

## Information Memorandum



**BANK OF MONTREAL**

**A\$6,000,000,000 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 24 August 2021

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## Important Notice

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**This Information Memorandum replaces in its entirety the Information Memorandum dated 8 July 2019.**

### Introduction

This Information Memorandum relates to a debt issuance programme (“**Programme**”) established by Bank of Montreal (“**Issuer**”), a Canadian chartered bank subject to the provisions of the Bank Act (Canada) (the “**Bank Act**”) 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).

The Issuer may issue Notes through its principal office in Toronto or through any of its branches as it may determine from time to time.

*None of Bank of Montreal’s branches constitute a separate legal entity and the obligations incurred by Bank of Montreal in issuing Notes through a branch are obligations of Bank of Montreal as a whole. The Bank of Montreal does not currently intend to issue Notes through a branch.*

*The Issuer is neither a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 of Australia (“**Banking Act**”) nor is it supervised by the Australian Prudential Regulation Authority (“**APRA**”). The Notes are not obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia. The depositor protection provisions in Division 2 of Part II of the Banking Act do not apply to the Issuer. No Notes shall be “protected accounts” or “deposit liabilities” within the meaning of the Banking Act and 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 Parts 6D.2 or 7.9 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).*

*The Notes do not evidence or constitute deposits that are insured under the Canada Deposit Insurance Corporation Act (Canada) (the “**CDIC Act**”).*

Terms used in this Information Memorandum but not otherwise defined have the meanings given to them in the Conditions (as defined below).

### Bail-inable Notes

Notes that are Bail-inable Notes (as defined below) are subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates under subsection 39.2(2.3) of the CDIC Act and to variation or extinguishment in consequence and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Notes.

The applicable Pricing Supplement will indicate whether the Notes are Bail-inable Notes.

See Condition 4.2 (“Status of Bail-inable Notes”) and the discussion included in the section entitled “*Canadian Bank Resolution Powers*” 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 registered under the United States Securities Act of 1933 (as amended) ("**U.S. Securities Act**") or an exemption from the registration requirements under the U.S. Securities Act is available.

## Terms and conditions of issue

Notes will be issued in 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 amount and date of 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, or other terms and conditions which amend the terms and conditions set out in this Information Memorandum and other information which is not otherwise contained 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 set out in the section entitled "*Conditions of the Notes*" of 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 (or particular Tranche or Series 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 (including any that are published or issued from time to time after the date of this Information Memorandum) 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, replaced or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies, replaces or supersedes such statement (including whether expressly or by implication or in whole or in part).

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 or not to subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

#### **References to internet site 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.

#### **Caution regarding forward looking statements**

Certain statements included in this Information Memorandum and in the documents incorporated by reference 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, its strategies or future actions, its targets, expectations for its financial condition or share price, the regulatory environment in which the Issuer operates and the results of or outlook for its operations or for the Canadian, United States and international economies, the expected impact of the COVID-19 pandemic on its business, operations, earnings, results, and financial performance and condition, as well as its impact on the Issuer's customers, competitors, reputation and trading exposures, and include statements of the Issuer's management. Forward- looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "project", "intend", "estimate", "plan", "goal", "target", "may" and "could".

By their nature, forward-looking statements require the Issuer to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. 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 uncertainty created by the COVID-19 pandemic has heightened this risk given the increased challenge in making assumptions, predictions, forecasts, conclusions or projections. The Issuer cautions readers of this document and in the documents incorporated by reference not to place undue reliance on these forward-looking statements as a number of factors – many of which are beyond the Issuer's control and the effects of which can be difficult to predict – 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 (each a “**Programme Participant**”, and together, the “**Programme Participants**”) in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the sections entitled “*Summary of the Programme*” and “*Directory*” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Programme Participants nor their respective affiliates, officers, employees, representatives or advisers) (together with the Programme Participants, the “**Programme Participant Parties**”) has independently verified any information contained in this Information Memorandum and each such person disclaims any responsibility and disclaims all and any liability whether arising in tort or contract or otherwise, for such information. No representation, warranty or undertaking, express or implied, is made, and to the fullest extent permitted by law, no responsibility or liability 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 or any Notes.

The Programme Participants expressly do not undertake to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any holder of a Note, any potential investor in Notes or any other person of any information coming to their attention with respect to the Issuer and make no representations as to the ability of the Issuer to comply with its obligations under the Notes. None of the Programme Participants make any representation as to the performance of the Issuer, the maintenance of capital or any particular rate of return, nor do any of the Programme Participants guarantee the payment of capital or any particular rate of capital or income return, in each case, on any 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 or any of the Programme Participants.

## **Intending purchasers to make independent investment decision and obtain professional 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 (1) 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 the Issuer or any Programme Participant Party that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or the issue of any Notes should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes, or (2) describes the risks of an investment in any Notes.

Each investor 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 and the risks of an investment in any Notes;
- determine for themselves the relevance of the information contained in this Information Memorandum (including all information incorporated by reference and forming part of 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 financial, legal, tax and 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.

No accounting, regulatory, investment, legal, tax or other professional advice is given in respect of an investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

In particular, if any financial product advice is, in fact, held to have been given by the Issuer in relation to Notes issued in connection with this Information Memorandum, it is general advice only. The Issuer is not licensed to provide financial product advice in relation to the Notes. No cooling-off regime applies to an investment by investors in Notes.

### **No offer**

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

### **Selling restrictions and no disclosure**

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, and observe, any such restrictions.

In particular:

- this Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act. 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”); and
- no action has been taken by any of the Issuer or any Programme Participant Party which would permit a public offering of any Notes or distribution of this Information Memorandum or any relevant Pricing Supplement and other offering material or advertisement issued by the Issuer in relation to those Notes in any jurisdiction where action for that purpose is required (including circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act).

Neither the Issuer nor the Programme Participants represents 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, or distribution or publication, 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, delivered or transferred, directly or indirectly, at any time within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

### **Agency and distribution arrangements**

Each of the Programme Participants is acting solely as an arm’s length contractual counterparty and not as an adviser or fiduciary. Furthermore, neither the receipt of this Information Memorandum or any other offering material or advertisement relating to the Programme or the issue of any Notes by any person nor any other matter shall be deemed to create or give rise to an advisory or fiduciary duty (or any other duty) or relationship between a Programme Participant and that person (including, without limitation, in respect of the preparation and due execution of the documents in connection with the Programme or any Notes and the power, capacity or authorisation of any other party to enter into and execute such documents). No reliance may be placed on the Programme Participants for financial, legal, taxation, accounting or investment advice or recommendations of any sort.

The Programme Participant Parties are involved in a wide range of financial services and businesses including securities trading and brokerage activities and providing commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services, out of which conflicting interests or duties may arise. In the ordinary course of these activities, the Programme Participant Parties or the funds which they manage or advise or the funds within which they may have a direct or indirect interest, may from time to time have long or short positions in, or buy and sell (on a principal basis or otherwise), or have pecuniary or other interests in, or act as a market maker in, the Notes or securities, derivatives, commodities, futures or options identical or related to the Notes and may trade or otherwise effect transactions, for its own account or the accounts of investors or any other party that may be involved in the issue of Notes or the Programme. The Programme Participant Parties may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

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 and the offer and sale of Notes.

The Issuer may also pay any Dealer or any other person a fee in respect of the Notes subscribed 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.

### **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. Each credit rating should be evaluated independently of any other credit rating.

*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.

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 or the issue of Notes 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 particular, the Issuer is not under any obligation to any person to update this Information Memorandum at any time after an issue of Notes.

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;
- any 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
- 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.

## MiFID II Product Governance / UK MiFIR Product Governance / Target Market

The Pricing Supplement in respect of any Notes may include a legend entitled “MIFID II PRODUCT GOVERNANCE / TARGET MARKET” and/or “UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET”, as applicable, which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) and/or the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”), as applicable, is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under Commission Delegated Directive (EU) 2017/593 (the “**MiFID Product Governance Rules**”) and/or the UK MiFIR Product Governance Rules, as applicable, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules and/or the UK MiFIR Product Governance Rules, as applicable.

## Prohibition of Sales to EEA Retail Investors

The Notes 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**”). 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 (EU) 2016/97, as

amended, 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 Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes, or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### **Prohibition of Sales to United Kingdom Retail Investors**

The Notes 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 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the UK Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes, as the case may be, or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes, as the case may be, or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

### **Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)**

Unless otherwise stated in the Pricing Supplement in respect of any Notes, and in each such case notified to the Dealers prior to any offer of Notes, all Notes issued or to be issued under the Programme shall be “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (“**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## Description of Issuer

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*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, 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, Canada H2Y 1L6. Its executive offices are 100 King Street West, 1 First Canadian Place, Toronto, Ontario, Canada M5X 1A1.

### Principal Activities and Markets

BMO Financial Group is a highly diversified financial services provider based in North America. 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, the United States 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 U.S. P&C; BMO Wealth Management; and BMO Capital Markets. In P&C, personal banking provides personal banking customers with financial products and services, including banking, lending, treasury management and everyday financial and investment advice through a network of branches, contact centres, digital banking platforms and automated teller machines. Commercial Banking serves clients across Canada and the U.S., and commercial bankers are trusted advisors and partners to clients, delivering sector and industry expertise, local presence and a full suite of commercial products and services. Canadian P&C operates across Canada, while U.S. P&C operates predominately in eight states (Illinois, Wisconsin, Missouri, Indiana, Minnesota, Kansas, Arizona and Florida) under the BMO Harris brand. In addition, the U.S. P&C commercial business provides targeted nationwide coverage for key specialty sectors and has offices in select regional markets. BMO Wealth Management serves a full range of clients from individuals and families to business owners and institutions. It offers a wide spectrum of asset, wealth management and insurance products and services aimed at helping clients plan, grow, protect and transition their wealth. The asset management business is focused on making a positive impact and delivering innovative client solutions.

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 debt and equity capital-raising services to clients, as well as loan origination and syndication, balance sheet management solutions and treasury management services. The division also provides strategic advice on mergers and acquisitions, restructurings and recapitalisations, as well as valuation and fairness opinions. Corporate Services consists of Corporate Units and Technology and Operations (“**T&O**”). Corporate Units provide enterprise-wide expertise, governance and support in a variety of areas, including strategic planning, risk management, finance, legal and regulatory compliance, human resources, communications, marketing, real estate and procurement. T&O develops, monitors, manages and maintains governance of information technology, including data and analytics, and also provides cyber security and operations services.

## Canadian Bank Resolution Powers

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*Bail-inable Notes will be subject to risks, including non-payment in full or conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates, under Canadian bank resolution powers.*

Notes that are Bail-inable Notes (as defined below) are subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates under subsection 39.2(2.3) of the CDIC Act and to variation or extinguishment in consequence and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes. Notwithstanding any other terms of the Issuer's liability, any other law that governs the Issuer's liability and any other agreement, arrangement or understanding between the parties with respect to the Issuer's liability, each holder or beneficial owner of an interest in the Bail-inable Notes is deemed to be bound by the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes and is deemed to attorn to the jurisdiction of the courts in the Province of Ontario in Canada.

Certain provisions of and regulations under the Bank Act, the CDIC Act and certain other Canadian federal statutes pertaining to banks (collectively, the "**Bail-in Regime**"), provide for a bank recapitalisation regime for banks designated by the Superintendent of Financial Institutions (Canada) (the "**Superintendent**") as domestic systemically important banks ("**D-SIBs**"), which include the Issuer.

The expressed objectives of the Bail-in Regime include reducing taxpayer exposure in the unlikely event of a failure of a D-SIB, reducing the likelihood of such a failure by increasing market discipline and reinforcing that bank shareholders and creditors are responsible for the D-SIBs' risks and not taxpayers, and preserving financial stability by empowering the Canada Deposit Insurance Corporation ("**CDIC**"), Canada's resolution authority, to quickly restore a failed D-SIB to viability and allow it to remain open and operating, even where the D-SIB has experienced severe losses.

Under the CDIC Act, in circumstances where the Superintendent is of the opinion that the Issuer has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by the exercise of the Superintendent's powers under the Bank Act, the Superintendent, after providing the Issuer with a reasonable opportunity to make representations, is required to provide a report to CDIC. Following receipt of the Superintendent's report, CDIC may request the Minister of Finance for Canada (the "**Minister of Finance**") to recommend that the Governor in Council (Canada) make an Order (as defined below) and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council (Canada) make, and on such recommendation, the Governor in Council (Canada) may make one or more Orders including a Conversion Order (see the section entitled "*Canadian bank resolution powers confer substantial powers on Canadian authorities designed to enable them to take a range of actions in relation to the Issuer where a determination is made that the Issuer has ceased, or is about to cease, to be viable and such viability cannot be restored or preserved, which if taken could result in holders or beneficial owners of Notes being exposed to losses*" below).

Upon the making of a Conversion Order, prescribed shares and liabilities under the Bail-in Regime that are subject to that Conversion Order will, to the extent converted, be converted into common shares of the Issuer or any of its affiliates, as determined by CDIC (a "**Bail-in Conversion**"). Subject to certain exceptions discussed below, the Bail-in Regime provides that senior debt issued on or after 23 September 2018, with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and that has been assigned an ISIN or similar identification number are subject to a Bail-in Conversion. Shares, other than common shares, and subordinated debt of the Issuer will also be subject to a Bail-in Conversion, unless they are non-viability contingent capital. All Notes that are subject to Bail-in Conversion will be identified as Bail-inable Notes in the applicable Pricing Supplement ("**Bail-inable Notes**").

Shares and liabilities which would otherwise be bail-inable but were issued before 23 September 2018 are not subject to a Bail-in Conversion unless, in the case of any such liability, including any Notes, the terms of such liability are amended to increase their principal amount or to extend their term to maturity

on or after 23 September 2018, and that liability, as amended, meets the requirements to be subject to a Bail-in Conversion. However, the Issuer does not intend to amend or re-open a Series of Notes which are not subject to Bail-in Conversion where such amendment or reopening would have the effect of making the relevant Notes subject to Bail-in Conversion. Covered bonds, derivatives and certain structured notes (as such term is used under the Bail-in Regime) are expressly excluded from a Bail-in Conversion. To the extent that any Notes constitute structured notes (as such term is used under the Bail-in Regime) they will not be Bail-inable Notes and will not be identified as Bail-inable Notes in the applicable Pricing Supplement. As a result, claims of some creditors whose claims would otherwise rank equally with those of the holders of Bail-inable Notes would be excluded from a Bail-in Conversion and thus the holders and beneficial owners of Bail-inable Notes will have to absorb losses ahead of these other creditors as a result of the Bail-in Conversion while other creditors may not be exposed to losses.

If the CDIC were to take action under the Canadian bank resolution powers with respect to the Issuer, this could result in holders or beneficial owners of Bail-inable Notes being exposed to conversion of the Bail-inable Notes in whole or in part. Upon a Bail-in Conversion, the Noteholders holding Bail-inable Notes that are converted will be obligated to accept the common shares of the Issuer or any of its affiliates into which such Bail-inable Notes, or any portion thereof, are converted even if such Noteholders do not at the time consider such common shares to be an appropriate investment for them, and despite any change in the Issuer or any of its affiliates or the fact that such common shares are issued by an affiliate of the Issuer or any disruption to or lack of a market for such common shares or disruption to capital markets generally. The terms and conditions of the Bail-in Conversion will be determined by CDIC in accordance with and subject to certain requirements discussed below (see the section entitled “*The number of common shares to be issued in connection with, and the number of common shares that will be outstanding following, a Bail-in Conversion are unknown. It is also unknown whether the shares to be issued will be those of the Issuer or one of its affiliates*” below).

As a result, holders of Bail-inable Notes should consider the risk that they may lose all or part of their investment, plus any accrued interest or additional amounts, if CDIC were to take action under the Canadian bank resolution powers, including the Bail-in Regime, and that any remaining outstanding Notes, or common shares of the Issuer or any of its affiliates into which Bail-inable Notes are converted, may be of little value at the time of a Bail-in Conversion and thereafter.

*Bail-inable Notes will provide only limited acceleration and enforcement rights for the Bail-inable Notes and will include other provisions intended to qualify such Notes as Total Loss Absorbing Capacity (“TLAC”).*

In connection with the Bail-in Regime, the Office of the Superintendent of Financial Institutions’ (“OSFI”) guideline as interpreted by the Superintendent (the “**TLAC Guideline**”) on TLAC applies to and establishes standards for D-SIBs, including the Issuer. Under the TLAC Guideline, beginning 1 November 2021, the Issuer is required to maintain a minimum capacity to absorb losses composed of unsecured external long-term debt that meets the prescribed criteria or regulatory capital instruments to support recapitalisation in the event of a failure. Bail-inable Notes and regulatory capital instruments that meet the prescribed criteria will constitute TLAC of the Issuer.

In order to comply with the TLAC Guideline, Bail-inable Notes must provide for terms and conditions necessary to meet the prescribed criteria and qualify at their issuance as TLAC instruments of the Issuer under the TLAC Guideline. Those criteria include, among others, the following:

- the Issuer cannot directly or indirectly have provided financing to any person for the express purpose of investing in the Bail-inable Notes;
- the Bail-inable Notes are not subject to set-off or netting rights;
- the Bail-inable Note must not provide rights to accelerate repayment of principal or interest payments outside of bankruptcy, insolvency, wind-up or liquidation, except that events of default relating to the non-payment of scheduled principal and/or interest payments will be permitted where they are subject to a cure period of no less than 30 Business Days and clearly disclose to investors that: (i) acceleration is only permitted where an Order (as defined below)

has not been made in respect of the Issuer; and (ii) notwithstanding any acceleration, the instrument could still be subject to a Bail-in Conversion prior to its repayment;

- the Bail-inable Notes may be redeemed or purchased for cancellation (as applicable) only at the initiative of the Issuer and, where the redemption or purchase would lead to a breach of the Issuer's minimum TLAC requirements, that redemption or purchase would be subject to the prior approval of the Superintendent;
- the Bail-inable Notes do not have credit-sensitive dividend or coupon features that are reset periodically based in whole or in part on the Issuer's credit standing; and
- where an amendment or variance of the Bail-inable Notes' terms and conditions would affect its recognition as TLAC, such amendment or variance will only be permitted with the prior approval of the Superintendent.

As a result, the terms of the Bail-inable Notes provide that acceleration will only be permitted (i) if the Issuer defaults in the payment of the principal, or interest for a period of more than 30 Business Days, or (ii) certain bankruptcy, insolvency or reorganisation events occur. Holders and beneficial owners of Bail-inable Notes may only exercise, or direct the exercise of, such rights in respect of Bail-inable Notes where an Order has not been made under Canadian bank resolution powers pursuant to subsection 39.13(1) of the CDIC Act in respect of the Issuer. Notwithstanding the exercise of those rights, Bail-inable Notes will continue to be subject to Bail-in Conversion until paid in full.

The terms of the Bail-inable Notes also provide that holders or beneficial owners of Bail-inable Notes will not be entitled to exercise, or direct the exercise of, any set-off or netting rights with respect to Bail-inable Notes. In addition, where an amendment, modification or other variance that can be made to the Bail-inable Notes would affect the recognition of the Bail-inable Notes by the Superintendent as TLAC, that amendment, modification or variance will require the prior approval of the Superintendent.

*The circumstances surrounding a Bail-in Conversion are unpredictable and can be expected to have an adverse effect on the market price of Bail-inable Notes.*

The decision as to whether the Issuer has ceased, or is about to cease, to be viable is a subjective determination by the Superintendent that is outside the control of the Issuer. Upon a Bail-in Conversion, the interests of depositors and holders of liabilities and securities of the Issuer that are not converted will effectively all rank in priority to the portion of Bail-inable Notes that are converted. In addition, except as provided for under the compensation process, the rights of Noteholders in respect of the Bail-inable Notes that have been converted will rank on parity with other holders of common shares of the Issuer (or, as applicable, common shares of the affiliate whose common shares are issued on the Bail-in Conversion).

There is no limitation on the type of Order that may be made where it has been determined that the Issuer has ceased, or is about to cease, to be viable. As a result, Noteholders holding Bail-inable Notes may be exposed to losses through the use of Canadian bank resolution powers other than a Conversion Order or in liquidation. See the section entitled "*Bail-inable Notes will be subject to risks, including non-payment in full or conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates, under Canadian bank resolution powers*" above.

Because of the uncertainty regarding when and whether an Order will be made and the type of Order that may be made, it will be difficult to predict when, if at all, Bail-inable Notes could be converted into common shares of the Issuer or any of its affiliates and there is not likely to be any advance notice of an Order. As a result of this uncertainty, trading behaviour in respect of the Bail-inable Notes may not follow trading behaviour associated with convertible or exchangeable securities or, in circumstances where the Issuer is trending towards ceasing to be viable, other senior debt. Any indication, whether real or perceived, that the Issuer is trending towards ceasing to be viable can be expected to have an adverse effect on the market price of the Bail-inable Notes. Therefore, in those circumstances,

Noteholders holding Bail-inable Notes may not be able to sell their Bail-inable Notes easily or at prices comparable to those of senior debt securities not subject to Bail-in Conversion.

*The number of common shares to be issued in connection with, and the number of common shares that will be outstanding following, a Bail-in Conversion are unknown. It is also unknown whether the shares to be issued will be those of the Issuer or one of its affiliates.*

Under the Bail-in Regime there is no fixed and pre-determined contractual conversion ratio for the conversion of the Bail-inable Notes, or other shares or liabilities of the Issuer that are subject to a Bail-in Conversion, into common shares of the Issuer or any of its affiliates, nor are there specific requirements regarding whether liabilities subject to a Bail-in Conversion are converted into common shares of the Issuer or any of its affiliates. CDIC determines the timing of the Bail-in Conversion, the portion of bail-inable shares and liabilities to be converted and the terms and conditions of the Bail-in Conversion, subject to parameters set out in the Bail-in Regime. Those parameters, include that:

- in carrying out a Bail-in Conversion, CDIC must take into consideration the requirement in the Bank Act for banks to maintain adequate capital;
- CDIC must use its best efforts to ensure that shares and liabilities subject to a Bail-in Conversion are only converted after all subordinate ranking shares and liabilities that are subject to a Bail-in Conversion and any subordinate non-viability contingent capital instruments have been previously converted or are converted during the same restructuring period;
- CDIC must use its best efforts to ensure that the converted part of the liquidation entitlement of a share subject to a Bail-in Conversion, or the converted part of the principal amount and accrued and unpaid interest of a liability subject to a Bail-in Conversion, is converted on a pro rata basis for all shares or liabilities subject to a Bail-in Conversion of equal rank that are converted during the same restructuring period;
- holders of shares and liabilities that are subject to a Bail-in Conversion must receive a greater number of common shares per dollar of the converted part of the liquidation entitlement of their shares, or the converted part of the principal amount and accrued and unpaid interest of their liabilities, than holders of any subordinate shares or liabilities subject to a Bail-in Conversion that are converted during the same restructuring period or of any subordinate non-viability contingent capital that is converted during the same restructuring period;
- holders of shares or liabilities subject to a Bail-in Conversion of equal rank that are converted during the same restructuring period must receive the same number of common shares per dollar of the converted part of the liquidation entitlement of their shares or the converted part of the principal amount and accrued and unpaid interest of their liabilities; and
- holders of shares or liabilities subject to a Bail-in Conversion must receive, if any non-viability contingent capital of equal rank to the shares or liabilities is converted during the same restructuring period, a number of common shares per dollar of the converted part of the liquidation entitlement of their shares, or the converted part of the principal amount and accrued and unpaid interest of their liabilities, that is equal to the largest number of common shares received by any holder of the non-viability contingent capital per dollar of that capital.

As a result, it is not possible to anticipate the potential number of common shares of the Issuer or its affiliates that would be issued in respect of any Bail-inable Notes converted on a Bail-in Conversion, the aggregate number of such common shares that will be outstanding following the Bail-in Conversion, the effect of dilution on the common shares received in respect of any Bail-inable Notes converted on a Bail-in Conversion from other issuances of common shares of the same issuer under or in connection with an Order or related actions in respect of the Issuer or its affiliates or the value of any common shares received by the Noteholders of converted Bail-inable Notes, which could be significantly less than the amount which may otherwise have been due under the converted Bail-inable Notes. It is also not possible to anticipate whether shares of the Issuer or shares of its affiliates would be issued in a Bail-in Conversion. There may be an illiquid market, or no market at all, in the common shares issued upon a Bail-in Conversion and such Noteholders may not be able to sell those common shares at a

price equal to the value of the converted Bail-inable Notes and as a result may suffer significant losses that may not be offset by compensation, if any, received as part of the compensation process. Fluctuations in exchange rates may exacerbate such losses.

*By acquiring Bail-inable Notes, each Noteholder or beneficial owner of those Bail-inable Notes is deemed to agree to be bound by a Bail-in Conversion and so will have no further rights in respect of its Bail-inable Notes to the extent those Bail-inable Notes are converted in a Bail-in Conversion other than those provided under the Bail-in Regime. Any potential compensation to be provided through the compensation process under the CDIC Act is unknown.*

The CDIC Act provides for a compensation process for Noteholders holding Bail-inable Notes who immediately prior to the making of an Order, directly or through an intermediary, own Bail-inable Notes that are converted in a Bail-in Conversion. While this process applies to successors of such Noteholders, it does not apply to assignees or transferees of the Noteholder following the making of the Order and does not apply if the amounts owing under the relevant Bail-inable Notes are paid in full.

Under the compensation process, the compensation to which such Noteholders are entitled is the difference, to the extent it is positive, between the estimated liquidation value and the estimated resolution value of the relevant Bail-inable Notes. The liquidation value is the estimated value the Bail-inable Noteholders would have received if an order under the Winding-up and Restructuring Act (Canada) (“WURA”) had been made in respect of the Issuer, as if no Order had been made and without taking into consideration any assistance, financial or otherwise, that is or may be provided to the Issuer, directly or indirectly, by CDIC, the Bank of Canada, the Government of Canada or a province of Canada, after any order to wind up the Issuer has been made.

The resolution value in respect of relevant Bail-inable Notes is the aggregate estimated value of the following: (a) the relevant Bail-inable Notes, if they are not held by CDIC and they are not converted, after the making of an Order, into common shares under a Bail-in Conversion; (b) common shares that are the result of a Bail-in Conversion after the making of an Order; (c) any dividend or interest payments made, after the making of the Order, with respect to the relevant Bail-inable Notes to any person other than CDIC; and (d) any other cash, securities or other rights or interests that are received or to be received with respect to the relevant Bail-inable Notes as a direct or indirect result of the making of the Order and any actions taken in furtherance of the Order, including from CDIC, the Issuer, the liquidator of the Issuer, if the Issuer is wound up, the liquidator of a CDIC subsidiary incorporated or acquired by order of the Governor in Council for the purposes of facilitating the acquisition, management or disposal of real property or other assets of the Issuer that CDIC may acquire as the result of its operations that is liquidated or the liquidator of a bridge institution if the bridge institution is wound up.

In connection with the compensation process, CDIC is required to estimate the liquidation value and the resolution value in respect of the portion of converted Bail-inable Notes and is required to consider the difference between the estimated day on which the liquidation value would be received and the estimated day on which the resolution value is, or would be, received.

CDIC must, within a reasonable period following a Bail-in Conversion, make an offer of compensation by notice to the relevant Noteholders that held Bail-inable Notes equal to, or in value estimated to be equal to, the amount of compensation to which such Noteholders are entitled or provide a notice stating that such Noteholders are not entitled to any compensation. In either case, such notice is required to include certain prescribed information, including important information regarding the rights of such Noteholders to seek to object and have the compensation to which they are entitled determined by an assessor (a Canadian Federal Court judge) where holders of liabilities representing at least 10 per cent. of the principal amount and accrued and unpaid interest of the liabilities of the same class object to the offer or absence of compensation. The period for objecting is limited (45 days following the day on which a summary of the notice is published in the Canada Gazette) and failure by Noteholders holding a sufficient principal amount plus accrued and unpaid interest of affected Bail-inable Notes to object within the prescribed period will result in the loss of any ability to object to the offered compensation or absence of compensation, as applicable. CDIC will pay each relevant Noteholders the offered compensation within 135 days after the date on which a summary of the notice is published in the Canada Gazette if the offer of compensation is accepted by the Noteholder, the Noteholder does not notify CDIC of acceptance or objection to the offer within the aforementioned 45-day period or the



Noteholder objects to the offer but the 10 per cent. threshold described above is not met within the aforementioned 45-day period.

Where an assessor is appointed, the assessor could determine a different amount of compensation payable, which could either be higher or lower than the original amount. The assessor is required to provide holders, whose compensation it determines, notice of its determination. The assessor's determination is final and there are no further opportunities for review or appeal. CDIC will pay the relevant holders the compensation amount determined by the assessor within 90 days of the assessor's notice.

By its acquisition of an interest in any Bail-inable Note, each Noteholder or beneficial owner of those Bail-inable Notes is deemed to agree to be bound by a Bail-in Conversion and so will have no further rights in respect of its Bail-inable Notes to the extent those Bail-inable Notes are converted in a Bail-in Conversion, other than those provided under the Bail-in Regime.

A similar compensation process to the one set out above applies, in certain circumstances, where as a result of CDIC's exercise of bank resolution powers, Notes are assigned to an entity which is then wound-up.

*Following a Bail-in Conversion, Noteholders that held Bail-inable Notes that have been converted will no longer have rights against the Issuer as creditors.*

Upon a Bail-in Conversion, the rights, terms and conditions of the portion of Bail-inable Notes that are converted, including with respect to priority and rights on liquidation, will no longer apply as the portion of converted Bail-inable Notes will have been converted on a full and permanent basis into common shares of the Issuer or any of its affiliates ranking on parity with all other outstanding common shares of that entity. If a Bail-in Conversion occurs, then the interest of the depositors, other creditors and holders of liabilities of the Issuer not bailed-in as a result of the Bail-in Conversion will all rank in priority to those common shares.

Given the nature of the Bail-in Conversion, Noteholders or beneficial owners of Bail-inable Notes that are converted will become holders or beneficial owners of common shares at a time when the Issuer's and potentially its affiliates' financial condition has deteriorated. They may also become holders or beneficial owners of common shares at a time when the relevant entity may have received or may receive a capital injection or equivalent support with terms that may rank in priority to the common shares issued in a Bail-in Conversion with respect to the payment of dividends, rights on liquidation or other terms although there is no certainty that any such capital injection or support will be forthcoming.

*Bail-inable Notes may be redeemed after the occurrence of a TLAC Disqualification Event.*

If the applicable Pricing Supplement for a Series of Bail-inable Notes specify that a TLAC Disqualification Event Call is applicable, the Issuer may, at its option with the prior approval of the Superintendent, redeem all, but not some only, of the outstanding Bail-inable Notes of that Series within 90 days of the occurrence of the TLAC Disqualification Event (as defined in the Conditions) at the Redemption Amount specified in the applicable Pricing Supplement, together (if applicable) with any accrued but unpaid interest to (but excluding) the date fixed for redemption. If the Issuer redeems the outstanding Bail-inable Notes of that Series, holders of such Bail-inable Notes may not be able to reinvest the proceeds from such redemption in securities offering a comparable anticipated rate of return. Additionally, although the terms of each Series of Bail-inable Notes are anticipated to be established to satisfy the TLAC criteria within the meaning of the TLAC Guideline to which the Issuer is subject, it is possible that any Series of Bail-inable Notes may not satisfy the criteria in future rulemaking or interpretations.

*Canadian bank resolution powers confer substantial powers on Canadian authorities designed to enable them to take a range of actions in relation to the Issuer where a determination is made that the Issuer has ceased, or is about to cease, to be viable and such viability cannot be restored or preserved, which if taken could result in Noteholders or beneficial owners of Notes being exposed to losses.*

Under the CDIC Act, in circumstances where the Superintendent is of the opinion that the Issuer has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent's powers under the Bank Act, the Superintendent, after providing the Issuer with a reasonable opportunity to make representations, is required to provide a report to CDIC, Canada's resolution authority. Following receipt of the Superintendent's report, CDIC may request the Minister of Finance to recommend that the Governor in Council (Canada) make an Order (as defined below) and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council (Canada) make, and on such recommendation, the Governor in Council (Canada) may make, one or more of the following orders (each an "**Order**"):

- vesting in CDIC the shares and subordinated debt of the Issuer specified in the Order (a "**Vesting Order**");
- appointing CDIC as receiver in respect of the Issuer (a "**Receivership Order**");
- if a Receivership Order has been made, directing the Minister of Finance to incorporate a federal institution designated in the Receivership Order as a bridge institution wholly-owned by CDIC and specifying the date and time as of which the Issuer's deposit liabilities are assumed by such bridge institution (a "**Bridge Bank Order**"); or
- if a Vesting Order or Receivership Order has been made, directing CDIC to carry out a conversion, by converting or causing the Issuer to convert, in whole or in part – by means of a transaction or series of transactions and in one or more steps – the shares and liabilities of the Issuer that are subject to the Bail-in Regime into common shares of the Issuer or any of its affiliates (a "**Conversion Order**").

Following a Vesting Order or a Receivership Order, CDIC will assume temporary control or ownership of the Issuer and will be granted broad powers under that Order, including the power to sell or dispose of all or a part of the assets of the Issuer, and the power to carry out or cause the Issuer to carry out a transaction or a series of transactions the purpose of which is to restructure the business of the Issuer.

Under a Bridge Bank Order, CDIC has the power to transfer the Issuer's insured deposit liabilities and certain assets and other liabilities of the Issuer to a bridge institution. Upon the exercise of that power, any assets and liabilities of the Issuer that are not transferred to the bridge institution would remain with the Issuer, which would then be wound up. In such a scenario, any liabilities of the Issuer, including any outstanding Notes, that are not assumed by the bridge institution could receive only partial or no payment in the ensuing wind-up of the Issuer.

If the CDIC were to take action under the Canadian bank resolution powers with respect to the Issuer, this could result in holders or beneficial owners of Notes being exposed to losses.

## Summary of the Programme

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*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 the 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\$6,000,000,000 (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, as amended and restated on 8 July 2019 (as amended or supplemented from time to time, the "**Dealer Agreement**").
- Arranger:** National Australia Bank Limited
- Dealers:** National Australia Bank Limited  
Bank of Montreal, London Branch
- Additional Dealers may be appointed by the Issuer from time to time for a specific Tranche of Notes only 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 as notified in the relevant Pricing Supplement ("**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 Second Deed Poll ("**Deed Poll**") dated 8 July 2019, 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 2.11 ("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.
- The Issuer does not intend to re-open a Series of Notes which are not subject to Bail-in Conversion where such re-opening would have the effect of making the relevant Notes subject to Bail-in Conversion.
- Status and ranking:** The Notes will constitute deposit liabilities of the Issuer for the purposes of the Bank Act. 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 deposit and other unsubordinated liabilities of the Issuer and without any preference among themselves except as otherwise provided by law and subject to the exercise of bank resolution powers.
- Notes that are Bail-inable Notes are subject to a Bail-in Conversion in whole or in part under subsection 39.2(2.3) of the CDIC Act and to variation or extinguishment in consequence and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes.
- The Notes will not be deposits insured under the CDIC Act.
- Bail-inable Notes:** All Notes that are subject to Bail-in Conversion will be identified as Bail-inable Notes in the applicable Pricing Supplement.

**Agreement with respect to the exercise of Canadian bank resolution powers in relation to Bail-inable Notes:**

By acquiring Bail-inable Notes, each Noteholder (including each beneficial owner) is deemed to:

- (a) agree to be bound, in respect of such Bail-inable Notes, by the CDIC Act, including the conversion of the Bail-inable Notes, in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates under subsection 39.2(2.3) of the CDIC Act and the variation or extinguishment of the Bail-inable Notes in consequence, and by the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to such Bail-inable Notes;
- (b) attorn to the jurisdiction of the courts in the Province of Ontario in Canada with respect to the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes;
- (c) have represented and warranted to the Issuer that the Issuer has not directly or indirectly provided financing to the Noteholder for the express purpose of investing in the Bail-inable Notes; and
- (d) acknowledge and agree that the terms referred to in paragraphs (a) and (b), above, are binding on such Noteholder despite any provisions in the Conditions, any other law that governs such Bail-inable Notes and any other agreement, arrangement or understanding between such Noteholder and the Issuer with respect to such Bail-inable Notes.

The relevant Pricing Supplement will indicate whether Notes are Bail-inable Notes. All Bail-inable Notes are subject to Bail-in Conversion.

Each Noteholder or beneficial owner of the Bail-inable Notes that acquires an interest in the Bail-inable Notes in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any such Noteholder or beneficial owner shall be deemed to acknowledge, accept, agree to be bound by and consent to the same provisions specified herein to the same extent as the Noteholders or beneficial owners that acquire an interest in the Bail-inable Notes upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Bail-inable Notes related to the Bail-in Regime.

By its acquisition of an interest in a Bail-inable Note, each Noteholder or beneficial owner of a Bail-inable Note is deemed to have authorised, directed and requested the relevant Clearing System and any direct participant in such clearing system or other intermediary through which it holds the Bail-inable Note to take any and all necessary action, if required, to implement the Bail-in Conversion or any other action pursuant to the Bail-in Regime with respect to the Bail-inable Note, as may be imposed on it, without any further action or direction on the part of that Noteholder or beneficial owner or the Agent, except as required in accordance with the rules and procedures for the time being of the relevant Clearing System.

<b>Events of Default:</b>	<p>The terms of the Notes provide for events of default which are limited to:</p> <ul style="list-style-type: none"> <li>(a) if the Issuer shall make default in payment of any principal or interest on the due date therefor and such default shall have continued for a period of more than 30 Business Days; or</li> <li>(b) the Issuer becoming insolvent or bankrupt or subject to the provisions of WURA or any statute hereafter enacted in substitution therefor, as WURA, or substituted statute, may be amended from time to time, or if the Issuer goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Issuer, is ordered wound-up or otherwise acknowledges its insolvency,</li> </ul> <p>provided that Noteholders may only exercise, or direct the exercise of, those rights to accelerate the Bail-inable Notes upon such an event where an order has not been made pursuant to subsection 39.13(1) of the CDIC Act in respect of the Issuer and, notwithstanding the exercise of any right to accelerate the Bail-inable Notes, Bail-inable Notes will continue to be subject to a Bail-in Conversion until repaid in full.</p> <p>A Bail-in Conversion will not be an Event of Default.</p>
<b>Waiver of Set-Off – Bail-inable Notes:</b>	Bail-inable Notes are not subject to set-off or netting rights.
<b>Negative Pledge:</b>	None.
<b>Cross Default:</b>	None (see Condition 9 (“Events of Default”)).
<b>Maturities:</b>	Any maturity as may be specified in the relevant Pricing Supplement.
<b>Currencies:</b>	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 “ <b>Alternate Currency</b> ”) as may be specified in the relevant Pricing Supplement.
<b>Issue price:</b>	Notes may be issued at any price on a fully paid basis, as specified in the relevant Pricing Supplement.
<b>Denomination:</b>	Notes will be issued in the single denomination specified in the relevant Pricing Supplement.
<b>Clearing Systems:</b>	<p>Notes may be transacted either within or outside any Clearing System (as defined below).</p> <p>The Issuer intends to apply to Austraclear Ltd (ABN 94 002 060 773) (“<b>Austraclear</b>”) for approval for Notes to be traded on the clearing and settlement system operated by it (“<b>Austraclear System</b>”). Upon approval by Austraclear, the Notes will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System.</p> <p>Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Notes. The rights of a holder of interests in a Note held through the Austraclear System are subject to the rules and regulations of the Austraclear System.</p> <p>Transactions relating to interests in the Notes may also be carried out through the settlement system operated by Euroclear Bank SA/NV (“<b>Euroclear</b>”), the settlement system operated by Clearstream Banking S.A. (“<b>Clearstream, Luxembourg</b>”) or any other clearing system outside</p>

Australia specified in the relevant Pricing Supplement (the Austraclear System, Euroclear, Clearstream, Luxembourg and any other clearing system so specified, each a “**Clearing System**”).

Interests in the Notes traded in the Austraclear System may be held for the benefit of 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 Clearstream, Luxembourg (currently J.P. Morgan Nominees Australia Pty Limited).

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 which are 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 may be redeemed prior to their scheduled maturity for taxation reasons (see Condition 8.3 (“Early redemption for taxation reasons”)) or, only if specified in the applicable Pricing Supplement, for illegality (see Condition 8.7 (“Early redemption for illegality”), a Disruption Event (see Condition 8.8 (“Early redemption for a Disruption Event”)) or

Administrator/Benchmark Event (see Condition 8.9 (“Early redemption for Administrator/Benchmark Event”).

If so specified in the applicable Pricing Supplement, Notes may be redeemed prior to their stated maturity at the option of the Issuer and/or the Noteholders (see Condition 8.4 (“Early redemption at the option of the Issuer (Call)”) and Condition 8.5 (“Early redemption at the option of the Noteholders (Put)”), provided that, where a redemption of Bail-inable Notes by the Issuer would lead to a breach of the Issuer’s TLAC requirements, such redemption will be subject to the prior approval of the Superintendent. Bail-inable Notes will not be subject to early redemption at the option of the Noteholder.

If so specified in the applicable Pricing Supplement, Bail-inable Notes may be redeemed at the option of the Issuer prior to their scheduled maturity at any time on, or within 90 days following, the occurrence of a TLAC Disqualification Event, subject to the prior approval of the Superintendent (see Condition 8.6 (“Early redemption due to TLAC Disqualification Event”).

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.

Bail-inable Notes will continue to be subject to Bail-in Conversion prior to their repayment in full.

**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:
  - (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) and does not otherwise require disclosure to be made to investors under Parts 6D.2 or 7.9 of the Corporations Act;
  - (ii) the offer or invitation giving rise to the transfer is not an offer or invitation to a “retail client” for the purposes of section 761G of the Corporations Act; and
  - (iii) the transfer complies with Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated by APRA 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 11 (“Taxation”).

***Investors should obtain their own taxation and other applicable advice regarding the taxation and other fiscal status of investing in any Notes.***

**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 issue, transfer or redemption of Notes, or interests in Notes, in any jurisdiction.

**FATCA:**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) impose a new reporting regime and potentially a 30 per cent. withholding tax in respect of certain payments to (i) any non-U.S. financial institution (a “**foreign financial institution**” or “**FFI**” (as defined by FATCA)) that does not enter into an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its accountholders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) in certain circumstances, any investor who does not provide information sufficient to determine whether the investor is a U.S. person or, in the case of certain non-financial non-exempt entities, does not provide information sufficient to determine whether the investor has substantial U.S. owners.

See the section entitled “*United States Foreign Account Tax Compliance Act and OECD Common Reporting Standard*” below for further information.

***FATCA is particularly complex legislation. Investors should consult their own tax advisers on how these rules may apply to payments they receive 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 in such manner as the Issuer may

determine in its sole discretion and in no such circumstances will the Issuer be responsible for, nor will the Noteholder be entitled to, any additional payments for any delay in payment where the Noteholder has not notified the Registrar of an account for payment.

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 (“**CHES**”) 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 or Series 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 New South Wales, Australia, except that provisions relating to the bail-in acknowledgement of Noteholders and beneficial owners of Bail-inable Notes are governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

By acquiring an interest in any Bail-inable Note, each Noteholder or beneficial owner of an interest in that Bail-inable Note is deemed to attorn to the jurisdiction of the courts in the Province of Ontario in Canada with respect to the CDIC Act and the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes. This term is binding on each Noteholder or beneficial owner of Bail-inable Notes despite any provisions in the relevant Bail-inable Note, any other law that governs the Bail-inable Notes and any other agreement, arrangement or understanding between such Noteholder or beneficial owner and the Issuer with respect to the Bail-inable Notes.

**Use of proceeds:**

The proceeds from each issue of Notes will be used for the Issuer’s general corporate purposes. If, in respect of any issue of a specific Series of Notes, there is a particular identified use of proceeds this will be stated in the relevant Pricing Supplement.

**Rating:**

The Programme and 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 Notes and may be subject to revision, suspension or withdrawal at any time by the relevant assigning rating agency. Each credit rating should be evaluated independently of any other credit rating.***

*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 person 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:**

***An investment in Notes issued under the Programme involves certain risks. This Information Memorandum does not describe the risks of an investment in any Notes, risks related to the Issuer or otherwise. 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

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*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.*

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### **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;

**APRA** means the Australian Prudential Regulation Authority;

**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;

**Bail-in Conversion** has the meaning given to it in Condition 4.2 (“Status of Bail-inable Notes”);

**Bail-in Regime** has the meaning given to it in Condition 4.2 (“Status of Bail-inable Notes”);

**Bail-inable Note** has the meaning given to it in Condition 4.2 (“Status of Bail-inable Notes”);

**Bank Act** means the Bank Act (Canada);

**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 is 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;

**CDIC Act** means the Canada Deposit Insurance Corporation Act (Canada);

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

**Clearing System** means:

- (a) the Austraclear System; 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**”, “**360/360**” 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:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> 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:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 in which case D<sub>2</sub> 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:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

- “**D<sub>1</sub>**” 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 D<sub>1</sub> will be 30; and
- “**D<sub>2</sub>**” 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 D<sub>2</sub> 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 “Second Deed Poll” dated 8 July 2019; 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 and the Notes,

in each case, signed, sealed and delivered 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;

**Event of Default** has the meaning given to it in Condition 9 (“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:

- (a) the Information Memorandum dated 24 August 2021 or the then latest information memorandum which replaces the document; or
- (b) the information memorandum or other offering document referred to in the 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 the Pricing Supplement 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;

**Issuer** means Bank of Montreal;

**Issuing and Paying Agent** means:

- (a) Computershare Investor Services Pty Limited (ABN 48 078 279 277); 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;

**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);

**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;

**OSFI** means the Office of the Superintendent of Financial Institutions (Canada);

**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, in respect of a Tranche of Notes, the supplement specifying the relevant issue details in relation to that Tranche of Notes and which may be substantially in the form set out in the Information Memorandum, duly completed and signed 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 date which is 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 and also includes any other amount in the nature of a redemption amount specified in, or determined in accordance with, the provisions of the relevant Pricing Supplement or these Conditions;

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

**Registrar** means:

- (a) Computershare Investor Services Pty Limited (ABN 48 078 279 277); 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;

**Superintendent** means the Superintendent of Financial Institutions (Canada);

**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;

**TLAC** means Total Loss Absorbing Capacity;

**TLAC Guideline** means the OSFI's guideline on TLAC for banks in Canada in effect from time to time, as interpreted by the Superintendent;

**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; and

**WURA** means the Winding-up and Restructuring Act (Canada).

## 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.

### **2.2 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

### **2.3 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.

### **2.4 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.

## **2.5 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) and 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) 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 Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated by APRA as if it applied to the Issuer *mutatis mutandis* (and which requires all offers 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 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.

## **2.6 Denomination**

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

## **2.7 Currency**

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

## **2.8 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.

## **2.9 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 2.9(b) applies whether or not a Note is overdue.

## **2.10 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).

## **2.11 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.

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## **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 payable to the transferor 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 transferor or its associates to the subscriber) and the offer or invitation (including any resulting transfer) does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
  - (ii) does not constitute an offer or invitation to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
  - (iii) the transfer complies with Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated by APRA as if it applied to the Issuer *mutatis mutandis* (and which requires all 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.

### **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 the Registrar (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 CHES**

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 CHES and will not be "Approved Financial Products" for the purposes of that system.



### **3.11 Austraclear as Noteholder**

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.

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## **4 Status**

### **4.1 Status of Notes**

The Notes constitute deposit liabilities of the Issuer for the purposes of the Bank Act. 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 deposit and other unsubordinated liabilities of the Issuer and without any preference amongst themselves except as otherwise prescribed by law and subject to the exercise of bank resolution powers. The Notes will not be deposits insured under the CDIC Act.

## 4.2 Status of Bail-inable Notes

*This Condition 4.2 applies to Notes only if the Pricing Supplement states that the Notes are Bail-inable Notes.*

- (a) All Notes issued on or after 23 September 2018 that have an original or amended term to maturity (including explicit or embedded options) greater than 400 days, that have been assigned an ISIN or similar identification number and are not otherwise excluded (e.g. structured notes (as such term is used under the Canadian bank recapitalisation regime for banks designated by the Superintendent as domestic systemically important banks (the “**Bail-in Regime**”)) under the Bail-in Regime, will be identified as Bail-inable Notes in the applicable Pricing Supplement (“**Bail-inable Notes**”). Notes that constitute structured notes (as such term is used under the Bail-in Regime) or are otherwise excluded under the Bail-in Regime will not be identified as Bail-inable Notes in the Pricing Supplement. Notes issued before 23 September 2018 which have their terms amended, on or after 23 September 2018, to increase their principal amount or to extend their term to maturity and which otherwise meet conditions set out above in this Condition 4.2(a) will also be Bail-inable Notes and following such amendment will be subject to this Condition 4.2. However, the Issuer does not intend to amend or re-open a Series of Notes that are not subject to Bail-in Conversion where such amendment or re-opening would have the effect of making the relevant notes subject to Bail-in Conversion.
- (b) By its acquisition of an interest in Bail-inable Notes, each Noteholder (which, for the purposes of this Condition 4.2, includes each holder of a beneficial interest in such Bail-inable Notes) is deemed to:
- (i) agree to be bound, in respect of such Bail-inable Notes, by the CDIC Act, including the conversion of the Bail-inable Notes, in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates under subsection 39.2(2.3) of the CDIC Act and the variation or extinguishment of the Bail-inable Notes in consequence, and by the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to such Bail-inable Notes (a “**Bail-in Conversion**”);
  - (ii) attorn to the jurisdiction of the courts in the Province of Ontario in Canada with respect to the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes;
  - (iii) have represented and warranted to the Issuer that the Issuer has not directly or indirectly provided financing to the Noteholder for the express purpose of investing in Bail-inable Notes; and
  - (iv) acknowledge and agree that the terms referred to in paragraphs (i) and (ii), above, are binding on such Noteholder despite any provisions in the Conditions, any other law that governs the Bail-inable Notes and any other agreement, arrangement or understanding between such Noteholder and the Issuer with respect to such Bail-inable Notes.
- (c) All Bail-inable Notes will be subject to Bail-in Conversion.
- (d) Noteholders and beneficial owners of a Bail-inable Note will have no further rights in respect of a Bail-inable Note to the extent a Bail-inable Note is converted in a Bail-in Conversion, other than those provided under the Bail-in Regime, and by its acquisition of an interest in the Bail-inable Note, each Noteholder or beneficial owner of the Bail-inable Note is deemed to irrevocably consent to the converted portion of the principal amount of the Bail-inable Note and any accrued and unpaid interest thereon being deemed paid in full by the issuance of common shares of the Issuer (or, if applicable, any of its affiliates) upon the occurrence of a Bail-in Conversion, which Bail-in

Conversion shall occur without any further action on the part of that Noteholder or beneficial owner or the Agent; provided that, for the avoidance of doubt, this consent shall not limit or otherwise affect any rights of that Noteholder or beneficial owner provided for under the Bail-in Regime.

- (e) Each Noteholder or beneficial owner of the Bail-inable Notes that acquires an interest in the Bail-inable Notes in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any such Noteholder or beneficial owner shall be deemed to acknowledge, accept, agree to be bound by and consent to the same provisions specified herein to the same extent as the Noteholders or beneficial owners that acquire an interest in the Bail-inable Notes upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Bail-inable Notes related to the Bail-in Regime.
- (f) By its acquisition of an interest in a Bail-inable Note, each Noteholder or beneficial owner of a Bail-inable Note is deemed to have authorised, directed and requested the relevant Clearing System and any direct participant in such clearing system or other intermediary through which it holds the Bail-inable Note to take any and all necessary action, if required, to implement the Bail-in Conversion or any other action pursuant to the Bail-in Regime with respect to the Bail-inable Note, as may be imposed on it, without any further action or direction on the part of that Noteholder or beneficial owner or the Agent, except as required in accordance with the rules and procedures for the time being of the relevant Clearing System.

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## **5 Interest – Fixed Rate Notes**

*This Conditions 5 applies 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, by the outstanding principal amount of the Fixed Rate Note and by the applicable Day Count Fraction.

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## **6 Interest – Floating Rate Notes**

*This Condition 6 applies to the Notes only if the Pricing Supplement states that the Notes are Floating Rate Notes.*

### **6.1 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).

## 6.2 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.

## 6.3 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 6.2 (“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.

## 6.4 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 6.4:

- (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.

## 6.5 Screen Rate Determination

Where “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 6.5, “**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.

## 6.6 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. Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case as described below (in all cases without the need for any Noteholder consent). Any determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case as described below will be binding on the Issuer, the Noteholder and each Agent.

In this Condition 6.6:

- (a) “**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 Bloomberg or Refinitiv Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10:30am (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) (“**Publication Time**”) on the first day of that Interest Period.

However, if such rate does not appear on the Bloomberg or Refinitiv Screen BBSW Page (or, in each case, any replacement page) by 10:45am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, “**BBSW Rate**” means such other successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time determined by the Calculation Agent or the Issuer (acting in good faith and in a commercially reasonable manner) or an alternate financial institution appointed by the Issuer (in its sole discretion) to assist in determining the rate (in each case, a “**Determining Party**”), which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) if determined by such alternate financial institution, together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time), or, if no such industry standard is recognised

or acknowledged, the method for calculating or determining such adjustment spread determined by such Determining Party (in consultation with the Issuer, as applicable) to be appropriate. The rate determined by such Determining Party 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.).

- (b) a reference to “**Noteholder**” includes any person holding an interest in the Floating Rate Notes.

## **6.7 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).

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## **7 General provisions applicable to interest**

### **7.1 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. If no rate is specified, the Minimum Interest Rate shall be zero.

### **7.2 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.

### **7.3 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.

#### **7.4 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.

#### **7.5 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 or proven error, final and binding on the Issuer, the Registrar, each Noteholder and each other Agent.

#### **7.6 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.

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### **8 Redemption and purchase**

#### **8.1 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.

## **8.2 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, provided that in respect of Bail-inable Notes where the purchase would lead to a breach of the Issuer's minimum TLAC requirements, such purchase will be subject to the prior approval of the Superintendent. 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.

## **8.3 Early redemption for taxation reasons**

If:

- (a) as a result of any change in the federal laws of Canada or the laws of 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, 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 11.2 ("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), redeem all, but not some only, of the Notes each at its Redemption Amount together with interest accrued to, but excluding, the date of redemption, provided further that in respect of Bail-inable Notes, where the redemption would lead to a breach of the Issuer's minimum TLAC requirements such redemption will be subject to the prior approval of the Superintendent. 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 8.5 ("Early redemption at the option of Noteholders (Put)").

## **8.4 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 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, provided that in respect of Bail-inable Notes where the redemption would lead to a breach of the Issuer's minimum TLAC requirements, such redemption will be subject to the prior approval of the Superintendent. 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) 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 8.5 (“Early redemption at the option of Noteholders (Put)”).

#### **8.5 Early redemption at the option of the Noteholders (Put)**

*This Condition 8.5 is not applicable to Bail-inable Notes.*

If Put Option is specified in the relevant Pricing Supplement as being applicable, upon any Noteholder giving to the Issuer in accordance with Condition 14 (“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 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 8.5 if the Issuer has given notice that it will redeem that Note under Condition 8.3 (“Early redemption for taxation reasons”), Condition 8.4 (“Early redemption at the option of the Issuer (Call)”), Condition 8.7 (“Early redemption for illegality”), Condition 8.8 (“Early redemption for a Disruption Event”) or Condition 8.9 (“Early redemption for Administrator/Benchmark Event”).

#### **8.6 Early redemption due to TLAC Disqualification Event**

*This Condition 8.6 applies to Bail-inable Notes only.*

If TLAC Disqualification Event Call is specified in the relevant Pricing Supplement as being applicable in relation to a Series of Bail-inable Notes, the Issuer may, at its option, on not less than the minimum period of notice and not more than the maximum period of notice specified in the relevant Pricing Supplement and in accordance with Condition 14 (“Notices”), on expiry of such notice (which must fall within 90 days following such TLAC Disqualification Event (as defined below)) redeem all, but not some only, of the Series of Notes prior to their stated maturity date on, or within 90 days after, a TLAC Disqualification Event (as defined below) at the Redemption Amount, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption. Such redemption will be subject to the prior approval of the Superintendent.

For the purposes of this Condition 8.6, a “**TLAC Disqualification Event**” means OSFI has advised the Issuer in writing that the Series of Bail-inable Notes will no longer be recognised in full as TLAC under the TLAC Guideline, provided that a TLAC Disqualification Event shall not occur where the exclusion of the Series of Bail-inable Notes from the Issuer’s TLAC requirements is due to the remaining term to maturity of such Series of Bail-inable Notes being less than any period prescribed by any relevant TLAC eligibility criteria applicable as of the Issue Date of the first Tranche of such Series of Bail-inable Notes.

#### **8.7 Early redemption for illegality**

If this Condition 8.7 is specified in the relevant Pricing Supplement as being applicable, in the event that the Issuer determines in good faith that the performance of the Issuer’s obligations under the Notes or any arrangement made to hedge the Issuer’s obligations under the Notes have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to Noteholders and the Registrar in accordance with Condition 14 (“Notices”) (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes at the Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. In respect of Bail-inable Notes, where the redemption would lead

to a breach of the Issuer's minimum TLAC requirements, such redemption will be subject to the prior approval of the Superintendent.

### 8.8 Early redemption for a Disruption Event

Where Early Redemption for a Disruption Event is specified in the relevant Pricing Supplement as being applicable, in the event of a Disruption Event, the Issuer having given not less than the minimum period and not more than the maximum period of notice specified in the relevant Pricing Supplement to Noteholders and the Registrar in accordance with Condition 14 ("Notices") (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes at the Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. In respect of Bail-inable Notes, where the redemption would lead to a breach of the Issuer's TLAC requirements, such redemption will be subject to the prior approval of the Superintendent.

For the purposes of this Condition 8.8:

**"Disruption Event"** means a Hedging Disruption or an Increased Cost of Hedging;

**"Hedging Disruption"** means that the Hedging Entity is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any of the underlying reference rates, or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

**"Hedging Entity"** means (a) the Issuer or (b) any affiliate or any entity (or entities) acting on behalf of the Issuer that is engaged in any underlying or hedging transactions related to the underlying reference rates in respect of the Issuer's obligations under the Notes;

**"Increased Cost of Hedging"** means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of the relevant securities or other risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging; and

**"Trade Date"** has the meaning given to it in the relevant Pricing Supplement.

### 8.9 Early redemption for Administrator/Benchmark Event

Where Early Redemption for an Administrator/Benchmark Event is specified in the relevant Pricing Supplement as being applicable, in the event of an Administrator/Benchmark Event, the Issuer may (at its option and sole and absolute discretion):

- (a) instruct the Calculation Agent to make such adjustment(s) to the terms of the Notes as it may determine appropriate in its sole and absolute discretion to account for the relevant event or circumstance and, without limitation, such adjustment(s) may include selecting a successor benchmark(s) and making related adjustment(s) to the terms of the Notes including where applicable to reflect any increased costs of the Issuer and/or any Hedging Entity providing exposure to the successor benchmark(s) and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks; or
- (b) having given not less than the minimum period and not more than the maximum period of notice specified in the relevant Pricing Supplement to Noteholders and the Registrar in accordance with Condition 14 ("Notices") (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes at the Redemption

Amount and no further interest (if applicable) will be payable since the immediately preceding Interest Payment Date or, if none, the Issue Date. In respect of Bail-inable Notes, where the redemption would lead to a breach of the Issuer's TLAC requirements, such redemption will be subject to the prior approval of the Superintendent.

For the avoidance of doubt, the above is additional, and without prejudice, to any other terms of the Notes. In the event that under any such terms any other consequences could apply in relation to an event or occurrence the subject of an Administrator/Benchmark Event, the Issuer shall determine which terms shall apply in its sole and absolute discretion.

The Issuer shall give notice as soon as practicable to holders in accordance with Condition 14 ("Notices") of any adjustment(s) made pursuant to paragraph (a) above, provided that any failure to give, or non-receipt of, such notice shall not affect the validity of such adjustment(s).

For the purposes of this Condition 8.9:

**"Administrator/Benchmark Event"** means, in relation to any Benchmark, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Rejection Event, a Suspension/Withdrawal Event or a Non-Representative Event, all as determined by the Calculation Agent;

**"Benchmark"** means any figure, level, rate or value by reference to which any amount payable or deliverable under the Notes, or the value of the Notes, is determined in whole or in part, including, without limitation, any benchmark as defined in the BMR, all as determined by the Calculation Agent;

**"Benchmark Modification or Cessation Event"** means, in respect of the Benchmark, any of the following has occurred or will occur:

- (i) any material change in such Benchmark;
- (ii) the permanent or indefinite cancellation or cessation in the provision of such Benchmark; or
- (iii) a regulator or other official sector entity prohibits the use of such Benchmark;

**"BMR"** means the EU Benchmark Regulation (Regulation (EU) 2016/1011) or any United Kingdom "on-shored" version thereof where applicable, in each case as amended from time to time;

**"Hedging Entity"** means (a) the Issuer or (b) any affiliate or any entity (or entities) acting on behalf of the Issuer that is engaged in any underlying or hedging transactions related to the underlying reference rates in respect of the Issuer's obligations under the Notes;

**"Non-Approval Event"** means, in respect of the Benchmark:

- (i) any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be obtained;
- (ii) the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be included in an official register; or
- (iii) the Benchmark or the administrator or sponsor of the Benchmark does not or will not fulfil any legal or regulatory requirement applicable to the Notes, the Issuer, the Calculation Agent or the Benchmark,

in each case, as is or will be required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes;

**“Non-Representative Event”** means, in respect of the Benchmark, an official announcement by the supervisor of the administrator and/or sponsor of the Benchmark that the Benchmark is no longer or, as of a specified future date will no longer be, representative of any relevant underlying market(s);

**“Rejection Event”** means, in respect of the Benchmark, the relevant competent authority or other relevant official body rejects or refuses or will reject or refuse any application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register which, in each case, is or will be required in relation to the Notes, the Benchmark or the administrator or sponsor of the Benchmark under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes; and

**“Suspension/Withdrawal Event”** means, in respect of the Benchmark:

- (i) the relevant competent authority or other relevant official body suspends or withdraws or will suspend or withdraw any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Benchmark or the administrator or sponsor of the Benchmark which is or will be required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes; or
- (ii) the Benchmark or the administrator or sponsor of the Benchmark is or will be removed from any official register where inclusion in such register is or will be required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes.

#### **8.10 Partial redemptions**

If only some of the Notes are to be redeemed under Condition 8.4 (“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.

#### **8.11 Late payment**

If an amount is not paid under this Condition 8 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.

#### **8.12 Redemption irrevocable**

A notice of redemption under this Condition 8 shall be irrevocable, provided that Bail-inable Notes continue to be subject to a Bail-in Conversion prior to their repayment in full. An order under Section 39.13(1) of the CDIC Act prior to the date fixed for redemption of any Bail-inable Note shall automatically rescind any such notice of redemption and in such circumstances, no Bail-inable Notes shall be redeemed and no payment in respect of the rescinded redemption shall be due and payable.

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## **9 Events of Default**

### **9.1 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 or interest on the due date therefor and such default shall have continued for a period of more than 30 Business Days; or
- (b) if the Issuer becomes insolvent or bankrupt or subject to the provisions of WURA, or any statute hereafter enacted in substitution therefor, as such Act, or substituted Act, may be amended from time to time, or if the Issuer goes into liquidation, either voluntary or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Issuer, is ordered wound-up or otherwise acknowledges its insolvency.

### **9.2 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 and each other Agent of the occurrence of the event.

### **9.3 Consequences of an Event of Default**

- (a) Subject to Conditions 9.4 (“Rectification”) and 9.5 (“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 Redemption 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, provided that Noteholders may only exercise rights under this Condition 9 in respect of Bail-inable Notes where an order has not been made pursuant to subsection 39.13(1) of the CDIC Act in respect of the Issuer.
- (b) Notwithstanding the exercise of any rights by Noteholders under this Condition 9 in respect of Bail-inable Notes, Bail-inable Notes will continue to be subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares under subsection 39.2(2.3) of the CDIC Act until repayment in full.
- (c) A conversion of Bail-inable Notes into common shares under subsection 39.2(2.3) of the CDIC Act will not be an Event of Default.
- (d) By its acquisition of the Bail-inable Notes, each Noteholder (including each holder of a beneficial interest in any Bail-inable Note), to the extent permitted by law, waives any and all claims, in law and/or in equity, against the applicable Issuing and Paying Agent (in each case solely in its capacity as Issuing and Paying Agent), for, agrees not to initiate a suit against the Issuing and Paying Agent in respect of, and agrees that the Issuing and Paying Agent shall not be liable for, any action that the Issuing and Paying Agent takes, or abstains from taking, in either case in accordance with the Bail-in Conversion.

### **9.4 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.

## **9.5 Notice requirements**

Any notice declaring Notes due must be given in accordance with the requirements of Condition 14 ("Notices") and be accompanied by proof that such Noteholder at that time is a holder of the relevant Notes.

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## **10 Payments**

### **10.1 Record Date**

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

### **10.2 Joint holders**

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

### **10.3 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.

### **10.4 Other payments**

If the relevant Noteholder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Note will be made in the relevant jurisdiction or financial centre for the currency in which the payment is made in such manner as the Issuer may determine in its sole discretion and in no such circumstances will the Issuer be responsible for, nor will the Noteholder be entitled to, any additional payments for any delay in payment where the Noteholder has not notified the Registrar of an account for payment.

### **10.5 Payment constitutes release**

Any payment (including a payment made in accordance with Condition 10.3 ("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.

## **10.6 Payments subject to law**

All payments are subject to:

- (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11 (“Taxation”); and
- (b) any withholding or deduction required, including pursuant to FATCA.

For the avoidance of doubt, if any withholding is required under FATCA, the Issuer will not be required to pay any additional amount under Condition 11.2 (“Withholding tax”).

## **10.7 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.

## **10.8 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 10.8, “**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.

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## **11 Taxation**

### **11.1 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.

### **11.2 Withholding tax**

Subject to Condition 11.3 (“Withholding tax exemptions”), if a law 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.

### **11.3 Withholding tax exemptions**

No additional amounts shall be payable under Condition 11.2 (“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 11.

In this Condition 11.3, 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 14 ("Notices").

#### 11.4 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.

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## 12 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. However, the Issuer does not intend to re-open a Series of Notes



that are not subject to Bail-in Conversion where such re-opening would have the effect of making the relevant notes subject to Bail-in Conversion.

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**13 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 10.3 (“Payments to accounts”).

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**14 Notices****14.1 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 email to the email address of the addressee as agreed between those parties from time to time and notified to the Noteholders or as specified in the Information Memorandum.

**14.2 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 email to the address or email 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.

In addition, for so long as Notes are held on behalf of a Clearing System, notices or communications to Noteholders may also be given by delivery to that Clearing System for communication by it to the Noteholders in accordance with the applicable rules and regulations of that Clearing System (including, in the case of the Austraclear System, the Austraclear Regulations). Any such communication shall be deemed to have been given to the Noteholders on the day on which the said notice was given to the relevant Clearing System.

**14.3 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 14.4 (“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.

**14.4 Proof of receipt**

Subject to Condition 14.3 (“Effective on receipt”), proof of posting of a letter, sending of an email 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 an email, at the time the sender receives an automated message confirming delivery or four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered; and

- (c) in the case of publication in a newspaper, on the date of such publication.

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## **15 Meetings of Noteholders**

Meetings of Noteholders may only be convened in accordance with the Meetings Provisions and with notice to Noteholders pursuant to Condition 14 ("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.

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## **16 Variation**

Notwithstanding anything in this Condition 16, where any amendment, modification or other variance of any Bail-inable Notes may affect their recognition by the Superintendent as TLAC, in addition to such approvals as may be required under the Conditions, that amendment, modification or variance will require the prior approval of the Superintendent.

### **16.1 Variation without consent**

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

- (a) if the amendment is made to give effect to any successor rate or alternative rate for the BBSW Rate as provided in Condition 6.6 ("BBSW Rate Determination");
- (b) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein;
- (c) for the purposes of complying with mandatory provisions of law;
- (d) if the amendment applies to Notes issued after the date of amendment; or
- (e) 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.

### **16.2 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.

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## **17 Registrar and Agent**

### **17.1 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.

### **17.2 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 14 (“Notices”).

### **17.3 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.

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## **18 Waiver of set-off and netting rights**

No Noteholder or beneficial owner of an interest in the Bail-inable Notes may exercise, or direct the exercise, claim or plead any right of set-off, netting, compensation or retention in respect of any amount owed to it by the Issuer arising under, or in connection with, the Bail-inable Notes, and each Noteholder or beneficial owner of an interest in the Bail-inable Notes shall, by virtue of its acquisition of any Bail-inable Note (or an interest therein), be deemed to have irrevocably and unconditionally waived all such rights of set-off, netting, compensation or retention. Notwithstanding the foregoing, if any amounts due and payable to any Noteholder or beneficial owner of an interest in the Bail-inable Notes by the Issuer in respect of, or arising under, the Bail-inable Notes are purportedly discharged by set-off, netting, compensation or retention, without limitation to any other rights and remedies of the Issuer under applicable law, such Noteholder or beneficial owner of an interest in the Bail-inable Notes shall be deemed to receive an amount equal to the amount of such discharge and, until such time as payment of such amount is made, shall hold such amount in trust for the Issuer and, accordingly, any such discharge shall be deemed not to have taken place and such set-off, netting, compensation or retention shall be ineffective.

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## **19 Governing law and jurisdiction**

### **19.1 Governing law**

The Notes will be governed by the law in force in New South Wales, Australia, provided, however, that Condition 4.2 (“Status of Bail-inable Notes”) will be governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

### **19.2 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. By its acquisition of an interest in any Bail-inable Note, each Noteholder or beneficial owner of a Bail-inable Note shall be deemed to attorn and submit to the jurisdiction of the courts in the Province of Ontario with respect to actions, suits and proceedings arising out of or relating to the operation of the CDIC Act and the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the Bail-inable Notes.

### **19.3 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.

### **19.4 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 19.5 (“Agent for service of process”).

#### **19.5 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, 2000, Australia as its agent to receive any document referred to in Condition 19.4 (“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 act as its agent to receive any such document.

## Form of Pricing Supplement

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

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes 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 (the “**EEA**”). 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, 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 Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes 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 United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the UK Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/ (as amended, “**MiFID II**”) / MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018 / EUWA] (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the “SFA”) - [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA].]<sup>1</sup>

[THE NOTES ARE SUBJECT TO CONVERSION IN WHOLE OR IN PART – BY MEANS OF A TRANSACTION OR SERIES OF TRANSACTIONS AND IN ONE OR MORE STEPS – INTO COMMON SHARES OF BANK OF MONTREAL OR ANY OF ITS AFFILIATES UNDER SUBSECTION 39.2(2.3) OF THE CANADA DEPOSIT INSURANCE CORPORATION ACT (THE “CDIC ACT”) AND TO VARIATION OR EXTINGUISHMENT IN CONSEQUENCE AND SUBJECT TO THE APPLICATION OF THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN IN RESPECT OF THE OPERATION OF THE CDIC ACT WITH RESPECT TO THE NOTES.]<sup>2</sup>

Series No.: [●]

Tranche No.: [●]



**Bank of Montreal**

## **A\$6,000,000,000 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 Issuer is neither a bank nor an authorised deposit-taking institution which is authorised under the Banking Act and nor is it supervised by the Australian Prudential Regulation Authority. The Notes are not obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia. The depositor protection provisions in Division 2 of Part II of the Banking Act do not apply to the Issuer. No Notes shall be “protected accounts” or “deposit liabilities” within the meaning of the*

1 Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

2 Legend to be included on front of the Pricing Supplement if the Notes are Bail-inable Notes.

*Banking Act and an investment in 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 Parts 6D.2 or 7.9 of the 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).*

*The Notes do not evidence or constitute deposits that are insured under the CDIC Act.*

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

1	Issuer:	Bank of Montreal (LEI: NQQ6HPCNCCU6TUTQYE16)
2	Type of Issue:	[Non-Private Placement / Private Placement]
3	Type of Notes:	[Fixed Rate Notes / Floating Rate Notes / <i>specify other</i> ]
4	Bail-inable Notes:	[Yes / No]
5	[Joint] Lead Manager(s):	[Specify Name(s)]
6	Dealer[s]:	[Specify Name(s)]
7	Registrar:	[[•] (ABN [•]) / <i>specify other</i> ]
8	Issuing and Paying Agent:	[[•] (ABN [•]) / <i>specify other</i> ]
9	Calculation Agent:	[[•] (ABN [•]) / <i>specify other</i> ]
10	Currency:	[A\$ / <i>specify other</i> ]
11	Aggregate Principal Amount of Tranche:	[Specify]
12	If interchangeable with existing Series:	[Not Applicable / <i>specify if Tranche is to form a single Series with an existing Series, specify date on which all Notes of the Series become fungible</i> ]
13	Issue Date:	[Specify]
14	Issue Price:	[Specify]
15	Denomination(s):	[Specify]
16	Condition 5 ("Interest – Fixed Rate Notes") 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 / <i>specify</i> ]
	Interest Payment Dates:	[Specify]

	Business Day Convention:	[Following Business Day Convention / Preceding Business Day Convention / No Adjustment / <i>specify other</i> ]
	Day Count Fraction:	[Specify]
17	Condition 6 (“Interest – Floating Rate Notes”) for Floating Rate Notes applies:	[Yes / No] [If “No”, delete following Floating Rate provisions]
	Interest Commencement Date:	[Issue Date / <i>specify</i> ]
	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 / <i>specify other</i> ]
	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]
		[If Screen Rate Determination applies, specify the following (otherwise delete provisions)]
	Relevant Screen Page:	[Specify]
	Relevant Time:	[Specify]
	Reference Rate:	[Specify]
	Reference Banks:	[Specify]
	Interest Determination Date:	[Specify]
		[If BBSW Rate Determination applies, specify the following (otherwise delete provision)]
	BBSW Rate:	[As per Condition 6.6 / <i>specify any variation to the Conditions</i> ]
	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 7.6 / <i>specify</i> ]
	Linear Interpolation:	[Applicable / Not Applicable] [ <i>If applicable, provide details</i> ]
18	Relevant Financial Centre(s):	[ <i>Specify, if other than Sydney</i> ]
19	Events of Default:	[ <i>Specify, if different than what is set out in Condition 9 ("Events of Default")</i> ]
20	Maturity Date:	[ <i>Specify date</i> ]
21	Issuer Call Option (Condition 8.4 ("Early redemption at the option of the Issuer (Call)")):	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Optional Redemption Date(s):	[ <i>Specify</i> ]
	Redemption Amount(s) and method, if any, of calculation of such amount(s):	[ <i>Specify</i> ]
	If redeemable in part:	
	Minimum Redemption Amount:	[ <i>Specify</i> ]
	Higher Redemption Amount:	[ <i>Specify</i> ]
	Notice period (if other than as set out in Condition 8.4 ("Early redemption at the option of the Issuer (Call)")):	[ <i>Specify</i> ]
22	Noteholder Put Option (Condition 8.5 ("Early redemption at the option of the Noteholders (Put)")):	[Applicable/Not Applicable]  <i>(Not available for Bail-inable Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Optional Redemption Date(s):	[ <i>Specify</i> ]
	Redemption Amount(s) and method, if any, of calculation of such amount(s):	[ <i>Specify</i> ]
	Notice period (if other than as set out in Condition 8.5 ("Early redemption at the option of the Noteholders (Put)")):	[ <i>Specify</i> ]
23	TLAC Disqualification Event Call Option (Condition 8.6 ("Early redemption due to TLAC Disqualification Event")):	[Applicable/Not Applicable]  <i>(Only available for Bail-inable Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Redemption Amount:	[ <i>Specify</i> ]
	Notice period:	[ <i>Specify</i> ]
	Relevant conditions to exercise of TLAC Disqualification Event Call option:	[ <i>Specify</i> ]

24	Early Redemption for Illegality (Condition 8.7 (“Early redemption for illegality”)):	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Redemption Amount:	[Specify]
	Notice period:	[Specify]
25	Early Redemption for a Disruption Event (Condition 8.8 (“Early redemption for a Disruption Event”)):	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Redemption Amount:	[Specify]
	Notice period:	[Specify]
	Trade Date:	[Specify]
26	Early Redemption for an Administrator/Benchmark Event (Condition 8.9 (“Early redemption for Administrator/Benchmark Event”)):	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Redemption Amount:	[Specify]
	Notice period:	[Specify]
27	Clearing System:	[Austraclear System / specify others]
28	Additional Selling Restrictions:	<i>[Specify any variation to the selling restrictions set out in the Information Memorandum and specify whether “Canadian Sales Permitted” or “Canadian Sales Not Permitted”.]</i>
29	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
30	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]
31	ISIN:	[Specify]
32	[Common Code]:	[Specify]
33	Listing:	[Not applicable / Australian Securities Exchange / specify details of other relevant stock or securities exchange]

34 [Credit ratings]:

[Specify]

*[A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.]*

*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 person 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 Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.]*

35 [Additional information]:

[Specify]

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

**CONFIRMED**

For and on behalf of  
**Bank of Montreal**

By: .....

Name: .....

Date: .....

## Selling Restrictions

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*Under the Dealer Agreement dated 20 April 2016, as amended and restated on 8 July 2019, 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 relevant 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:*

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### 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 or 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 United States of America, Japan, Hong Kong and Singapore and a prohibition of sales to European Economic Area and United Kingdom retail investors as set out below.

For the purposes of these selling restrictions, references 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; and
- (b) “**Notes**” include interests or rights in those Notes held in the Austraclear System or any other Clearing System.

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## 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) and 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 and 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 Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated by the Australian Prudential Regulation Authority and which requires all offers and transfers to be in parcels of not less than A\$500,000 in aggregate principal amount. Banking exemption No. 1 of 2018 does not apply to transfers which occur outside Australia.

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## 3. Canada

The Notes are exempted from the prospectus requirement under the securities laws of any province or territory of Canada.

If the applicable Pricing Supplement specifies “Canadian Sales Permitted”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has offered, sold or distributed and that it will offer, sell or distribute any Notes, in Canada in compliance with the securities laws of Canada or any province or territory thereof.

If the applicable Pricing Supplement specifies “Canadian Sales Not Permitted”, 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, sold or distributed, and that it will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to, or for the benefit of any resident thereof.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that it will not distribute or deliver this Information Memorandum or any other offering material relating to the Notes in Canada if the applicable Pricing Supplement specifies “Canadian Sales Not Permitted”, or, if the applicable Pricing Supplement specifies “Canadian

Sales Permitted”, in contravention of the securities laws of Canada or any province or territory thereof.

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#### 4. Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, 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, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area (the “**EEA**”). 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) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), 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 EU Prospectus Regulation (as defined below); 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” is “Not Applicable” in relation to each Member State of the EEA, 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 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 Member State of the EEA except that it may make an offer of such Notes to the public in that Member State of the EEA:

- (a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), 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 1(4) of the EU Prospectus Regulation,

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 EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of these provisions, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State of the EEA 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, and the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

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## 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 of such Tranche,

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.

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## 6. United Kingdom

### *Prohibition of Sales to UK Retail Investors*

Unless the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, 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, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom (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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (UK) (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point

(8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or

- (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, 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 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 the UK except that it may make an offer of such Notes to the public in the UK:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK 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 section 86 of the FSMA,

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 section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Notes to the public**” in relation to any Notes 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 and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended) as it forms part of UK domestic law by virtue of the EUWA.

#### *Other regulatory restrictions*

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 FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, 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 UK.



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## 8. Japan

No registration pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948 of Japan, as amended) (the “**FIEA**”) has been made or will be made with respect to the Notes. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell, any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Resident of Japan (as defined under Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949 of Japan, as amended) 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 FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

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## 9. 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 (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) (as amended) of Hong Kong (“**CO**”) or which do not constitute an offer to the public within the meaning of the CO; and
- (b) 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” as defined in the SFO and any rules made under the SFO.

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## 10. Singapore

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore.

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 any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA;

- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) 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 made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

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## **11. 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

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*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. The summary is not exhaustive and, in particular, does not deal with the position of certain classes of holders of the Notes (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person). In addition, unless expressly stated, the summary does not consider the Australian tax consequences for persons who hold interests in the Notes through Austraclear, Euroclear, Clearstream, Luxembourg or another Clearing System.*

*Prospective holders of the Notes should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that Series of Notes. Information regarding taxes in respect of Notes may also be set out in the relevant Pricing Supplement.*

*Prospective holders of the Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.*

### **1. Interest withholding tax**

Under Australian laws as presently in effect, so long as the Issuer continues to be a non-resident of Australia and the Notes issued by it are not issued at or through, nor 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 imposed under Division 11A of Part III of the Income Tax Assessment Act 1936 of Australia.

### **2. Other Australian tax matters**

Under Australian laws as presently in effect:

- (a) *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, provided that, in the case of the Bail-inable Notes only, the Issuer's shares are listed and no person, either alone or with associates obtains an interest of 90 per cent. or more in the Issuer as a result of the issue, transfer or redemption of the Bail-inable Notes (an interest is an entitlement to a distribution of property of the Issuer if all such property were to be distributed, including distributions to creditors in certain circumstances). The stamp duty legislation generally requires the interests of associates to be included in working out whether the threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the threshold is reached;
- (b) *other withholding taxes on payments in respect of Notes* - so long as the Issuer continues to be a non-resident of Australia and the Notes are not issued at or through a permanent establishment of the Issuer in Australia, the Australian tax file number requirements of Part VA of the Income Tax Assessment Act 1936 of Australia and section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**TAA**") should not apply to the Issuer;
- (c) *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
- (d) *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, a GST-free supply or 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

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*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 summary describes the principal Canadian federal income tax considerations generally applicable to a holder of Notes who acquires, as beneficial owner, Notes pursuant to this Information Memorandum or common shares of the Issuer or any affiliate of the Issuer on a Bail-in Conversion (“**Common Shares**”), and who, at all relevant times, for purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Canada Tax Act**”) and any applicable income tax convention, (i) is not resident and is not deemed to be resident in Canada, (ii) deals at arm’s length with the Issuer, any issuer of Common Shares and with any Canadian resident (or deemed Canadian resident) to whom the holder disposes of Notes, (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) does not use or hold Notes or Common Shares in or in the course of a business carried on or deemed to be carried on in Canada, (v) is entitled to receive all payments made in respect of the Notes as beneficial owner, and (vi) is not an insurer that carries on an insurance business in Canada and elsewhere (a “**Non-resident Holder**”).

This summary is based upon the provisions of the Canada Tax Act in force on the date hereof and an understanding of the current administrative practices and assessing policies of the Canada Revenue Agency published in writing by it prior to the date hereof. This summary takes into account all specific proposals to amend the Canada Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (“**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation, which may differ from those discussed herein. Subsequent developments could have a material effect on the following description. This summary assumes that no interest paid on the Notes will be in respect of a debt or other obligation to pay an amount to a person with whom the Issuer does not deal at arm’s length, within the meaning of the Canada Tax Act.

**This summary is of a general nature only and is not exhaustive of all Canadian federal income tax considerations. It is not intended to be, legal or tax advice to any particular holder, or 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. Canadian federal income tax considerations applicable to Notes may be described more particularly when such Notes are offered (and then only to the extent material) in the Pricing Supplement related thereto if they are not addressed by the comments following and, in that event, the following will be superseded thereby to the extent indicated in such Pricing Supplement. The Canadian federal income tax considerations may be supplemented, amended and/or replaced in a Pricing Supplement, based on the terms and conditions of the Notes issued pursuant to such Pricing Supplement.**

**Accordingly, prospective purchasers of Notes should consult their own tax advisers with respect to their particular circumstances, and in any event where Notes are otherwise issued without disclosure of Canadian federal income tax considerations.**

For purposes of the Canada Tax Act, all amounts not otherwise expressed in Canadian Dollars must be converted into Canadian Dollars based on the single day exchange rate quoted by the Bank of Canada or such other rate that is acceptable to the Minister of National Revenue (Canada).

Interest paid or credited or deemed for purposes of the Canada Tax Act to be paid or credited on a Note (including amounts on account or in lieu of payment of, or in satisfaction of, interest to a Non-

resident Holder) will not be subject to Canadian non-resident withholding tax, unless any portion of such interest (other than on a “prescribed obligation” described below) 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 (“**Participating Debt Interest**”). A “**prescribed 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 and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent on the use of or production from property in Canada or is computed by reference to any of the criteria described in the definition of Participating Debt Interest. If any interest payable on a Note, or any portion of the principal amount of a Note in excess of its issue price, is to be calculated by reference to an index or formula, interest on the Note, together with any such portion of such principal, may be subject to Canadian non-resident withholding tax.

In the event that a Note which is not exempt from Canadian withholding tax under its terms 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. Such excess will not be subject to withholding tax if, in certain circumstances, the Note is considered to be an “excluded obligation” for purposes of the Canada Tax Act. A Note will be an “excluded obligation” for this purpose if it is not an “indexed debt obligation” (defined below) and it was issued for an amount not less than 97 per cent. of the principal amount (as defined for the purposes of the Canada Tax Act) of the Note, 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. 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 that is determined by reference to a change in the purchasing power of money.

Generally, there are no other taxes on income (including taxable capital gains) payable by a Non-resident Holder on any 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, payment on maturity, Bail-in Conversion, cancellation, purchase or repurchase).

Dividends paid or credited, or deemed under the Canada Tax Act to be paid or credited, on Common Shares of the Issuer or of any affiliate of the Issuer that is a Canadian resident corporation to a Non-resident Holder will generally be subject to Canadian non-resident withholding tax at the rate of 25 per cent. on the gross amount of such dividends unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the country of residence of the Non-resident Holder.

A Non-resident Holder will not be subject to tax under the Canada Tax Act in respect of any capital gain realised on a disposition or deemed disposition of a Common Share unless the Common Share is or is deemed to be “taxable Canadian property” of the Non-resident Holder for the purposes of the Canada Tax Act and the Non-resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-resident Holder is resident.

# United States Foreign Account Tax Compliance Act and OECD Common Reporting Standard

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## FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “**FATCA**”, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”, a term not yet defined) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Canada and Australia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction that complies with such IGA would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. If withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or before the relevant grandfathering date would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. The grandfathering date for Notes that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register. However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

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. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.***

## OECD Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

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