

**AMENDING AGREEMENT TO
ISDA COVERED BOND SWAP MASTER AGREEMENT**

THIS FIRST AMENDING AGREEMENT TO ISDA COVERED BOND SWAP MASTER AGREEMENT (this “**Agreement**”) is made as of the 17th day of October, 2017.

BY AND AMONG

- (1) **BANK OF MONTREAL** (in its capacity as Covered Bond Swap Provider); and
- (2) **BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP**, by its managing general partner **BMO COVERED BOND GP, INC.**, in its capacity as Guarantor.

WHEREAS the parties entered into an ISDA Covered Bond Swap Master Agreement dated September 30, 2013 (including the Schedule thereto and Credit Support Annex therefore, the “**Covered Bond Swap Agreement**”);

AND WHEREAS the parties hereto have agreed to amend the Covered Bond Swap Agreement pursuant to the terms of this Agreement in accordance with Section 9(b) of the ISDA Covered Bond Swap Master Agreement, as amended by Part 5(e) of the Schedule to the Covered Bond Swap Agreement;

NOW THEREFORE IT IS HEREBY AGREED that in consideration of the mutual covenants and agreements herein set forth, the parties agree as follows:

ARTICLE 1 – AMENDMENTS

1.01 **Amendments**

(1) The first paragraph of Part 5(h)(i) of the Schedule to the Covered Bond Swap Agreement is deleted in its entirety and replaced with the following:

If (1) the short-term counterparty risk assessment or the long-term counterparty risk assessment of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively, “P-1(cr)” or “A2(cr)” (provided that, for greater certainty, only one of such ratings from Moody’s is required to have the Minimum Moody’s Rating, as defined below) (the “**Minimum Moody’s Rating**”) by Moody’s Investors Service Inc. (“**Moody’s**”), (2) (i) the short term issuer default rating or (ii) the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating, in each case, of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively, “F1” or “A” (the “**Minimum Fitch Rating**”, provided that, for greater certainty, only one of such ratings from Fitch is required to have the Minimum Fitch Rating) by Fitch Ratings, Inc. (“**Fitch**”), or (3) the short term, unsecured, unsubordinated and unguaranteed debt obligations or the long term, unsecured, unsubordinated and unguaranteed debt obligations of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, cease to be rated at least as high as, respectively,

“R-1(low)” or “A” (the “**Minimum DBRS Rating**”, provided that, for greater certainty, only one of such ratings from DBRS is required to have the Minimum DBRS Rating and, together with the Minimum Moody’s Rating and Minimum Fitch Rating, the “**Minimum Ratings**” and each a “**Minimum Rating**”) by DBRS Limited (“**DBRS**” and, together with Moody’s and Fitch and each of their respective successors, the “**Rating Agencies**” and each a “**Rating Agency**”), (each such cessation being an “**Initial Rating Event**”), then Party A will, at its own cost, either:

(2) The first paragraph of Part 5(h)(ii) of the Schedule to the Covered Bond Swap Agreement is deleted in its entirety and replaced with the following:

If, (1) the short-term counterparty risk assessment or the long-term counterparty risk assessment of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively “P-2(cr)” or “A3(cr)” by Moody’s, (2) (i) the short term issuer default rating or (ii) the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating, in each case, of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively, “F2” or “BBB+” by Fitch, or (3) the short term, unsecured, unsubordinated and unguaranteed debt obligations or the long term, unsecured, unsubordinated and unguaranteed debt obligations of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, cease to be rated at least as high as, respectively, “R-2(middle)” or “BBB” by DBRS (each such rating, a “**Subsequent Rating**” and each such event, a “**Subsequent Rating Event**”, provided that, for greater certainty, in respect of each of (1), (2) and (3), if Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, has one of such ratings from Moody’s, Fitch or DBRS, respectively, a Subsequent Rating Event will not occur) with respect to Party A, then Party A will:

ARTICLE 2– MISCELLANEOUS

2.01 Further Assurances

Each of the parties hereto will from time to time execute and deliver all such further documents and instruments and do all acts and things as any of the other parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

2.02 Other Amendments

Except as expressly amended, modified and supplemented hereby, the provisions of the Covered Bond Swap Agreement are and shall remain in full force and effect and shall be read with this Agreement, *mutatis mutandis*. Where the terms of this Agreement are inconsistent with the terms of the Covered Bond Swap Agreement (prior to its amendment hereby), the terms of this Agreement shall govern to the extent of such inconsistency.

2.03 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

2.04 **Interpretation**

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Covered Bond Swap Agreement (prior to its amendment hereby).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have caused this Agreement to be executed the day and year first before written above.

**BMO COVERED BOND GUARANTOR
LIMITED PARTNERSHIP** by its general
partner **BMO COVERED BOND GP, INC.**

Per: “Chris Hughes”
Name: Chris Hughes
Title: President and Secretary

BANK OF MONTREAL

Per: “Stephen Lobo”
Name: Stephen Lobo
Title: Senior Vice-President and
Treasurer