

SECOND SUPPLEMENT DATED 6 MARCH 2020 TO THE PROSPECTUS DATED 16 JULY 2019 AS SUPPLEMENTED BY THE FIRST SUPPLEMENT DATED 18 DECEMBER 2019



BANK OF MONTREAL

(a Canadian chartered Bank)

U.S.\$30,000,000,000

Global Registered Covered Bond Program

unconditionally and irrevocably guaranteed as to payments of interest and principal by

BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP

(a limited partnership established under the laws of the Province of Ontario)

The Bank of Montreal (the “**Bank**”) issued a Prospectus dated 16 July 2019 (as supplemented by the First Supplement to such Prospectus dated 18 December 2019) (the “**Prospectus**”) which is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU) (the “**Prospectus Directive**”). This second supplement (the “**Second Supplement**”) constitutes a supplement in respect of the Prospectus for the purposes of the Prospectus Directive and Section 87G of the Financial Services and Markets Act 2000 (U.K.) (“**FSMA**”), and is prepared in connection with the U.S.\$30,000,000,000 Global Registered Covered Bond Program established by the Bank (the “**Program**”) unconditionally and irrevocably guaranteed as to payments of interest and principal by BMO Covered Bond Guarantor Limited Partnership (the “**Guarantor**”).

Terms defined in the Prospectus have the same meaning when used in this Second Supplement. This Second Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Bank from time to time.

Each of the Bank and the Guarantor accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of each of the Bank and the Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this Second Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (“CMHC”) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THE PROSPECTUS OR THIS SECOND SUPPLEMENT. THE COVERED BONDS ARE NEITHER INSURED NOR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

1. Purpose of the Second Supplement

The purpose of this Second Supplement is (i) to incorporate by reference the Bank’s comparative unaudited interim consolidated financial statements and management’s discussion and analysis for the three month period ended 31 January 2020, as set out in the Bank’s First Quarter Report 2020, prepared in accordance with International Financial

Reporting Standards (“**IFRS**”) and (ii) to update certain references throughout the Prospectus and the Offering Circular following the United Kingdom’s exit from the European Union on January 31, 2020 (“**Brexit**”), including the legend relating to Prohibition of Sales to Retail Investors (“**PRIIPs**”) and the related EEA selling restriction in the Prospectus and the Offering Circular.

2. Comparative Unaudited Interim Consolidated Financial Statements and Management’s Discussion and Analysis as at and for the Three Month Period Ended 31 January 2020

On 25 February 2020, the Bank published its comparative unaudited interim consolidated financial statements for the three month period ended 31 January 2020 prepared in accordance with IFRS, together with management’s discussion and analysis for the three month period ended 31 January 2020, set out on the cover page and pages 1 through 50 of the Bank’s First Quarter Report 2020. The remainder of the Bank’s First Quarter Report 2020 is not incorporated and is either covered elsewhere in the Prospectus or deemed not relevant to investors.

In accordance with Article 4.1 of Regulation (EC) 1060/2009 on Credit Rating Agencies (the “**CRA Regulation**”), please note that the First Quarter Report 2020 contains references to credit ratings and information on pages 30, 33 and 48.

None of Standard & Poor’s Financial Services LLC (“**S&P**”), Moody’s Investors Service, Inc. (“**Moody’s**”), Fitch Ratings, Inc. (“**Fitch**”) and DBRS Limited (“**DBRS**”) (collectively, the “**non-EU CRAs**”) is established in the European Union or has applied for registration under the CRA Regulation. The ratings have been endorsed by each of Standard and Poor’s Credit Market Services Europe Limited, Moody’s Investors Service Ltd., Fitch Ratings Limited and DBRS Ratings Limited (the “**EU CRAs**”), as applicable, which are affiliates of S&P, Moody’s, Fitch and DBRS, respectively, in accordance with the CRA Regulation. Each EU CRA is established in the European Union and registered under the CRA Regulation. As such, each EU CRA is included in the list of credit rating agencies published by the European Securities and Markets Authority (the “**ESMA**”) on its website in accordance with the CRA Regulation. The ESMA has indicated that ratings issued in Canada which have been endorsed by an EU CRA may be used in the EU by the relevant market participants.

A copy of the Bank’s First Quarter Report 2020 has been filed with the Financial Conduct Authority and, by virtue of this Second Supplement, the cover page and pages 1 through 50 of the Bank’s First Quarter Report 2020 are incorporated in, and form part of, the Prospectus for the purposes of Article 5.4 of the Prospectus Directive.

To the extent that any document or information incorporated by reference or attached to this Second Supplement itself incorporates any other documents or information by reference therein, either expressly or implicitly, such other documents or information will not form part of this Second Supplement for the purposes of the Prospectus Directive except where such other documents or information are specifically incorporated by reference or attached to this Second Supplement.

3. Brexit/PRIIPS Updates

On the cover page of the Prospectus, the twelfth paragraph shall be deleted and replaced with the

following:

“The Covered Bonds issued under the Program are expected on issue to be assigned an “AAA” rating by Fitch Ratings Inc., an “Aaa” rating by Moody’s Investors Service, Inc. and an “AAA” rating by DBRS Limited. 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 assigning rating organization. In general, European regulated investors are restricted from using a rating for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union (EU) or the United Kingdom (UK) and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Each of Fitch Ratings, Inc., Moody’s Investors Service, Inc. and DBRS Limited is not established in the EU or the UK and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings have been endorsed by Fitch Ratings, Ltd., Moody’s Investors Service Ltd. and DBRS Ratings Limited, respectively, in accordance with the CRA Regulation. Each of Fitch Ratings, Ltd., Moody’s Investors Service Ltd. and DBRS Ratings Limited is established in the UK and registered under the CRA Regulation. As such each of Fitch Ratings, Ltd., Moody’s Investors Service Ltd. and DBRS Ratings Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation. The ESMA has indicated that ratings issued in Canada which have been endorsed by Fitch Ratings, Ltd., Moody’s Investors Service Ltd. and DBRS Ratings Limited, respectively, may be used in the UK by the relevant market participants.”

On page 5 of the Prospectus, the first paragraph is deleted and replaced with the following:

“PRIIPS / IMPORTANT – EEA AND UK RETAIL INVESTORS – If the Final Terms Document (or Pricing Supplement, as the case may be) in respect of any Covered Bonds includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA) or in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.”

On page 5 of the Prospectus, the second paragraph is deleted and replaced with the following:

“This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any Person to whom it is

unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of any Covered Bonds may be restricted by law in certain jurisdictions. The Bank, the Guarantor, the relevant Dealer(s) and the Bond Trustee do not represent that this Prospectus may be lawfully distributed, or that any Covered Bonds 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. In particular, no action has been taken by the Bank, the Guarantor, the relevant Dealer(s) or the Bond Trustee which would permit a public offering of any Covered Bonds outside the EEA or the UK or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Prospectus 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, rules and/or regulations. Persons into whose possession this Prospectus or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of any Covered Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of any Covered Bonds in Canada, the United States, the European Economic Area (including the United Kingdom, the Netherlands, the Republic of Italy, Germany, the Republic of France, Denmark, Sweden and Spain), Australia, Switzerland, Japan, Hong Kong and Singapore; see *Subscription and Sale and Transfer and Selling Restrictions*.”

On page 5 of the Prospectus, the third paragraph is deleted and replaced with the following:

“This base Prospectus has been prepared on the basis that any offer of Covered Bonds in any member state of the EEA or the UK (each, a **Relevant State**) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of any Covered Bonds. Accordingly, any Person making or intending to make an offer in that Relevant State or the UK of any Covered Bonds which are the subject of an offering contemplated in this Prospectus as completed by a Final Terms Document or a Pricing Supplement in relation to the offer of those Covered Bonds may only do so in circumstances in which no obligation arises for the Bank or any Dealer to publish or supplement a prospectus pursuant the Prospectus Directive, in each case, in relation to such offer. Neither the Bank nor any Dealer have authorised, nor do they authorise, the making of any offer of any Covered Bonds in circumstances in which an obligation arises for the Bank or any Dealer to publish or supplement a prospectus for such offer.”

Under the section entitled “**RISK FACTORS**” on pages 17 to 50 of the Prospectus:

(a) The second paragraph of the risk factor entitled “*Borrower and Counterparty Risk Exposure*” on page 17 shall be deleted and replaced with the following:

“In relation to counterparties that are EU or UK institutions, on 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of EU credit institutions and investment firms (the

BRRD) entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing EU (or UK) institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of the institution's failure on the economy and financial system. The BRRD was applied in Member States from 1 January 2015 with the exception of the bail-in tool (referred to below) which was applicable from 1 January 2016."

(b) The fifth paragraph of the risk factor entitled "***Borrower and Counterparty Risk Exposure***" on page 17 shall be deleted and replaced with the following:

"In the normal course of business, the Bank deals with EU and UK institutions to whom the BRRD and its bail-in power applies. The powers set out in the BRRD will impact how such EU and UK institutions and investment firms are managed as well as, in certain circumstances, the rights of their creditors including the Bank. For instance, the Bank and its debtholders may be affected by disruptions due to an EU or UK institution not being able to fulfil their obligations as issuing and paying agent, European registrar, calculation agent or similar roles."

(c) The second paragraph of the risk factor entitled "***Changes or uncertainty in respect of LIBOR and/or EURIBOR may affect the value or payment of interest under the Covered Bonds***" on page 45 shall be deleted and replaced with the following:

"Most of the provisions of the Benchmarks Regulation applied from 1 January 2018 with certain exceptions with respect to critical benchmarks that applied from 30 June 2016 and provisions with respect to potential restrictions on use of certain benchmarks that may take effect as of 1 January 2020. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU and the UK and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU and non-UK based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses by EU or UK supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU and non-UK based, deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, such as LIBOR or EURIBOR, applies to many interest rates, foreign exchange rate indices and other indices where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue (EU regulated market, EU multilateral trading facility (MTF), or EU organised trading facility (OTF)) or via a systematic internaliser, certain financial contracts and investment funds. The sustainability of LIBOR has been questioned by the UK Financial Conduct Authority as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks."

(d) The risk factor entitled "***The results of the United Kingdom's referendum on withdrawal from the European Union may have a negative effect on global financial markets and***

economic conditions, which may in turn affect the Bank's business." on page 50 shall be deleted and replaced with the following:

"On 23 June 2016, the UK held a referendum to decide on its membership in the European Union. The resulting vote was to leave the EU and the UK government invoked Article 50 of the Lisbon Treaty relating to the withdrawal on 29 March 2017. Under the process for leaving the EU contemplated in Article 50, the Treaty of the European Union and the Treaty on the Functioning of the European Union, the UK will remain a member state until the date of entry into a withdrawal agreement or failing that, two years after notification of the intention to withdraw, although this period may be extended in certain circumstances. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the **Article 50 withdrawal agreement**). Under the terms of the ratified article 50 withdrawal agreement, a transition period has now commenced which will last until December 31, 2020. During this period, most European Union rules and regulations will continue to apply to the UK and negotiations in relation to a free trade agreement will be ongoing. Under the article 50 withdrawal agreement, the transition period may, before July 1, 2020, be extended once by up to two years. However, the UK legislation ratifying the article 50 withdrawal agreement (the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (as so amended, the "EUWA")) contains a prohibition on agreeing to any extension to the transition period. While this does not entirely remove the prospect that the transition period will be extended (as the UK Parliament could pass legislation that would override the effect of the prohibition in the EUWA), the likelihood of a further extension is significantly reduced and the risk is increased that by December 31, 2020 no trade agreement on the future relationship between the UK and the European Union is reached at all or a significantly narrower agreement is reached than that envisaged by the political declaration by the European Commission and the UK Government. The European Union and the UK Government have continued preparations for a "hard" Brexit (or "no-deal" Brexit) to minimise the risks for firms and businesses associated with an exit without agreement as to the EU-UK future trade relationship at the end of the transition period. This has included the UK Government publishing further draft secondary legislation under powers provided in EUWA to ensure that there is a functioning statute book at the end of the transition period. Due to the ongoing political uncertainty as regards the terms of the UK's withdrawal from the European Union and the structure of the future relationship, it is not possible to determine the precise impact this may have on the Bank or its business. However, these uncertainties have had and may continue to have an adverse effect on global financial markets, including additional market volatility, and may adversely impact global economic conditions more generally. Such effects could in turn adversely affect the Bank's business, financial condition and results of operations."

Under the section entitled "**BANK OF MONTREAL**" on pages 64 to 77 of the Prospectus:

- (a) The second full paragraph on page 72 shall be deleted and replaced with the following:

“Each of Fitch Ratings, Inc., Moody’s Investors Service, Inc., DBRS Limited and Standard & Poor’s Ratings Services is not established in the European Union or the United Kingdom and has not applied for registration under the CRA Regulation. The ratings have been endorsed by Fitch Ratings Ltd., Moody’s Investors Service Ltd. and DBRS Ratings Limited, respectively, in accordance with the CRA Regulation. Each of Fitch Ratings Ltd., Moody’s Investors Service Ltd. and DBRS Ratings Limited is established in either the European Union or the United Kingdom and registered under the CRA Regulation. As such, each of Fitch Ratings Ltd., Moody’s Investors Service Ltd. and DBRS Ratings Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority (the **ESMA**) on its website in accordance with the CRA Regulation. The ESMA has indicated that ratings issued in Canada which have been endorsed by Fitch Ratings Ltd., Moody’s Investors Service Ltd. and DBRS Ratings Limited, respectively, may be used in the EU and the UK by the relevant market participants.”

Under the section entitled “**FORM OF FINAL TERMS DOCUMENT**” on pages 87 to 98 of the Prospectus:

(a) The legend entitled “**PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS**” on page 87 shall be deleted and replaced with the following:

“[PRIIPS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]¹

¹ Legend to be included on front of the Final Terms Document if the Covered Bonds potentially constitute “packaged” products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the “Prohibition of Sales to EEA and UK Retail Investors” selling restriction should be specified to be “Applicable”.

(b) The item entitled “Prohibition of Sales to EEA Retail Investors” on page 97 of the section entitled “**FORM OF FINAL TERMS DOCUMENT – PART 2 – OTHER INFORMATION – 6. DISTRIBUTION**” shall be deleted and replaced with the following:

“Prohibition of Sales to EEA and UK Retail Investors: [Applicable]/[Not Applicable]”

Under the section entitled “**FORM OF THE PRICING SUPPLEMENT**” on pages 99 to 115 of the Prospectus:

(a) The legend entitled “**PRIIPS REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS**” on page 99 shall be deleted and replaced with the following:

“**[PRIIPS REGULATION/PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]¹”

¹ Legend to be included on front of the Pricing Supplement if the Covered Bonds potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the “Prohibition of Sales to EEA and UK Retail Investors” selling restriction should be specified to be “Applicable”.”

(b) The last paragraph on page 100 shall be deleted and replaced with the following:

“The Prospectus referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Covered Bonds in any member state of the EEA or in the UK (each, a **Relevant State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant State of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a Prospectus pursuant to the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.”

(c) The following item 33 on page 111 of the section entitled “**FORM OF THE PRICING SUPPLEMENT – PART A – CONTRACTUAL TERMS – DISTRIBUTION**” shall be deleted and replaced with the following:

“33. Prohibition of Sales to EEA and UK Retail Investors: [Applicable]/[Not Applicable]”

(d) The following item (a) on page 113 of the section entitled “**FORM OF THE PRICING SUPPLEMENT – PART B – OTHER INFORMATION – 1. LISTING AND ADMISSION TO TRADING**” shall be deleted and replaced with the following:

“(a) Listing and admission to trading: [Not Applicable] [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the [(insert name of stock exchange outside of the UK)] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the [(insert name of stock exchange outside of the UK)] with effect from [●].]”

(c) The item “Prohibition of Sales to EEA Retail Investors” on page 115 of the section entitled “**FORM OF THE PRICING SUPPLEMENT – PART B – OTHER INFORMATION – 6. DISTRIBUTION**” shall be deleted and replaced with the following:

“Prohibition of Sales to EEA and UK Retail Investors: [Applicable]/[Not Applicable]”

Under the section entitled “**SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS**” on pages 280 to 292 of the Prospectus:

(a) The selling restriction entitled “**Prohibition of Sales to EEA Retail Investors**” on pages 288 to 289 shall be deleted and replaced with the following:

“Prohibition of Sales to EEA and UK Retail Investors

Unless the Final Terms Document (or Pricing Supplement, as the case may be) in respect of any Covered Bonds specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms Document (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) MiFID II; or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

If the Final Terms Document (or Pricing Supplement, as the case may be) in respect of any Covered Bonds specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA and the UK (each, a **Relevant State**), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms Document (or Pricing Supplement, as the case may be) in relation thereto to the public in that Relevant State except that it may make an offer of such Covered Bonds to the public in that Relevant 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 an exemption from the requirement to publish a prospectus as set out in the Prospectus Directive,

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

For the purposes of this provision:

- (a) the expression **an offer of Covered Bonds to the public** in relation to any Covered Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds; and

- (b) the expression **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded, including by Directive 2010/73/EU).”

4. General Information

To the extent that there is any inconsistency between (a) any statement in this Second Supplement or any statement incorporated by reference into the Prospectus by way of this Second Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Second Supplement and any supplement to the Prospectus previously issued, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Program has arisen or been noted, as the case may be, since the publication of the Prospectus.

Copies of this Second Supplement, the Prospectus and the documents incorporated by reference in either this Second Supplement or the Prospectus can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Bank and the headline “Publication of Prospectus”, (ii) viewed on the website of the National Storage Mechanism at www.morningstar.co.uk/uk/NSM and (iii) obtained on written request and without charge from (a) the principal executive offices of the Bank from the Corporate Secretary’s Office, 100 King Street West, 1 First Canadian Place, 68th Floor, Toronto, Ontario, Canada M5X 1A1, and (b) the offices of the Issuing and Paying Agent, The Bank of New York Mellon, London Branch, One Canada Square, 48th Floor, London E14 4AL so long as any of the Covered Bonds issued under the Prospectus and listed on the London Stock Exchange’s Regulated Market are outstanding.