lending, and treasury management products and services. Wealth Management serves a full range of client segments from mainstream to ultra-high net worth and institutional, with a broad offering of wealth management products and services including insurance products. Wealth Management is a global business with an active presence in markets across Canada, the United States, Europe and Asia.

BMO Capital Markets is a North American-based financial services provider offering a complete range of products and services to corporate, institutional and government clients. These include equity and debt underwriting, corporate lending and project financing, mergers and acquisitions advisory services, securitization, treasury management, risk management, debt and equity research, and institutional sales and trading. BMO Capital Markets works proactively with clients to provide innovative and integrated financial solutions. Corporate Services consists of Corporate Units and Technology and Operations (“**T&O**”). Corporate Units provide enterprise-wide expertise and governance support in a variety of areas, including strategic planning, risk management, finance, legal and compliance, marketing, communications and human resources. T&O manages, maintains and provides governance over information technology, operations services, real estate and sourcing for the Bank.

Summary of the Programme

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the applicable Conditions and relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions. A reference to a "Pricing Supplement" does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to a particular Tranche or Series of Notes.

- Issuer:** Bank of Montreal
- Programme:** A non-underwritten revolving debt issuance programme under which, subject to applicable laws and directives, the Issuer may elect to issue unsecured and unsubordinated medium term notes and other debt instruments (collectively referred to as "**Notes**") in registered uncertificated form in the Australian domestic market.
- Programme Limit:** A\$5,000,000,000 (or its equivalent in any other currency or currencies and as that amount may be increased from time to time).
- Programme term:** The term of the Programme continues until terminated by the Issuer giving 30 days' notice to the Arranger and the Dealers then appointed to the Programme generally, or earlier by agreement between all the parties to the Dealer Agreement dated 20 April 2016 ("**Dealer Agreement**").
- Arranger:** National Australia Bank Limited
- Dealers:** National Australia Bank Limited
Bank of Montreal, London Branch
- Other Dealers may be appointed by the Issuer from time to time for a specific Tranche of Notes or to the Programme generally.
- A list of the current Dealers from time to time can be obtained from the Issuer or the Arranger.
- Contact details for the Arranger and the above named Dealers are set out in the section entitled "Directory" below.
- Registrar:** Computershare Investor Services Pty Limited (ABN 48 078 279 277) and/or any other person appointed by the Issuer to perform registry functions and establish and maintain a Register (as defined below) on the Issuer's behalf from time to time ("**Registrar**").
- Details of additional appointments in respect of a Tranche or Series will be notified in the relevant Pricing Supplement.
- Issuing and Paying Agent:** Computershare Investor Services Pty Limited (ABN 48 078 279 277) and/or any other person appointed by the Issuer to perform issuing and paying agency functions on the Issuer's behalf from time to time ("**Issuing and Paying Agent**").
- Calculation Agent:** If a Calculation Agent is required for the purpose of calculating any amount or making any determination under a Note, such appointment will be notified in the relevant Pricing Supplement. The Issuer may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent. Where no Calculation Agent is appointed, the calculation of interest, principal and other payments in respect of the relevant Notes will be made by the Issuer.
- Agents:** Each Registrar, Issuing and Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with

respect to any Tranche or Series of Notes (details of such appointment may be set out in the relevant Pricing Supplement).

Form of Notes: Notes will be issued in registered uncertificated form and will be debt obligations of the Issuer which are constituted by, and owing under, the Deed Poll ("**Deed Poll**") dated 20 April 2016, as amended or supplemented from time to time, or such other deed poll executed by the Issuer as may be specified in the relevant Pricing Supplement.

Notes will take the form of entries in a register ("**Register**") maintained by the Registrar.

No certificate or other evidence of title will be issued (except in certain limited circumstances described in Condition 2.10 ("No certificates")).

Issuance in Series: Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches of a Series and a Tranche or Series may comprise Notes in more than one denomination.

Status and ranking: The Notes will constitute legal, valid and binding unsubordinated and unsecured obligations of the Issuer enforceable in accordance with their terms and will rank *pari passu* with all other unsubordinated liabilities of the Issuer (except as otherwise prescribed by law) without any preference amongst themselves. The Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act (Canada)*.

Maturities: Any maturity as may be specified in the relevant Pricing Supplement.

Currencies: Subject to compliance with all applicable laws and directives, Notes will be denominated in Australian dollars or such other freely transferable currencies (each such currency other than Australian dollars being an "**Alternate Currency**") as may be specified in the relevant Pricing Supplement.

Issue price: Notes may be issued at any price on a fully paid basis, as specified in the relevant Pricing Supplement.

Denomination: Notes will be issued in the single denomination specified in the relevant Pricing Supplement.

Clearing System: Notes may be transacted either within or outside any Clearing System (as defined below).

The Issuer may apply to Austraclear Ltd (ABN 94 002 060 773) ("**Austraclear**") for approval for Notes to be traded on the clearing and settlement system operated by it ("**Austraclear System**"). Upon approval by Austraclear, the Notes will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System.

Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Notes.

Transactions relating to interests in the Notes may also be carried out through the settlement system operated by Euroclear Bank S.A./N.V. ("**Euroclear**"), the settlement system operated by Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or any other clearing system outside Australia specified in the relevant Pricing Supplement (the Austraclear System, Euroclear, Clearstream, Luxembourg and any other clearing

system so specified, each a “**Clearing System**”).

Interest in Notes traded in the Austraclear System may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System, as the case may be. In addition, any transfer of interests in a Note which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded in the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions.

The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.

Title: Entry of the name of a person in the Register in respect of a Note in registered form constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered owner of the Notes subject to correction for fraud or proven error.

Title to Notes held in a Clearing System will be determined in accordance with the rules and regulations of that relevant Clearing System.

Notes held in the Austraclear System will be registered in the name of Austraclear. No certificates or other evidence of title in respect of any Notes will be issued unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or directive.

Title to other Notes which are not lodged in a Clearing System will depend on the form of those Notes as specified in the relevant Pricing Supplement.

Other Notes: The Issuer may from time to time issue Notes in a form not specifically contemplated in this Information Memorandum. Terms applicable to any other type of Note that the Issuer may issue under the Programme will be set out in the relevant Pricing Supplement or other supplement to this Information Memorandum.

Redemption: Notes will be redeemed on, and may be redeemed prior to, their scheduled maturity as more fully set out in the Conditions and the relevant Pricing Supplement.

Notes held in a Clearing System will be redeemed through that Clearing System in a manner that is consistent with the rules and regulations of that Clearing System.

Selling restrictions: For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Information Memorandum and other offering material, see the section entitled “Selling Restrictions” below.

Further restrictions (or amendments to those stated above) may be required in connection with any particular Tranche of Notes and will be specified in

the relevant Pricing Supplement.

Transfer procedure: Notes may only be transferred in whole but not in part.

In particular, Notes may only be transferred if:

- (a) in the case of Notes to be transferred in, or into, Australia if:
 - (i) the offer or invitation giving rise to the transfer is for an aggregate consideration of at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the transferor or its associates to the transferee) or the offer or invitation for the transfer does not require disclosure to be made to investors under Part 6D.2 or 7.9 of the Corporations Act;
 - (ii) the transfer is not to a “retail client” for the purposes of section 761G of the Corporations Act; and
 - (iii) the transfer complies with Banking (Exemption) Order No. 82 as if it applied to the Issuer *mutatis mutandis* (and which, as at the date of this Information Memorandum, requires all offers and transfers of any parcels of Notes to be for an aggregate principal amount of not less than A\$500,000); and
- (b) at all times, the transfer complies with all applicable laws and directives of the jurisdiction where the transfer takes place.

Transfers of Notes held in a Clearing System, will be made in accordance with the rules and regulations of the relevant Clearing System.

Restrictions on the transfer of Notes may also be set out in the relevant Pricing Supplement or in another supplement to this Information Memorandum.

Taxes, withholdings and deductions: A brief overview of the Australian and Canadian taxation treatment of payments of interest on Notes is set out in the sections entitled “Australian Taxation Matters” and “Canadian Tax Matters” below.

Principal of, and interest on, the Notes are payable by the Issuer without withholding or deduction for or on account of withholding tax except as described in Condition 9 (“Taxation”).

Stamp duty: Any stamp duty incurred at the time of issue of the Notes will be for the account of the Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the relevant investors.

As at the date of this Information Memorandum, no *ad valorem* stamp duty is payable in Canada or in any Australian State or Territory on the issue, transfer or redemption of the Notes. However, investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Notes, or interests in Notes, in any jurisdiction.

FATCA Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”) establish a new due diligence, reporting and withholding regime. FATCA aims to detect U.S. taxpayers who use accounts with “foreign financial institutions” (“**FFIs**”) to conceal income and assets from the U.S. Internal Revenue Service (“**IRS**”).

FATCA withholding

Under FATCA, a 30% withholding may be imposed (i) in respect of certain payments of U.S. source income, (ii) from 1 January 2019 in respect of gross proceeds from the sale or disposition of property that produce interest or dividends which are U.S. source income and (iii) from 1 January 2019, at the earliest, in respect of “foreign passthru payments” (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities that fail to meet certain certification or reporting requirements (“**FATCA withholding**”).

A FATCA withholding may be required if (i) an investor does not provide information sufficient for the Issuer or any other financial institution through which payments on the Notes are made to determine whether the investor is subject to FATCA withholding or (ii) an FFI to or through which payments on the Notes are made is a “non-participating FFI”.

FATCA withholding is not expected to apply if the Notes are treated as debt for U.S. federal income tax purposes and the payment is made under a grandfathered obligation, generally being any obligation issued on or before the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register.

Intergovernmental agreements

The U.S. and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an “**IGA**”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the U.S., an FFI in an IGA signatory country could be treated as a “Reporting FI” not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The U.S. and Canada have entered into an agreement (the “**U.S.-Canada IGA**”), based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the U.S.-Canada IGA it does not anticipate that it will be obliged to deduct any FATCA withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA withholding from payments it makes. The Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA withholding if any FFI through or to which payment on such Notes is made is not a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

No additional amounts paid as a result of FATCA withholding

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

FATCA is particularly complex legislation.

Investors should consult their own tax advisers to determine how FATCA and the U.S.-Canada IGA may apply to them under the Notes.

Payments and Record Date:

Payments of principal and interest under Notes entered in the Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.

If the Notes are not entered in or are removed from a Clearing System, then payments in respect of those Notes will be made to the account of the registered holder specified in the Register as at 5.00pm in the place where the Register is maintained on the relevant Record Date. If no account is notified, then payments will be made by cheque mailed on the Business Day immediately preceding the relevant payment date to the registered holder at its address appearing in the Register on the Record Date or in such other manner as the Issuer considers appropriate.

The Record Date is 5.00pm in the place where the Register is maintained on the eighth calendar day before a payment date or such other period specified in the relevant Pricing Supplement.

Listing: It is not currently intended that the Notes will be listed on any stock exchange. However, an application may be made for the Issuer to be admitted to the official list of, and/or Notes of a particular Series to be quoted on, the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) (“**ASX**”) or on any other stock or securities exchange (in accordance with applicable laws and directives).

Any Notes which are quoted on the ASX will not be transferred through, or registered on, the Clearing House Electronic Sub-Register System (“**CHESS**”) operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be “Approved Financial Products” for the purposes of that system. Interests in the Notes will instead be held in, and transferable through, the Austraclear System.

The relevant Pricing Supplement in respect of the issue of any Tranche of Notes will specify whether or not such Notes will be quoted on any stock or securities exchange.

Governing law: The Notes and all related documentation will be governed by the laws of the New South Wales, Australia.

Use of proceeds: The proceeds from each issue of Notes will be used for the Issuer’s general corporate purposes.

Negative Pledge: None.

Cross Default: None (see “Conditions of the Notes – Events of Default”).

Rating: The Programme and a Series of Notes to be issued under the Programme may be rated by one or more rating agencies. The credit rating of an individual Tranche or Series of Notes will be specified in the relevant Pricing Supplement for those Notes (or another supplement to the Information Memorandum).

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant assigning organisation.

Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

Investors to obtain independent advice with respect to investment and other risks:

This Information Memorandum does not describe the risks of an investment in any Notes. Prospective investors should consult their own financial, legal, tax and other professional advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

Conditions of the Notes

*The following are the Conditions which, as supplemented, amended, modified or replaced in relation to any Notes by the relevant Pricing Supplement, will be applicable to each Note constituted by the Deed Poll (“**Conditions**”). References to the “Pricing Supplement” in these Conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement in relation to a particular Tranche or Series of Notes.*

Each Noteholder and any person claiming through or under a Noteholder is deemed to have notice of, and is bound by, these Conditions, the Deed Poll, the relevant Pricing Supplement and the Information Memorandum. Copies of each of these documents are available for inspection by the Noteholder during normal business hours at the Specified Office of the Issuer and the Registrar.

1 Interpretation

1.1 Definitions

In these Conditions, the following words have these meanings:

Agency Agreement means:

- (a) the agreement entitled “Registrar and Paying Agency Services Agreement” dated 20 April 2016 between the Issuer and Computershare Investor Services Pty Limited (ABN 48 078 279 277);
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or
- (c) any other agency agreement between the Issuer and an Agent in connection with any issue of Notes;

Agent means each of the Registrar, the Issuing and Paying Agent, the Calculation Agent and any additional agent appointed under an Agency Agreement, or any of them as the context requires;

Alternate Currency means a currency (other than Australian Dollars) which is specified in the relevant Pricing Supplement;

Arranger means National Australia Bank Limited and/or such other replacement or additional financial institution that is an administration manager in respect of the Programme;

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as the “Austraclear Regulations”, together with any instructions or directions (as amended or replaced from time to time), established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

Business Day means:

- (a) a day on which banks are open for general banking business in Sydney, Australia and in each (if any) Relevant Financial Centre specified in the relevant Pricing Supplement (not being a Saturday, Sunday or public holiday in that place); and
- (b) if a Note held in a Clearing System is to be issued or a payment is to be made in respect of a Note held in a Clearing System on that day, a day on which each applicable Clearing System in which the relevant Note is lodged is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the relevant Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) **Floating Rate Convention** means that the date postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
 - (i) that date is brought forward to the first preceding day that is a Business Day; and
 - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Following Business Day convention applies. Different conventions may be specified in relation to, or apply to, different dates;

Calculation Agent means, in respect of a Note, the Registrar or any other person appointed by the Issuer under an Agency Agreement and specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions;

CHESS means the Clearing House Electronic Subregister System operated by ASX Limited (ABN 98 008 624 691);

Clearing System means:

- (a) the Austraclear System; and/or
- (b) any other clearing system outside Australia specified in the Pricing Supplement;

Conditions means, in relation to a Note, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered “**Condition**” shall be construed accordingly;

Corporations Act means the Corporations Act 2001 of Australia;

Day Count Fraction means, in respect of the calculation of interest on a Note for any period of time (“**Calculation Period**”), the day count fraction specified in the relevant Pricing Supplement and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:

- (i) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Determination Period, and (2) the number of Determination Periods normally ending in any year; and
 - (ii) where the Calculation Period is longer than one Determination Period, the sum of:
 - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period, and (2) the number of Determination Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if **30/360** or **Bond Basis** is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:
- $$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$
- where:
- “**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
 - “**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
 - “**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
 - “**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
 - “**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
 - “**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;
- (f) if “**30E/360**” or “**Eurobond basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29 in which case D₂ will be 30;

- (g) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and
- “D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30; and

- (h) if **RBA Bond Basis** or **Australian Bond Basis** is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
- (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));

Deed Poll means:

- (a) the deed poll entitled “Deed Poll” dated 20 April 2016; and

- (b) such other deed poll that supplements, amends, restates, modifies or replaces the deed poll referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme,
in each case, executed by the Issuer;

Denomination means the notional face value of a Note specified in the Pricing Supplement;

Determination Period means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each Interest Period;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Determination Date falling in any year to but excluding the next Determination Date, where “**Determination Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Determination Date falling in any year to but excluding the next Determination Date where “**Determination Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

Early Redemption Amount means the early redemption amount specified in, or determined in accordance with, the Pricing Supplement;

Early Termination Amount means, in respect of a Note, the Outstanding Principal Amount or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

Event of Default has the meaning given to it in Condition 7 (“Events of Default”);

Excluded Tax means a Tax imposed on, or calculated having regard to, the net income of a Noteholder;

Extraordinary Resolution has the meaning given to it in the Meetings Provisions;

FATCA means:

- (a) sections 1471 to 1474 of the United States of America Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

Fixed Rate Note means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the Pricing Supplement;

Floating Rate Note means a Note on which interest is calculated at a floating rate payable monthly or 2, 3, 6, or 12 monthly or in respect of any other period or on any other date specified in the Pricing Supplement;

Governmental Authority means a government or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax;

Information Memorandum means, in respect of a Note, the information memorandum or other offering document referred to in a Pricing Supplement, in each case prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Note and all documents incorporated by reference in it, including any relevant Pricing Supplement and any other amendments or supplements to it;

Interest Commencement Date means, in respect of a Note, the Issue Date of the Notes or such other date as may be specified as such in the relevant Pricing Supplement;

Interest Determination Date means each date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Payment Date means each date so specified in, or determined in accordance with, the relevant Pricing Supplement and adjusted, if necessary, in accordance with the Business Day Convention so specified in the Pricing Supplement;

Interest Period means each period beginning on and including an Interest Payment Date and ending on but excluding the next Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date and the final Interest Period ends on but excludes the Maturity Date;

Interest Rate means, in respect of a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in, or calculated or determined in accordance with, these Conditions and the relevant Pricing Supplement;

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series);

Issue Date means, in respect of a Note, the issue date specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

Issue Price means, in respect of a Note, the issue price specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement;

Issuing and Paying Agent means:

- (a) Computershare Investor Services Pty Limited (ABN 48 078 278 277); and/or
- (b) any other person appointed by the Issuer under an Agency Agreement and specified in the relevant Pricing Supplement to perform issuing and paying agency functions on the Issuer's behalf with respect to a Series or Tranche of Notes;

Issuer means Bank of Montreal;

Margin means the margin specified in, or determined in accordance with, the Pricing Supplement;

Maturity Date means, in respect of a Note, the maturity date so specified in, or determined in accordance with, the relevant Pricing Supplement as the date on which the Note is to be redeemed (and adjusted, if necessary, in accordance with the applicable Business Day Convention so specified in the Pricing Supplement);

Maturity Redemption Amount means, in respect of a Note, the Outstanding Principal Amount or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement;

Maximum Interest Rate means, in respect of a Note, the maximum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement;

Meetings Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Noteholders set out as a schedule to the Deed Poll;

Minimum Interest Rate means, in respect of a Note, the minimum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement and if no such rate is specified, it shall be zero;

Note means each form of bond, note, debt security, debt instrument or debt obligation specified in an applicable Pricing Supplement and issued or to be issued by the Issuer which is constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register. References to any particular type of “**Note**” or “**Notes**” shall be read and construed accordingly. All references to Notes must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series;

Noteholder means a person whose name is for the time being entered in the Register as the holder of a Note or, where a Note is owned jointly by one or more persons, the persons whose names appear in the Register as the joint owners of that Note and (for the avoidance of doubt) when a Note is entered into the Austraclear System, means Austraclear acting on behalf of a member of the Austraclear System;

Ordinary Resolution has the meaning given to it in the Meetings Provisions;

Outstanding Principal Amount means, in respect of a Note, the principal amount outstanding on that Note. If an amount is required to be determined in Australian Dollars, the Australian Dollar equivalent of a Note denominated in an Alternate Currency is to be determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the Business Day preceding the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the relevant Pricing Supplement for such Notes or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney or such other date as may be specified by the Issuer;

Payment Date means, in respect of a Note, an Interest Payment Date, Maturity Date or other payment date (including an early payment date);

Pricing Supplement means the Pricing Supplement prepared in relation to the Notes of the relevant Tranche or Series, and confirmed in writing by the Issuer;

Programme means the Issuer’s Australian medium term note programme described in the Information Memorandum;

Record Date means 5.00pm in the place where the Register is maintained on the eighth calendar day before the relevant date for payment or any other date so specified in the Pricing Supplement;

Redemption Amount means for a Note, the outstanding principal amount as at the date of redemption;

Register means a register, including any branch register, of holders of Notes established and maintained by or on behalf of the Issuer under an Agency Agreement;

Registrar means:

- (a) Computershare Investor Services Pty Limited (ABN 48 078 278 277); and/or

- (b) such other person appointed by the Issuer under a relevant Agency Agreement to establish and maintain the Register in respect of a Tranche of Notes on the Issuer's behalf from time to time;

Series means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Price, Issue Date and Interest Commencement Date and date and amount of the first interest payment may be different in respect of a different Tranche of a Series;

Specified Office means the office specified in the Information Memorandum or any other address notified to the Noteholders from time to time;

Taxes means taxes, levies, fees, withholdings, deductions, assessments, imposts, charges and duties (including stamp and transaction duties) imposed by any Governmental Authority, together with any related interest, penalties, fines and expenses payable in connection with them; and

Tranche means an issue of Notes specified as such in the relevant Pricing Supplement issued on the same Issue Date and on the same Conditions.

1.2 References to certain general terms

In these Conditions unless the contrary intention appears:

- (a) a reference to "**Australian Dollars**" or "**A\$**" is a reference to the lawful currency of the Commonwealth of Australia;
- (b) a reference to "**Canadian Dollars**" or "**C\$**" is a reference to the lawful currency of Canada;
- (c) a reference to "**US Dollars**" or "**US\$**" is a reference to the lawful currency of the United States of America;
- (d) a reference to a "**law**" includes common law, principles of equity, decree and any statute or other law made by any parliament or legislature (and a statute or other law made by a parliament or legislature includes regulations and other instruments under it, and any consolidation, amendment, re-enactment or replacement of any of it);
- (e) a reference to a "**directive**" includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (f) a reference to the "**Corporations Act**" is to the Corporations Act 2001 of Australia;
- (g) the singular includes the plural and vice versa;
- (h) the word "**person**" includes an individual, corporation, company, firm, tribunal, undertaking, association, organisation, partnership, joint venture, trust, limited liability company, unincorporated organisation or government or any agency, instrumentality or political subdivision thereof; in each case whether or not being a separate legal entity;
- (i) a reference to a particular person includes a reference to the person's executors, administrators, successors, substitutes (including, persons taking by novation) and assigns;
- (j) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;

- (k) a reference to a time of day is a reference to that time in Sydney, Australia unless otherwise specified;
- (l) if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period; and
- (m) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.3 References to particular terms

In these Conditions unless the contrary intention appears:

- (a) a reference to the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement;
- (b) a reference to the Deed Poll or the Agency Agreement is a reference to the Deed Poll or the Agency Agreement applicable to the Notes of the relevant Series;
- (c) a reference to an Agent is a reference to each Agent appointed to act in respect of Notes of the relevant Series;
- (d) a reference to a Note is a reference to a Note of a particular Series issued by the Issuer specified in the Pricing Supplement;
- (e) a reference to a Noteholder is a reference to the holder of Notes of a particular Series;
- (f) a reference to a Pricing Supplement is a reference to the Pricing Supplement applicable to the Notes of the particular Tranche specified in that Pricing Supplement; and
- (g) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

1.4 Terms defined in Pricing Supplement

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Notes.

1.5 Headings

Headings are inserted for convenience and do not affect the interpretation of these Conditions.

2 Form, denomination and title

2.1 Constitution and form

- (a) Notes are debt obligations of the Issuer constituted by, and owing under, the Deed Poll and details of which are recorded in, and evidenced by entry in, the Register.
- (b) Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed Poll.
- (c) Notes are issued in registered uncertificated form by entry in the Register.

2.1 Types of Notes

A Note is either:

- (a) a Fixed Rate Note;
- (b) a Floating Rate Note; or

or a combination of the above (or any other type of debt obligation) as specified in the relevant Pricing Supplement

2.2 Independent obligations

The obligations of the Issuer in respect of each Note constitute separate and independent obligations which the Noteholder to whom those obligations are owed is entitled to enforce without having to join any other Noteholder or any predecessor in title of a Noteholder.

2.3 Pricing Supplement

- (a) Notes are issued in Series. A series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than, to the extent relevant, in respect of the Issue Price, Issue Date and first payment of interest).
- (b) The Issuer will issue Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.
- (c) Copies of the Pricing Supplement are available for inspection or upon request by a Noteholder or prospective Noteholder during normal business hours at the Specified Office of the issuer and the Registrar or are otherwise available on reasonable request from the Issuer and the Registrar.

2.4 Issue restrictions

Unless otherwise specified in any relevant Pricing Supplement, Notes may only be offered (directly or indirectly) for issue, or applications invited for the issue of Notes, if:

- (a) where the offer or invitation is made in, or into, Australia:
 - (i) the aggregate consideration payable to the Issuer by the relevant subscriber is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the Issuer or its associates to the subscriber) or the offer or invitation (including any resulting issue) of the Notes does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
 - (ii) the offer or invitation (including any resulting issue) does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
 - (iii) the offer or invitation (including any resulting issue) complies with the Banking (Exemption) Order No. 82 dated 23 September 1996 promulgated by the Assistant Treasurer of Australia as if it applied to the Issuer mutatis mutandis (including that the Notes the subject of the offer or invitation, when issued, have an aggregate principal amount of at least A\$500,000); and
- (b) at all times, the offer or invitation (including any resulting issue) complies with all applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

2.5 Denomination

Notes are issued in a single Denomination as specified in the Pricing Supplement.

2.6 Currency

Subject to compliance with all applicable legal and regulatory requirements, Notes may be denominated in Australian Dollars or an Alternate Currency.

2.7 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an irrevocable undertaking by the Issuer to the Noteholder to:
 - (i) pay principal, any interest and any other amounts in accordance with these Conditions; and
 - (ii) otherwise comply with the Conditions; and
- (b) an entitlement to the other benefits given to Noteholders under these Conditions in respect of the Note.

2.8 Ownership and non-recognition of interests

- (a) Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of such Note subject to correction for fraud or proven error.
- (b) No notice of any trust or other interest in, or claim to, any Note will be entered in a Register. Neither the Issuer nor the relevant Registrar need take notice of any trust or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by any applicable law or directive. This Condition 2.8(b) applies whether or not a Note is overdue.

2.9 Location of Register

The Register will be established and maintained in Sydney, Australia (or such other Australian city outside South Australia as the Issuer and Registrar may agree).

2.10 No certificates

No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Note unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

3 Transfers

3.1 Transfer

A Noteholder may only transfer Notes in accordance with these Conditions.

3.2 Transfers in whole

Notes may only be transferred in whole and not in part.

3.3 Conditions of transfer

Notes may only be transferred if:

- (a) in the case of Notes to be transferred in, or into, Australia, the offer or invitation giving rise to the transfer:
 - (i) is for an aggregate consideration of at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the Issuer or its associates to the subscriber) or the offer or invitation (including

any resulting issue) does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;

- (ii) does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
 - (iii) the offer or invitation (including any resulting issue) complies with the Banking (Exemption) Order No. 82 dated 23 September 1996 promulgated by the Assistant Treasurer of Australia as if it applied to the Issuer mutatis mutandis (including that the Notes the subject of the offer or invitation, when issued, have an aggregate principal amount of at least A\$500,000); and
- (b) at all times, the transfer complies with all applicable laws and directives of the jurisdiction where the transfer takes place.

3.4 Transfer procedures

- (a) Interests in Notes held in a Clearing System will only be transferable in accordance with the rules and regulations of that Clearing System. If a Note is lodged in the Austraclear System, neither the Issuer nor the relevant Registrar will recognise any such interest other than the interest of Austraclear as the Noteholder while that Note is lodged in the Austraclear System.
- (b) Application for the transfer of Notes not held in a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Issuer (or such other person as may be specified in a Pricing Supplement) and:
 - (i) each transfer form must be:
 - (A) duly completed and stamped (if applicable);
 - (B) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
 - (C) signed by, or on behalf of, both the transferor and the transferee; and
 - (ii) transfers will be registered without charge provided all applicable Taxes have been paid.

3.5 Registration of transfer

The transferor of a Note is deemed to remain the holder of that Note until the name of the transferee is entered in the Register in respect of that Note. Transfers will not be registered during the period commencing on but excluding a Record Date and ending on and including the relevant date for payment.

3.6 No charge on transfer

Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid by the transferor or transferee (as the case may be) of the relevant Note.

3.7 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

3.8 Unincorporated associations

A transfer to an unincorporated association is not permitted.

3.9 Transfer of unidentified Notes

Where the transferor executes a transfer of less than all of the Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may choose which Notes registered in the name of the Noteholder have been transferred, provided the aggregate principal amount of the Notes registered as having been transferred equals the aggregate principal amount of the Notes expressed to be transferred in the transfer.

3.10 CHESS

Notes which are listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) will not be transferred through or registered on CHESS and will not be “Approved Financial Products” for the purposes of that system.

3.11 Austraclear as holder

If Austraclear is recorded in the Register as the Noteholder, each person in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar’s decision to act as the Registrar of that Note is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Note, but only indicates that the Registrar considers that the holding of the Note is compatible with the performance by it of its obligations as Registrar under the relevant Agency Agreement; and
- (b) the Noteholder does not rely on any fact, matter or circumstance contrary to paragraph (a).

3.12 Austraclear Services Limited as Registrar

If Austraclear Services Limited (ABN 28 003 284 419) is the Registrar and the Notes are lodged in the Austraclear System, despite any other provision of these Conditions, the Notes are not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of the Notes issued by it and no participant of the Austraclear System has the right to request any registration of any transfer of any such Notes except:

- (a) for any repurchase, redemption or cancellation (whether on or before the Maturity Date of the Notes) of such Notes, a transfer of the relevant Notes from Austraclear to the Issuer may be entered in the Register; and
- (b) if either:
 - (i) Austraclear notifies the Registrar that the person in whose Security Record (as defined in the Austraclear Regulations) the relevant Notes are recorded has stated that the person needs to be registered in the Register in relation to the relevant Notes in order to pursue any rights against the Issuer (or any other person liable on the relevant Notes) following an alleged default and that need appears to the Registrar (in its absolute discretion) to be reasonable; or
 - (ii) Austraclear exercises, or purports to exercise, any power it may have under the Austraclear Regulations, these Conditions or otherwise, to require the relevant Notes to be transferred on the Register to a participant of the Austraclear System, the relevant Notes may be transferred on the Register from Austraclear to that participant of the Austraclear System.

In any of the cases noted above, the relevant Notes will cease to be held in the Austraclear System.

4 Status

The Notes will constitute legal, valid and binding unsubordinated and unsecured obligations of the Issuer enforceable in accordance with their terms and will rank *pari passu* with all

other unsubordinated liabilities of the Issuer (except as otherwise prescribed by law) without any preference amongst themselves. The Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act (Canada)*.

5 Interest

Conditions 5.1, 5.2 and 5.3 apply to the Notes only if the Pricing Supplement states that the Notes are Fixed Rate Notes.

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

5.2 Fixed Coupon Amount

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

5.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying the Interest Rate for that period, the outstanding principal amount of the Fixed Rate Note and the applicable Day Count Fraction.

Conditions 5.4, 5.5, 5.6, 5.7, 5.8, 5.9 and 5.10 apply to the Notes only if the Pricing Supplement states that the Notes are Floating Rate Notes.

5.4 Interest on Floating Rate Notes

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, on each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date (or, in the case of the first Interest Payment Date, after the Interest Commencement Date).

5.5 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

5.6 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 5.5 (“Interest Rate determination”), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

5.7 ISDA Determination

Where “ISDA Determination” is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the sum of the Margin and the ISDA Rate.

In this Condition:

- (a) **"ISDA Rate"** for an Interest Period, means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate Notes were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Pricing Supplement; and
 - (ii) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction; and
- (b) **"Swap Transaction"**, **"Floating Rate"**, **"Calculation Agent"** (except references to "Calculation Agent for the Floating Rate Notes"), **"Floating Rate Option"**, **"Designated Maturity"**, **"Reset Date"**, **"Period End Date"**, **"Spread"** and **"Floating Rate Day Count Fraction"** have the meanings given to those terms in the ISDA Definitions.

5.8 Screen Rate Determination

Where the "Screen Rate Determination" is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition, **"Screen Rate"** means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the **"Screen Rate"** means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the **"Screen Rate"** means:
 - (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date; or
 - (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or
- (c) if the Pricing Supplement specifies an alternative method for the determination of the "Screen Rate Determination", then that alternative method applies.

5.9 BBSW Rate Determination

Where "BBSW Rate Determination" is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the BBSW Rate.

In this Condition, "**BBSW Rate**" means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Reuters Screen BBSW Page at approximately 10:10am on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW Page by 10:30am on that day, or if it does appear but the Calculation Agent determines that there is an obvious error in that rate, "**BBSW Rate**" means the rate determined by the Calculation Agent having regard to comparable indices then available. The rate calculated or determined by the Calculation Agent will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

5.10 Interpolation

If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two ISDA Rates, Screen Rates, BBSW Rates or other floating rates specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The remaining paragraphs of this Condition 5 apply to all Notes.

5.11 Maximum or Minimum Interest Rate

If the Pricing Supplement specifies a "Maximum Interest Rate" or "Minimum Interest Rate" for any Interest Period, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified.

5.12 Calculation of Interest Rate and interest payable

- (a) The Calculation Agent must, in relation to each Interest Period for each Floating Rate Note:
 - (i) calculate the Interest Rate in accordance with these Conditions and the Pricing Supplement; and
 - (ii) as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.
- (b) Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Note by the applicable Day Count Fraction.
- (c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

5.13 Calculation of other amounts

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which

that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

5.14 Notification of Interest Rate, interest payable and other items

- (a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded of:
 - (i) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
 - (ii) any amendment to any amount, item or date referred to in paragraph (i) arising from any extension or reduction in any Interest Period or calculation period.
- (b) The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the Interest Period.
- (c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the Noteholders, each other Agent and each stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded after doing so.

5.15 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of manifest error, final and binding on the Issuer, the Registrar, each Noteholder and each other Agent.

5.16 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or in the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent being rounded up to 0.00001 per cent.);
- (b) all figures resulting from the calculations must be rounded to five decimal places (with 0.000005 being rounded up to 0.00001); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
 - (i) in the case of Australian dollars, one cent; and
 - (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

6 Redemption and purchase

6.1 Redemption on maturity

Each Note is redeemable by the Issuer on the Maturity Date at its Redemption Amount unless:

- (a) the Note has been previously redeemed;
- (b) the Note has been purchased and cancelled; or

- (c) the Pricing Supplement states that the Note has no fixed Maturity Date.

6.2 Purchase of Notes

The Issuer and any of its related entities may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, reissued, resold or, at the option of such purchaser, cancelled by notice to the Registrar. Purchases may be made by tender offers or in any other manner at the discretion of the purchasers, in each case, subject to compliance with any applicable law, directive or requirement of any stock or securities exchange or other relevant authority on which the Notes are listed.

6.3 Early Redemption for taxation reasons

If:

- (a) as a result of any change in the laws or directives of Canada or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax, or any change in the interpretation or administration of any such laws or directives, which change becomes effective on or after the latest Issue Date of the Notes, the Issuer would, on the occasion of the next payment due in respect of the Notes, be required to pay additional amounts as provided in Condition 9.2 (“Withholding tax”);
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (which, for greater certainty, does not include substitution of itself under the Notes); and
- (c) such circumstances are evidenced by the delivery to the Registrar of a certificate signed by two senior officers of the Issuer stating that said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that said circumstances prevail,

the Issuer may at its option, having given not more than 60 days’ notice nor less than 30 days’ notice to the Noteholders and the Registrar (which notice is irrevocable), at any time (if the Notes are not Floating Rate Notes) or on any Interest Payment Date (if the Notes are Floating Rate Notes), repay all, but not some only, of the Notes each at its Early Redemption Amount together with interest accrued to, but excluding, the date of repayment. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder of its option to require the redemption of such Note under Condition 6.5 (“Early redemption at the Option of Noteholders (Put)”).

6.4 Early Redemption at the Option of the Issuer (Call)

- (a) If Call Option is specified in the relevant Pricing Supplement as being applicable, the Issuer may, having (unless otherwise specified in the relevant Pricing Supplement) given not more than 60 nor less than 30 days’ notice to the Noteholders of the relevant Series and the Registrar (which notice is irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the relevant Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. In the event of a redemption of some only of the Notes, such redemption must be of an amount being the Minimum Redemption Amount or a Higher Redemption Amount, as indicated in the relevant Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be repaid will be selected in accordance with the rules of the relevant clearing system.
- (b) If only some of the Notes are to be redeemed under this Condition 6.4, the Notes to be redeemed must be specified in the notice and selected:
 - (i) in a fair and reasonable manner under the circumstances of the proposed redemption and having regard to prevailing market practice; and

- (ii) in compliance with any applicable law, directive or requirement of any applicable Clearing System and stock or securities exchange or other relevant authority on which the Notes are listed.
- (c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder of its option to require the redemption of such Note under Condition 6.5 (“Early Redemption at the Option of Noteholders (Put)”).

6.5 Early Redemption at the Option of the Noteholders (Put)

If Put Option is specified in the relevant Pricing Supplement as being applicable, upon any Noteholder giving to the Issuer in accordance with Condition 12 (“Notices”) not more than 60 nor less than 30 days’ notice or such other period if so specified in the relevant Pricing Supplement (which notice is irrevocable), the Issuer will, upon the expiry of such notice, redeem (subject to, and in accordance with, the terms specified in the relevant Pricing Supplement) in whole (but not in part) such Note on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the relevant Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

A Noteholder may not require the Issuer to redeem any Note under this Condition 6.5 if the Issuer has given notice that it will redeem that Note under Condition 6.3 (“Early redemption for taxation reasons”) or Condition 6.4 (“Early Redemption at the Option of the Issuer (Call)”).

6.6 Partial redemptions

If only some of the Notes are to be redeemed under Condition 6.4 (“Early Redemption at the Option of the Issuer (Call)”), the Notes to be redeemed must be specified in the notice and selected:

- (a) in a fair and reasonable manner under the circumstances of the proposed redemption and having regard to prevailing market practice; and
- (b) in compliance with any applicable law, directive or requirement of any applicable Clearing System and stock or securities exchange or other relevant authority on which the Notes are listed.

6.7 Late payment

If an amount is not paid under this Condition 6 when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

7 Events of Default

7.1 Events of Default

An Event of Default occurs in relation to the Notes of any Series if any of the following events shall have occurred and be continuing:

- (a) if the Issuer shall make default in payment of any principal on the due date therefor and such default shall have continued for a period of five days;
- (b) if the Issuer shall make default in payment of any interest on the due date therefor and such default shall have continued for a period of 30 days; or
- (c) if the Issuer shall have become insolvent, or if the Superintendent of Financial Institutions (Canada) shall have taken control of the assets of the Issuer or of the Issuer itself, or if a liquidator of the Bank, or person with similar powers, shall have been appointed pursuant to a winding-up order or otherwise.

7.2 Notification

If an Event of Default occurs the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the event (specifying details of it) and use its reasonable endeavours to ensure that the Registrar promptly notifies the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded of the occurrence of the event.

7.3 Consequences of an Event of Default

Subject to Conditions 7.4 (“Rectification”) and 7.5 (“Notice requirements”), if any Event of Default occurs in relation to the Notes of any Series or any of them, then a Noteholder in that Series may by written notice to the Issuer (with a copy to the Registrar) declare the Early Termination Amount (together with all accrued interest (if any)) applicable to each Note held by the Noteholder to be due and payable immediately or on such other later date specified in the notice.

7.4 Rectification

A Noteholder’s right to declare Notes due terminates if the situation giving rise to it has been cured before such right is exercised.

7.5 Notice requirements

Any notice declaring Notes due must be given in accordance with the requirements of Condition 12 (“Notices”) and be accompanied by proof that such Noteholder at that time is a holder of the relevant Notes.

8 Payments

8.1 Record Date

Payments to Noteholders will be made according to the particulars recorded in the Register at 5.00pm on the relevant Record Date.

8.2 Joint holders

When a Note is held jointly, payment will be made to the Noteholders in their joint names unless requested otherwise.

8.3 Payments to accounts

Payments in respect of each Note will be made in Australia, unless prohibited by law, and:

- (a) if the Notes are in the Austraclear System, by crediting on the relevant Payment Date, the amount then due to:
 - (i) the account of Austraclear (as the Noteholder) in Australia previously notified to the Issuer and the Registrar; or
 - (ii) if requested by Austraclear, the accounts in Australia of the persons in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations; and
- (b) if the Notes are not in the Austraclear System, by crediting on the relevant Payment Date, the amount then due under each Note to an account in Australia previously notified by the relevant Noteholder to the Issuer and the Registrar.

If a payment in respect of a Note is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

8.4 Payments by cheque

If the relevant Noteholder has not notified the Issuer and the Registrar of an account to which payments to it must be made by close of business on the relevant Record Date, payments in

respect of the relevant Note will be made in Australia by cheque, sent by registered prepaid post on the Business Day immediately preceding the relevant Payment Date, at the relevant Noteholder's risk to the Noteholder (or to the first named of joint Noteholders) at the address appearing in the Register as at the Record Date. Cheques to be despatched to the nominated address of a Noteholder will in such cases be deemed to have been received by the Noteholder on the relevant Payment Date and no further amount will be payable by the Issuer in respect of the relevant Note as a result of payment not being received by the Noteholder on the due date.

8.5 Payment constitutes release

Any payment (including a payment made in accordance with Condition 8.3 ("Payments to accounts")) made by or on behalf of the Issuer to the Registrar or such other paying agent, for the account of a person whose name is, at the time such payment is made, inscribed in the Register as the Noteholder constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of the Note in relation to which the payment was made.

8.6 Payments on Business Days

If a payment is due on a day which is not a Business Day, then the due date for payment is adjusted in accordance with the applicable Business Day Convention. The Noteholder is not entitled to any additional payment in respect of such a delay.

8.7 Currency indemnity

If, under any applicable law or directive, and whether pursuant to a judgment being made or registered against the Issuer or for any other reason, any payment under or in connection with the Notes is made or is to be satisfied in a currency (the "**other currency**") other than that in which the relevant payment is expressed to be due (the "**required currency**") under the Notes then, if the payment (when converted into the required currency at the rate of exchange on the date of payment) falls short of the amount due under the terms of the Notes, the Issuer shall, as a separate and independent obligation, indemnify and hold harmless the relevant Noteholder against the amount of such shortfall. For the purpose of this Condition 8.7, "**rate of exchange**" means the noon spot rate on the London foreign exchange market on the relevant date to purchase the required currency with the other currency as determined by the Calculation Agent.

9 Taxation

9.1 No withholding or deduction

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for, or on account of, any present or future Taxes, unless such withholding or deduction is required by law or directive or by the interpretation or administration thereof.

9.2 Withholding tax

Subject to Condition 9.3 ("Withholding tax exemptions"), if a law or directive or interpretation or administration thereof requires the Issuer to withhold or deduct from a payment in respect of the Notes an amount in respect of Taxes imposed or levied by or on behalf of any Governmental Authority of Canada such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders after such withholding or deduction shall equal the respective amounts of principal or interest which would have been receivable in respect of the Notes in the absence of such withholding or deduction.

9.3 Withholding tax exemptions

No additional amounts shall be payable under Condition 9.2 ("Withholding tax") with respect to any Note:

- (a) in respect of an Excluded Tax;

- (b) to a Noteholder (or a third party on behalf of a Noteholder) who is liable to such Taxes in respect of such Note by reason of that person having some connection with Canada other than the mere holding of such Note;
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that the Noteholder would have been entitled to such additional amount on presenting the same for payment on or before such thirtieth day;
- (d) to, or to a third party on behalf of, a Noteholder, in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of such Noteholder's failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada of such Noteholder if (i) compliance is required by law or by the interpretation or administration thereof as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other charge and (ii) the Issuer has given the Noteholder or, if such Noteholder is not the beneficial owner of the Note in question, the beneficial owner of such Note, at least 30 days' notice that the Noteholder or beneficial owner will be required to provide such certification, identification, documentation or other requirement;
- (e) to, or to a third party on behalf of, a Noteholder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of such Noteholder or other person entitled to payments under the Notes, as the case may be, being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada));
- (f) to, or to a third party on behalf of, a Noteholder who is, or who does not deal at arm's length with a person who is, a "specified shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of the Issuer;
- (g) where such Taxes are payable otherwise than by withholding or deduction from payments made by the Issuer to a Noteholder;
- (h) in such other circumstances as may be specified in the Pricing Supplement; or
- (i) any combination of (a) to (h) above.

Any reference in these Conditions to principal and interest is deemed to include any additional amounts in respect of principal or interest which may be payable under this Condition 9.

In this Condition 9.3, the "**Relevant Date**" means:

- (a) the date on which such payment first becomes due; or
- (b) if the full amount of the moneys payable has not been received by the Issuing and Paying agent on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect shall have been given to the Noteholders in accordance with Condition 12 ("Notices").

9.4 FATCA

Notwithstanding any other provision of these Conditions, if the Issuer, or any other person through whom payments on the Notes are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer shall be entitled to make such withholding or deduction and shall have no obligation to gross up any payment under these Conditions or to pay any additional amount or other amount for such withholding or deduction.

10 Further issues

The Issuer may from time to time, and without the consent of any Noteholder, issue further Notes having the same Conditions as the Notes of any Series in all respects (or in all

respects except for the Issue Price, Issue Date and first payment of interest) so as to form a single Series with the Notes of that Series.

11 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless such claim is made within two years of the due date or, if later, the date on which the payment is fully provided for by the Issuer making payment in accordance with Condition 8.3 (“Payments to accounts”).

12 Notices

12.1 To the Issuer and the Agents

A notice or other communication in connection with a Note to the Issuer or an Agent must be in writing and may be given by prepaid post or delivery to the Specified Office of the addressee or by facsimile to the facsimile number of the addressee as agreed between those parties from time to time and notified to the Noteholders or as specified in the Information Memorandum.

12.2 To Noteholders

A notice or other communication in connection with a Note to the Noteholders must be in writing and may be given by:

- (a) an advertisement published in the *Australian Financial Review*, *The Australian* or any other newspaper or newspapers circulating in Australia generally;
- (b) if the Pricing Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper; or
- (c) prepaid post (airmail, if posted to or from a place outside Australia) or delivery by facsimile to the address or facsimile address, as the case may be, of each Noteholder or any relevant Noteholder as shown in the Register at the close of business three Business Days prior to the dispatch of the relevant notice or communication.

12.3 Effective on receipt

Unless a later time is specified in it, a notice, approval, consent or other communication takes effect from the time it is received under Condition 12.4 (“Proof of receipt”), except that if it is received under that Condition after 5.00pm in the place of receipt or on a non-Business Day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

12.4 Proof of receipt

Subject to Condition 12.3 (“Effective on receipt”), proof of posting of a letter, dispatch of a facsimile or publication of a notice is proof of receipt:

- (a) in the case of a letter, on the third (seventh, if sent to or from a place outside Australia) day after posting;
- (b) in the case of a facsimile, on receipt by the sender of a successful transmission report; and
- (c) in the case of a publication in a newspaper, on the date of such publication.

13 Meetings of Noteholders

Meetings of Noteholders may only be convened in accordance with the Meetings Provisions and with notice to Noteholders pursuant to Condition 12 (“Notices”). Any such meeting may consider any matters affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Notes by the Issuer and the granting of approvals, consents and waivers.

14 Variation**14.1 Variation without consent**

These Conditions may be amended by the Issuer at any time without the consent of any Noteholder:

- (a) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein;
- (b) for the purposes of complying with mandatory provisions of law;
- (c) if the amendment applies to Notes issued after the date of amendment; or
- (d) in any other manner which the Issuer deems necessary or desirable,

and which, in any case, does not materially adversely affect the interests of the Noteholders.

14.2 Variation with consent

- (a) These Conditions may be otherwise amended at any time by the Issuer with the approval of the Noteholders by Extraordinary Resolution or Ordinary Resolution as specified in the Meetings Provisions.
- (b) An amendment which affects only a particular Series or Tranche of Notes may be approved solely by the Noteholders of such Series or Tranche.

15 Registrar and Agent**15.1 Role of the Registrar and other Agents**

In acting under an Agency Agreement in connection with the Notes, the Registrar and any other relevant Agent act solely as agent of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders save insofar as that any funds received by the Registrar or other relevant Agent in accordance with the Agency Agreement shall, pending their application in accordance with the Agency Agreement, be held by it in a segregated account which shall be held on trust for the persons entitled to those funds.

15.2 Change of Registrar or other Agent

The Issuer reserves the right at any time to terminate the appointment of the Registrar or any other Agent in accordance with the applicable Agency Agreement and to appoint a successor or additional registrar or agent, provided, however, that the Issuer must at all times maintain the appointment of a registrar with its Specified Office in Australia. Notice of any such termination of appointment of the Registrar will be given to the Noteholders in accordance with Condition 12 ("Notices").

15.3 Appointment of replacement Registrar or other Agent

If a then current Registrar or other Agent appointed in respect of an existing Series of Notes ceases to be Registrar or Agent, the Issuer must ensure that a replacement Registrar or Agent (as appropriate) is appointed with effect from the date of cessation of the appointment of the then current Registrar or Agent.

16 Governing law and jurisdiction**16.1 Governing law**

The Notes will be governed by the law in force in New South Wales, Australia.

16.2 Jurisdiction

The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia and courts of appeal from them in relation to claims under the Notes.

16.3 Waiver of immunity

The Issuer unconditionally and irrevocably waives any immunity it may have in any legal action, suit or other proceeding relating to the Notes brought in the courts of New South Wales, Australia or the courts of appeal from them except any such immunity it may have from execution, attachment or process of that nature.

16.4 Service of process

Without preventing any other mode of service, any document in an action in the courts of New South Wales or courts of appeal from them (including any writ of summons or other originating process or any third or other party notice) may be served on the Issuer by being delivered to or left for the Issuer with its process agent referred to in Condition 16.5 (“Agent for service of process”).

16.5 Agent for service of process

The Issuer irrevocably appoints Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111), of Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, Australia to receive any document referred to in Condition 16.4 (“Service of process”). If for any reason that person ceases to be able to act as such, the Issuer must immediately appoint another person with an office located in New South Wales to receive any such document.

Form of Pricing Supplement

The Pricing Supplement that will be issued in respect of each Tranche will be substantially in the form set out below.

Series No.: [●]

Tranche No.: [●]

Bank of Montreal

A\$5,000,000,000 Australian Medium Term Note Programme

Issue of

[A\$] [Aggregate Principal Amount of Notes]

[Title of Notes] due [●] (“Notes”)

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated [●] (“**Information Memorandum**”) in relation to the above Programme) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with, the terms and conditions of the Notes contained in the Information Memorandum (“**Conditions**”), the Information Memorandum and the [Deed Poll] dated [●] made by the Issuer.

Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer:	Bank of Montreal
2	[Joint] Lead Manager(s):	[Specify Name(s)]
3	Type of Issue:	[Non-Private Placement / Private Placement]
4	Type of Notes:	[Fixed Rate Notes / Floating Rate Notes / <i>specify other</i>]
5	Dealer[s]:	[Specify Name(s)]
6	Registrar:	[[●] (ABN [●]) / <i>specify other</i>]
7	Issuing and Paying Agent:	[[●] (ABN [●]) / <i>specify other</i>]
8	Calculation Agent:	[[●] (ABN [●]) / <i>specify other</i>]
9	Currency:	[Specify]

- 10 Aggregate Principal Amount of Tranche: [Specify]
- 11 If interchangeable with existing Series: [Not Applicable / specify if Tranche is to form a single Series with an existing Series, specify date on which all Notes of the Series become fungible]
- 12 Issue Date: [Specify]
- 13 Issue Price: [Specify]
- 14 [Net Proceeds]: [Specify]
- 15 Denomination(s): [Specify]
- 16 Condition 5 for Fixed Rate Notes applies: [Yes / No]
 [If "No", delete following Fixed Rate provisions]
 Fixed Coupon Amount: [Specify]
 Interest Rate: [Specify]
 Interest Commencement Date: [Issue Date / specify]
 Interest Payment Dates: [Specify]
 Business Day Convention: [Following Business Day Convention / Preceding Business Day Convention / No Adjustment / specify other]
 Day Count Fraction: [Specify]
- 17 Condition 5 for Floating Rate Notes applies: [Yes / No]
 [If "No", delete following Floating Rate provisions]
 Interest Commencement Date: [Issue Date / specify]
 Interest Rate: [Specify method of calculation]
 Interest Payment Dates: [Specify dates or the Specified Period]
 Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment / specify other]
 Margin: [Specify (state if positive or negative)]
 Day Count Fraction: [Specify]
 Fallback Interest Rate: [Specify / Not Applicable]
 Interest Rate Determination: [ISDA Determination / Screen Rate Determination / BBSW Rate Determination]
 [If ISDA Determination applies, specify the following (otherwise delete provisions)]

	Floating Rate Option:	[Specify]
	Designated Maturity:	[Specify]
	Reset Date:	[Specify]
	<i>[If Screen Rate Determination applies, specify the following (otherwise delete provisions)]</i>	
	Relevant Screen Page:	[Specify]
	Relevant Time:	[Specify]
	Reference Rate:	[Specify]
	Reference Banks:	[Specify]
	Interest Determination Date:	[Specify]
	<i>[If BBSW Rate Determination applies, specify the following (otherwise delete provision)]</i>	
	BBSW Rate:	[As per Condition 5.9 / specify any variation to the Conditions]
	Maximum and Minimum Interest Rate:	[Specify / Not Applicable]
	Default Rate:	[Specify (In the case of interest-bearing Notes, specify rate of interest applying to overdue amounts (if different to usual Interest Rate))]
	Rounding:	[As per Condition 5.16 / specify]
	Relevant Financial Centre:	[Applicable / Not Applicable]
	Linear Interpolation:	[Applicable / Not Applicable] [If applicable, provide details]
18	Business Day:	[Specify, if other than Sydney]
19	Events of Default:	[Specify, if different than what is set out in Condition 7 ("Events of Default")]
20	Maturity Date:	[Specify date]
21	Maturity Redemption Amount:	[Specify, if not the Outstanding Principal Amount]
22	Early Termination Amount:	[Specify, if not the Outstanding Principal Amount]
23	Call Option:	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>	
	(a) Optional Redemption Date(s):	[Specify]
	(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[Specify]

- (c) If redeemable in part:
 - (i) Minimum Redemption Amount: *[Specify]*
 - (ii) Higher Redemption Amount: *[Specify]*
 - (d) Notice period (if other than as set out in Condition 6.4): *[Specify]*
- 24 Put Option: *[Applicable/Not Applicable]*
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): *[Specify]*
 - (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): *[Specify]*
 - (c) Notice period (if other than as set out in Condition 6.5): *[Specify]*
- 25 Clearing System: *[Austraclear System / specify others]*
- 26 Additional Selling Restrictions: *[Specify any variation to the selling restrictions set out in the Information Memorandum]*
- 27 ISIN: *[Specify]*
- 28 [Common Code]: *[Specify]*
- 29 Listing: *[Not applicable/ Australian Securities Exchange / specify details of other relevant stock or securities exchange]*
- 30 [Credit ratings]: *[Specify]*
- 31 [Additional information]: *[Specify]*

CONFIRMED

By:

[Name]

For and on behalf of
Bank of Montreal

Date:

Selling Restrictions

*Under the Dealer Agreement dated 20 April 2016 between the Issuer, the Arranger and the Dealers (as amended and supplemented from time to time, the “**Dealer Agreement**”) and subject to the Conditions contained in the Information Memorandum, the Notes will be offered by the Issuer through the Dealers. The Issuer has the sole right to accept any offer to purchase Notes and may reject that offer in whole or (subject to the terms of the offer) in part. Each Dealer has the right to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more financial institutions as a Dealer for a particular Tranche of Notes or the Programme generally. At the time of any appointment, each such financial institution will be required to represent and agree to the selling restrictions applicable at that time.*

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree to comply with any applicable law or directive in any jurisdiction in which it subscribes for, offers, sells or transfers Notes and that it will not, directly or indirectly, subscribe for, offer, sell or transfer Notes or distribute any Information Memorandum or other offering material in relation to the Notes, in any jurisdiction, except in accordance with these selling restrictions, any additional restrictions which are set out in the Pricing Supplement and any applicable law or directive of that jurisdiction.

None of the Issuer, the Arranger or any Dealer has represented that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

The following selling restrictions apply:

1. General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Information Memorandum or any other offering material in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Information Memorandum comes are required by the Issuer, the Arranger and the Dealers to comply with all applicable laws and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish the Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither the Issuer nor the Arranger nor any Dealer has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any prospectus or corresponding document relating to the Notes in such jurisdiction.

In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in Australia, Canada, the European Economic Area, the United States of America, the United Kingdom, Japan, Hong Kong and Singapore as set out below.

2. Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been, or will be lodged with ASIC. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the relevant Pricing Supplement (or another supplement to any Information Memorandum) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, the Information Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or the equivalent in an alternative currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act,
- (ii) the offer or invitation does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with any applicable laws or directives in Australia; and
- (iv) such action does not require any document to be lodged with or registered by ASIC.

In addition, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with the directive issued by the Assistant Treasurer of the Commonwealth of Australia dated 23rd September, 1996 as contained in Banking (Exemption) Order No. 82 which requires all offers and transfers to be in parcels of not less than A\$500,000 in aggregate principal amount. Banking (Exemption) Order No. 82 does not apply to transfers which occur outside Australia.

3. Canada

The Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will not distribute this Information Memorandum or offer any Notes, directly or indirectly, in Canada or to residents of Canada, in contravention of the securities laws of any province, territory or other jurisdiction of Canada.

4. Public offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area (“**EEA State**”) which has implemented the Prospectus Directive (each, a “**Relevant EEA State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant EEA State (“**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant EEA State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant EEA State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant EEA State by any measure implementing the Prospectus Directive in that Relevant EEA State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant EEA State.

5. United States of America

Regulation S; Category 2

The Notes have not been and will not be registered under the U.S. Securities Act or any U.S. state securities law.

Terms used in the following four paragraphs have the meanings given to them by Regulation S under the U.S. Securities Act.

The Notes may not be offered or sold within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. persons except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted under the Dealer Agreement, it will not offer, sell or deliver the Notes:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the Lead Manager,

within the United States of America or to, or for the account or benefit of, U.S. persons.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will have sent to each distributor, dealer (as defined in Section 2(a)(12) of the U.S. Securities Act) or a person receiving a selling concession, fee or other remuneration in respect of Notes sold, to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States of America or to, or for the account or benefit of, U.S. persons.

Until 40 days after the completion of the distribution of all Notes of the Tranche of which those Notes are a part, an offer or sale of Notes within the United States of America by any Dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the U.S. Securities Act.

6. United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

7. Japan

The Notes have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”) and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold, and will not offer or sell, any Notes directly or indirectly in Japan or to, or for the benefit of, any resident in Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws and regulations of Japan.

8. Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than:
 - (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) (as amended) of Hong Kong (“**SFO**”) and any rules made under the SFO; or
 - (ii) in other circumstances which do not result in this Information Memorandum being a “prospectus” as defined in the Companies Ordinance (Cap. 32) (as amended) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) unless it is a person permitted to do so under the applicable securities laws of Hong Kong, it has not issued or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purpose of issue, (in each case, whether in Hong Kong or elsewhere) any advertisement, invitation, other offering material or other document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made under the SFO.

9. Singapore

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended ("**Securities and Futures Act**").

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the relevant Pricing Supplement (or another supplement to this Information Memorandum) otherwise provides, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes has not been and will not be circulated or distributed by it nor have the Notes been, nor will the Notes be, offered or sold by it, or be subject to an invitation for subscription or purchase by it, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor under Section 274 of the Securities and Futures Act;
- (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed for or purchased in reliance on an exemption under Section 274 or 275 of the Securities and Futures Act, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

- (A) an institutional investor (as defined in Section 4A of the Securities and Futures Act);
- (B) a relevant person (as defined in Section 275(2) of the Securities and Futures Act); or
- (C) any person pursuant to an offer referred to in Section 275(1A) of the Securities and Futures Act,

unless expressly specified otherwise in Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (1) a corporation (which is not an accredited investor) (as defined in Section 4A of the Securities and Futures Act) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor (under Section 274 of the Securities and Futures Act) or to a relevant person (as defined in Section 275(2) of the Securities and Futures Act)

and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;

- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the Securities and Futures Act or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the Securities and Futures Act;
- (iii) where no consideration is or will be given for the transfer;
- (iv) where the transfer is by operation of law;
- (v) as specified in Section 276(7) of the Securities and Futures Act; or
- (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

10. Variation

These selling restrictions may be amended, varied, replaced or otherwise updated from time to time in accordance with the Dealer Agreement. Any changes may be set out in a Pricing Supplement or in another supplement to this Information Memorandum.

Australian Taxation Matters

The following is a summary of certain Australian withholding tax matters at the date of this Information Memorandum, in relation to the Notes to be issued by the Issuer under the Programme and certain other matters. It is of a general nature only and is not, and should not be construed to be, legal or tax advice to any particular holder of Notes. It is a general guide only, and should be treated with appropriate caution. Prospective holders of Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

1. Interest withholding tax

So long as the Issuer continues to be a non-resident of Australia and the Notes issued by it are not attributable to a permanent establishment of the Issuer in Australia, payments of principal and interest made under Notes issued by it should not be subject to Australian interest withholding tax.

2. Other tax matters

Under Australian laws as presently in effect:

- (a) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (b) *stamp duty and other taxes* - no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of any Notes;
- (c) *other withholding taxes on payments in respect of Notes* - so long as the Issuer continues to be a non-resident of Australia which does not carry on business at or through a permanent establishment in Australia, the Issuer should not be subject to the Australian tax file number requirements of Part VA of the Income Tax Assessment Act 1936 of Australia (“**ITAA**”) and section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“**TAA**”) should not apply to the Issuer;
- (d) *supply withholding tax* - payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the TAA; and
- (e) *goods and services tax (“GST”)* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber), a supply which is outside the scope of the GST law. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia.

Canadian Taxation Matters

The following is a general summary of the current tax law and practice in Canada (“Canadian tax law”). It does not purport to be a complete summary of Canadian tax law and practice currently applicable and does not constitute legal or tax advice. All prospective investors in the Notes are advised to consult their own tax advisers with respect to the tax consequences under the tax laws of the country in which they are resident, of the purchase, ownership or disposition of the Notes or any interest therein.

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Income Tax Act (Canada) and regulations promulgated thereunder (collectively, the “Canada Tax Act”) generally applicable to a holder who acquires beneficial ownership of a Note, and who, for purposes of the Canada Tax Act and at all relevant times, (i) is not (and is not deemed to be) resident in Canada, (ii) deals at arm’s length with the Issuer and any Canadian resident (or deemed Canadian resident) to whom the holder disposes of the Note, (iii) is not a “specified non-resident shareholder” of the Issuer for purposes of subsection 18(5) of the Canada Tax Act or a non-resident person not dealing at arm’s length with a “specified shareholder” of the Issuer for purposes of subsection 18(5) of the Canada Tax Act, (iv) is entitled to receive all payments made on the Note, (v) holds the Note as capital property, (vi) does not use or hold and is not deemed to use or hold the Note in or in the course of carrying on a business in Canada and (vii) is not an insurer carrying on an insurance business in Canada and elsewhere (a “Non-resident Holder”).

This summary assumes that no amount paid or payable as, on account or in lieu of payment of, or in satisfaction of, interest will be in respect of a debt or other obligation to pay an amount to a person who does not deal at arm’s length with the Issuer for the purposes of the Canada Tax Act.

This summary is based upon the provisions of the Canada Tax Act in force on the date hereof, proposed amendments to the Canada Tax Act in the form publicly announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) and the current administrative practices and assessing policies of the Canada Revenue Agency published in writing by it prior to the date hereof. No assurance can be given that the proposed amendments will be enacted in the form proposed or at all. This summary is not exhaustive of all Canadian federal income tax considerations relevant to an investment in Notes and does not take into account or anticipate any other changes in law or administrative practices or assessing policies, whether by legislative, governmental or judicial decision, action or interpretation, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice in respect of any particular issuance of Notes, the terms and conditions of which will be material to the Canadian federal income tax considerations with respect thereto. The Canadian federal income tax considerations applicable to Notes may be described particularly when such Notes are offered (and then only to the extent material) in the Pricing Supplement related thereto if they are not otherwise addressed herein. In that event, the following will be superseded to the extent indicated in such Pricing Supplement. If Notes are otherwise issued without disclosure of Canadian federal income tax considerations, prospective purchasers of Notes should consult their own tax advisers.

Interest (including amounts on account or in lieu of payment of, or in satisfaction of, interest) paid or credited or deemed for purposes of the Canada Tax Act to be paid or credited on a Note (including accrued interest, any amount paid at maturity in excess of the principal amount and interest deemed to be paid on the Note in certain cases involving the assignment or other transfer of a Note to a resident or deemed resident of Canada) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of such interest is “participating debt interest”. “Participating debt interest” is defined generally as interest (other than interest on a “prescribed obligation” described below) all or any portion of which is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. A “prescribed obligation” for this purpose is an “indexed debt obligation”, as defined in the Canada Tax Act, in

respect of which no amount payable is contingent or dependent upon the use of or production from property in Canada or is computed by reference to any of the criteria described in the participating debt interest definition. An “indexed debt obligation” is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money.

In the event that a Note is redeemed, cancelled, purchased or repurchased by the Issuer or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof, the excess may be deemed to be interest and may, together with any interest that has accrued on the Note to that time, be subject to Canadian non-resident withholding tax if all or any part of such interest is participating debt interest. Such excess will not be subject to withholding tax, however, if the Note is considered to be an “excluded obligation” for purposes of the Canada Tax Act. A Note that is not an indexed debt obligation will be an “excluded obligation” for this purpose if it was issued for an amount not less than 97% of its principal amount (as defined in the Canada Tax Act), and the yield from which, expressed in terms of an annual rate (determined in accordance with the Canada Tax Act) on the amount for which the Note was issued, does not exceed $\frac{4}{3}$ of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time.

Generally, for purposes of the Canada Tax Act, all amounts must be converted into Canadian dollars based on exchange rates determined in accordance with the Canada Tax Act.

If interest is subject to Canadian non-resident withholding tax, the rate is 25 per cent., subject to reduction under the terms of an applicable income tax treaty.

Generally, there are no other taxes on income (including taxable capital gains) payable by a Non-resident Holder on interest, discount or premium in respect of a Note or on the proceeds received by a Non-resident Holder on the disposition of a Note (including on a redemption, cancellation, purchase or repurchase).

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