



FREQUENTLY ASKED QUESTIONS

The following are answers to some frequently asked questions about the surrender of Marshall & Ilsley Corporation (**M&I**) common shares in connection with the merger (the **Merger**) of M&I with an indirect wholly-owned subsidiary of Bank of Montreal (**BMO**). The information presented is qualified by (i) the Agreement and Plan of Merger dated as of December 17, 2010, between BMO and M&I (the **Merger Agreement**), (ii) the Proxy Statement/Prospectus dated April 12, 2011 and delivered to M&I shareholders in connection with the May 17, 2011 special meeting of shareholders of M&I at which the Merger was approved by the M&I shareholders, and (iii) the enclosed Letter of Transmittal. A copy of the Merger Agreement was included as Appendix A to the Proxy Statement/Prospectus. You are urged to read these materials carefully.

INFORMATION REGARDING THE LETTER OF TRANSMITTAL

1. Why am I receiving a Letter of Transmittal? What do I receive in return for my share certificate(s)?

All registered holders of M&I common shares (**M&I Shares**) holding physical share certificates are being provided with a Letter of Transmittal that must be completed and sent with the share certificate(s) representing your M&I Shares to Computershare Trust Company of Canada (**Computershare**), the exchange agent for BMO.

By surrendering your share certificate(s) together with a completed Letter of Transmittal, along with any other required documents, you will be entitled to receive (i) a document representing your new common shares of BMO (the **BMO Shares**) known as a Direct Registration Advice (**DRS Advice**) from Computershare, and (ii) a cheque representing your fractional cash entitlement (subject to withholding, if applicable) resulting from the cash payment for fractional BMO Shares.

For more information with respect to the DRS Advice, please refer to the questions and answers below under "Information Regarding the Direct Registration System (DRS)".

Shareholders can expect to receive a DRS Advice representing the BMO Shares to which they are entitled within five (5) business days of receipt by Computershare of the relevant share certificate(s) representing their M&I Shares, together with a completed Letter of Transmittal and such additional documents and instruments as may be requested by BMO and Computershare.

For detailed information regarding the exchange procedure see the section "The Merger Agreement - Conversion of Shares; Exchange of Certificates", which begins on page 80 of the Proxy Statement/Prospectus.

2. When do I have to surrender my M&I share certificates by? Where do I send them to?

The Letter of Transmittal, share certificate(s), along with any other required documents should be returned to Computershare as soon as possible. Shareholders should send their completed Letter of Transmittal, share certificate(s), along with any other required documents to Computershare at any of the addresses of Computershare outlined at the bottom of the back page of the Letter of Transmittal. If mail is used, registered mail is recommended. Delivery will be deemed effective only when the necessary documents are actually received by Computershare. BMO and/or Computershare assume no responsibility for lost share certificates.

3. Should I sign my M&I share certificate(s) before returning them?

No, your completed and signed Letter of Transmittal will eliminate the need to sign your share certificate(s).

4. I have lost my M&I share certificate, what do I do?

All shareholders who have lost their original share certificates must read, complete and sign *Box A – Lost Certificate(s)* on the reverse side of the Letter of Transmittal and must pay the lost certificate bond premium by certified cheque, bank draft or money order payable to "Computershare Trust Company of Canada" as outlined therein. The bond premium per lost M&I Share is US\$0.20 with a minimum

premium of US\$20.00. This bond premium is calculated based upon each lost M&I Share, not per each lost share certificate. If you have lost more than 250 M&I Shares, you will need to have your signature in *Box A – Lost Certificate(s)* of the Letter of Transmittal notarized. If any amount of lost certificates represents (or is expected to represent) a value of M&I Shares of more than \$250,000.00, then shareholder(s) should contact Computershare for additional information. If a shareholder's lost certificate(s) is part of an estate or trust, please contact Computershare for additional information.

5. What if I do not want to surrender my M&I Shares?

The Merger was approved by the shareholders of M&I at the special meeting of shareholders of M&I held on May 17, 2011 and, accordingly, at the effective time of the Merger, the M&I Shares ceased to exist as they were; M&I shareholders do not have the option to keep their M&I Shares.

Following the effective time of the Merger, you will not be entitled to receive any payment of dividends or other distributions declared by BMO until you have surrendered your certificate(s) representing M&I Shares for exchange, the properly completed Letter of Transmittal and any other required documents.

If you do not surrender your M&I share certificates, the BMO Shares that you would have received may be considered abandoned property after a specified period of time under applicable abandoned property, escheat or similar laws and may be required to be delivered to an appropriate public official. None of BMO, M&I, Computershare or any other person shall be liable to you for any amount delivered in good faith to a public official in accordance with such abandoned property, escheat or similar laws.

6. What if I also hold M&I Shares in book-entry form and/or in the M&I Dividend Reinvestment Plan (M&I DRIP)?

If you held M&I Shares in book-entry form and/or in the M&I DRIP in addition to physical share certificates, such shares held in book-entry form and/or in the M&I DRIP were automatically exchanged for whole BMO Shares and the applicable fractional cash payment will be sent to you upon receipt of your share certificate(s) together with a properly completed Letter of Transmittal and any other required documents. You must record all of your M&I Shares, not just those shares held in certificate form, on your Letter of Transmittal.

7. What if the Letter of Transmittal must be signed by an individual acting as an executor, agent or similar capacity of the registered shareholder?

Where a Letter of Transmittal, share certificate, or share transfer power of attorney is executed by an executor, administrator, trustee, guardian, attorney-in-fact, agent, corporation, partnership or association, or is executed by any other person acting in a fiduciary or representative capacity, such person must indicate that when signing the Letter of Transmittal, share certificate, or share transfer power of attorney and provide evidence of the signatory's authority to act. BMO and Computershare may, at each of their sole discretion, require additional evidence of such authority to act or additional information.

8. What should I do if I want my BMO Shares issued in a different name(s)?

If the Letter of Transmittal is signed by a person other than the registered shareholder(s) of the M&I Shares, or if the cheque and/or BMO Shares are to be issued to a person other than the registered shareholder(s) of the M&I Shares, such surrendered share certificate(s), Letter of Transmittal, along with any other required documents, must be accompanied by an appropriate share transfer power(s) of attorney properly completed by the registered shareholder(s). You can obtain the transfer of ownership requirements and instructions through Computershare's Investor Center at www.computershare.com or by calling Computershare at 1-877-477-1537.

If the cheque and/or BMO Shares are to be issued to a person other than the registered shareholder(s) of the M&I Shares, the Form W-9 must be completed by the transferee and returned with the Letter of Transmittal. If the Form W-9 is not completed by the transferee, the transferee may be subject to backup withholding and other penalties. If you need additional or replacement copies of the Form W-9, these are available on the Internal Revenue Service's (IRS) website at www.irs.gov. For more information with respect to backup withholding, please refer to question 27 below under "Information Regarding Tax Consequences of the Merger".

If transfer or other similar taxes become payable because payment of the merger consideration was to a person other than the registered shareholder, it shall be a condition of the issuance and delivery of the merger consideration that the amount of any such taxes (whether imposed on the registered shareholder or the transferee) shall be delivered to Computershare or satisfactory evidence of payment of the taxes, or exemption therefrom, shall be submitted before the merger consideration is paid or issued.

9. What if my address has/will change? What if the address on the Letter of Transmittal is incorrect?

The Letter of Transmittal was sent to the address of each registered shareholder of M&I as listed on the current M&I shareholder register. If you have changed or will be changing your address, or if the address as indicated at the top of the Letter of Transmittal is incorrect, please send a letter addressed to Computershare confirming your new address along with the Letter of Transmittal, the original M&I share certificate(s), and with any other required documents. Computershare will send the merger consideration to your new address.

10. Will the M&I Shares continue to be listed on the New York Stock Exchange (NYSE) now that the Merger is effective?

No, after the effective time of the Merger, the M&I Shares were effectively delisted from the NYSE.

11. When will I be able to trade my new BMO Shares? Where can I trade my new BMO Shares?

Until Computershare is in receipt of a properly completed Letter of Transmittal, the original share certificate(s), and any other required documents, and subsequently issues the merger consideration and sends you an initial DRS Advice, **you will not be able to sell or otherwise transfer your BMO Shares.**

Once you are able to trade your BMO Shares, they can be traded on the Toronto Stock Exchange (**TSX**) or the NYSE, as BMO is listed on both the TSX and the NYSE under the symbol "BMO".

INFORMATION REGARDING BMO DIVIDENDS

12. When will I be entitled to dividends on my BMO Shares?

You are entitled to any dividends to be paid to BMO shareholders of record on a record date falling after the effective time of the Merger. For example, BMO's board of directors declared a dividend to be paid on August 26, 2011 to shareholders of record on August 2, 2011 (the **Record Date**). Accordingly, because the Record Date falls after the effective time of the Merger, July 5, 2011, you will be entitled to the dividends paid on August 26, 2011; provided that you continue to hold to hold BMO Shares on the Record Date.

Please note that U.S. shareholders are generally subject to a 15% Canadian withholding tax on BMO dividend payments. The Canadian taxes withheld will, subject to certain limitations, be creditable or deductible against U.S. federal income taxes. You should consult your tax advisor to obtain further details on the taxation of BMO dividends received by you.

13. How and when are BMO dividends paid?

Dividends on BMO Shares are declared and approved by the Board of Directors of BMO and have historically been paid quarterly in the months of February, May, August and November, while the record dates have historically been at the beginning of such months.

Dividends are paid in U.S., Canadian and U.K. funds according to the address of record of the shareholder. U.S. and Canadian shareholders can elect to have their dividends paid in either U.S. or Canadian funds, however if no election is made, shareholders will be paid in funds according to their address of record.

14. What happens to any dividends that I may be entitled to if I have my BMO Shares held in my Direct Registration System (DRS) account?

Your dividends will not be affected by having a DRS account. You will continue to have the same choices as to how to receive your dividends, whether your account is set-up for dividends to be reinvested, paid to you by cheque or directly deposited into a bank account.

INFORMATION REGARDING THE DIRECT REGISTRATION SYSTEM (DRS)

15. What is Direct Registration?

The Direct Registration System (DRS) is a system that allows you to hold your BMO Shares in "book-entry" form without having a physical share certificate issued as evidence of ownership. Instead, your BMO Shares are held in your name and registered electronically in BMO's records, which will be maintained by its transfer agent, Computershare Trust Company of Canada.

16. What are the benefits of participating in DRS?

The benefits of participating in DRS include:

- It eliminates the need for shareholders to safeguard and store certificates.
- It avoids the significant cost of a surety bond for the replacement of, and the effort involved in replacing physical certificate(s) that might be lost, stolen or destroyed.
- It permits/enables electronic share transactions.

17. Without physical share certificates, how will I know how many BMO Shares I own?

The first time your BMO Shares are recorded under DRS (upon completion of the Merger and receipt by Computershare of your properly completed Letter of Transmittal and other required documents, along with your share certificates), you will receive an initial DRS Advice acknowledging the number of BMO Shares you hold in your DRS account. Each time you have any movement of shares into or out of your DRS account, you will be mailed an updated DRS Advice. You may request an additional statement at any time by contacting Computershare at 1-800-340-5021 or by accessing your account online at www.computershare.com/bmo.

18. How can I access my DRS account on-line?

Registered shareholders of BMO are entitled to full portfolio access to their DRS account(s) through Computershare at www.computershare.com/bmo. To create an account in the Computershare Investor Centre simply click on the link "Register now". In order to create your User ID and Password, you will require your Computershare account number (which appears on the front page of your initial DRS Advice), your postal or zip code and/or your last name.

19. Is there a fee to participate in DRS?

No, there is no fee to participate.

20. Can I transfer my BMO Shares from my DRS account to my brokerage account?

Yes.

In the United States, you should have your broker request that your BMO Shares in your DRS account be sent to them through the Depository Trust Company's Direct Registration Profile System. You need to supply your broker with a copy of your latest DRS Advice and the following information:

- Your Computershare account number (on your DRS Advice)
- Your Social Security Number or Taxpayer Identification Number
- Computershare's DTC number: 7807
- The number of whole BMO Shares you wish to move from your Computershare DRS account to your brokerage account

In Canada, you should have your broker request that your BMO Shares in your DRS account be sent to them through the Canadian Depository for Securities CDSX System. You need to supply your broker with a copy of your latest DRS Advice and the following information:

- Your Computershare account number (on your DRS Advice)
- Your Social Insurance Number
- The number of whole BMO Shares you wish to move from your Computershare DRS account to your brokerage account.

Your broker will then electronically initiate the transfer of your BMO Shares from your DRS account based on your instructions.

21. How can I sell my BMO Shares held in my DRS account?

To sell BMO Shares in your DRS account, you can:

- Instruct your broker to sell all or part of your BMO Shares in your DRS account, but first your BMO Shares must be delivered or transferred to your broker. Please read the instructions immediately above which describes the information your broker requires to move your BMO Shares in your DRS account electronically to their control within their respective depository; or
- Request a physical share certificate from Computershare and deliver it to your broker to sell.

22. Can I request a share certificate for my BMO Shares?

Yes. You may request a physical share certificate for all or a portion of your BMO Shares by checking the "Issue securities" box on the reverse side of your DRS Advice indicating the number of BMO Shares for which you would like a certificate issued and returning the DRS Advice to Computershare at Attn: Stock Transfer Department; 9th Floor, 100 University Ave, Toronto Ontario, Canada. A certificate, at no cost to you, will be sent by first class mail within approximately three (3) business days of receipt by Computershare of your instructions. Any BMO Shares for which you requested a certificate be issued will be removed from your DRS account.

23. What if I have more questions about DRS?

For more information about DRS, please contact Computershare at 1-800-340-5021 (toll free within Canada and the U.S.) or 514-982-7555 (outside of Canada and the U.S.) or visit Computershare on-line at www.computershare.com/service.

INFORMATION REGARDING M&I'S AND BMO'S DIVIDEND REINVESTMENT PLANS

24. How will the Merger affect the M&I DRIP?

If you held M&I Shares in the M&I DRIP in addition to your physical share certificates, all M&I Shares held in the M&I DRIP have automatically been exchanged to BMO Shares and the applicable fractional cash payment will be sent to you upon receipt of your share certificate(s) together with a properly completed Letter of Transmittal and any other required documents.

25. How do I enroll my BMO Shares in the BMO Dividend Reinvestment Plan (BMO DRIP) following the exchange of my M&I Shares?

Once you have surrendered your certificate(s) representing M&I Shares for exchange, the properly completed Letter of Transmittal and any other required documents to Computershare, you will receive an information package which includes the Bank of Montreal Shareholder Dividend Reinvestment and Share Purchase Plan Prospectus that describes the features of the BMO DRIP, as well as an enrolment form if you wish to participate in the BMO DRIP. In addition, an enrolment form and other information about the BMO DRIP can be found on Computershare's website at www.computershare.com/bmo. All BMO shareholders are eligible to participate in the BMO DRIP.

U.S. TREASURY DEPARTMENT CIRCULAR 230 DISCLOSURE

Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this document or any document referred to herein is not intended or written to be used, and cannot be used by you for the purpose of avoiding penalties that may be imposed on them under the U.S. Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) you should seek advice based on their particular circumstances from an independent tax advisor.

INFORMATION REGARDING TAX CONSEQUENCES OF THE MERGER

It is important to note that the U.S. federal income tax consequences described below may not apply to some holders of M&I Shares, including certain holders specifically referred to under "The Merger—Material United States Federal Income Tax Consequences" beginning on page 64 of the Proxy Statement/Prospectus. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the tax consequences of the Merger in your particular circumstances, as well as any tax consequences that may arise from the laws of any other taxing jurisdiction.

26. What are the material U.S. federal and Canadian income tax consequences of the Merger to holders of M&I Shares?

The Merger has been structured to qualify as a reorganization for U.S. federal income tax purposes. It was a condition to M&I's and BMO's respective obligations to complete the Merger that each of BMO and M&I receive a legal opinion from Sullivan & Cromwell LLP and Wachtell, Lipton, Rosen & Katz, respectively, to the effect that (i) the Merger, together with the purchase by a subsidiary of BMO from the U.S. Treasury of all of the issued and outstanding shares of the TARP Preferred Stock will qualify as a "reorganization" within the meaning of Section 368(a) of the U.S. Internal Revenue Code and that each of BMO, a BMO subsidiary and M&I will be a party to that reorganization within the meaning of Section 368(b) of the U.S. Internal Revenue Code and (ii) the merger will not result in gain recognition to the holders of M&I common shares pursuant to Section 367(a) of the U.S. Internal Revenue Code (assuming that, in the case of any such holder who would be treated as a "five-percent transferee shareholder" within the meaning of Treasury Regulations Section 1.367(a)-3(c)(5)(ii), such

holder enters into a five-year gain recognition agreement in the form provided in Treasury Regulations Section 1.367(a)-8, as provided for in Treasury Regulations Section 1.367(a)-3(c)(1)(iii)(B), and complies with the requirements of that agreement and Treasury Regulations Section 1.367(a)-8 for avoiding the recognition of gain). Assuming that the aforementioned opinions are correct, U.S. shareholders generally will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of their M&I Shares for BMO Shares pursuant to the Merger, except for any gain or loss that may result from the receipt by such holders of cash instead of fractional BMO Shares. Computershare will issue an IRS Form 1099-B to U.S. shareholders representing the cash payment for the fractional BMO Shares.

The exchange of M&I Shares for BMO Shares pursuant to the Merger will not, in general, give rise to Canadian tax for holders of M&I Shares who are not, and who are not deemed to be, resident in Canada. See “The Merger—Material Canadian Federal Income Tax Consequences” beginning on page 71 of the Proxy Statement/Prospectus.

27. Will I be subject to backup withholding?

Each M&I shareholder who is a U.S. person surrendering share certificate(s) representing M&I Shares to Computershare is required to provide Computershare with a correct Taxpayer Identification Number (TIN) or Form W-9, which is included with the Letter of Transmittal, and to indicate, if applicable, that such person is not subject to backup withholding. If such person is an individual, the TIN is his or her social security number. If Computershare is not provided with the correct TIN, such person may be subject to a \$50 penalty imposed by the IRS. In addition, failure to provide the information on the form may subject such person to 28% federal income tax withholding on any cash payment received pursuant to the Merger. Exempt shareholders are not subject to these backup withholding and reporting requirements and should write “Exempt” on the face of the Form W-9. However, such shareholders should also provide a TIN to avoid erroneous backup withholding. To determine if you are a U.S. person, please review the instructions in the Form W-9 or visit the IRS’s website at www.irs.gov.

Non-U.S. persons may be required to establish their exemption from information reporting and backup withholding by certifying their status on an appropriate IRS Form W-8. IRS forms can be obtained from Computershare or the IRS’s website at www.irs.gov.

28. What is a Form W-9 “Request for Taxpayer Identification Number and Certification”? What form should I use if I am a non-U.S. shareholder?

If you are a U.S. person, you will need to complete and return the Form W-9, along with the Letter of Transmittal. If you do not submit a properly completed Form W-9, any payments made to you may be subject to backup withholding.

Non-U.S. persons should provide an appropriate IRS Form W-8, which may be obtained from Computershare or the IRS’s website at www.irs.gov. Non-U.S. persons should contact Computershare at 1-877-477-1537 for further information.