

INFORMATION STATEMENT DATED FEBRUARY 13, 2023

This Information Statement has been prepared solely for assisting prospective purchasers in making an investment decision with respect to the Deposit Notes. This Information Statement constitutes an offering of these Deposit Notes only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell the Deposit Notes. No securities commission or similar authority in Canada has in any way passed upon the merits of the Deposit Notes offered hereunder and any representation to the contrary is an offence. The Deposit Notes offered under this Information Statement have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any State securities laws and may not be offered for sale or sold in the United States or to United States persons.



BANK OF MONTREAL CANADIAN EQUITY PRINCIPAL PROTECTED DEPOSIT NOTES, SERIES 359

PRICE: \$100 PER DEPOSIT NOTE

Minimum Subscription: \$2,000 (20 Deposit Notes)

The Bank of Montreal Canadian Equity Principal Protected Deposit Notes, Series 359 (the "Deposit Notes") issued by Bank of Montreal are a principal protected product that will mature on September 11, 2028 ("Maturity"). The closing of this offering is scheduled to occur on or about March 10, 2023 (the "Closing Date").

At Maturity, a holder will receive the deposit amount of \$100.00 (the "Deposit Amount") in respect of each of the holder's Deposit Notes plus a variable return, if any, that will be determined based on the price performance of an equally-weighted notional portfolio of securities consisting of common shares and units, as applicable (the "Reference Basket") of the following 7 Canadian TSX-listed issuers, except in certain special circumstances as described herein:

BCE Inc.	The Bank of Nova Scotia	Canadian Imperial Bank of Commerce
Emera Inc.	Enbridge Inc.	Power Corporation of Canada
Telus Corporation		

The variable return for each Deposit Note at Maturity, if any, will equal \$100.00 multiplied by 215% (the "Participation Rate") of the average (if positive) of the percentage changes in the closing prices of the securities comprising the Reference Basket (the "Securities") from the Closing Date to and including the fifth business day prior to Maturity. See "Note Program — Variable Return".

BMO Nesbitt Burns Inc. is the selling agent (the "Selling Agent") and is a wholly-owned subsidiary of Bank of Montreal. Consequently, Bank of Montreal is a related issuer of the Selling Agent under applicable securities legislation. See "Plan of Distribution".

This Information Statement has been prepared for the sole purpose of assisting prospective investors in making an investment decision with respect to the Deposit Notes only. This Information Statement relates only to the Deposit Notes offered hereby and does not relate to the Securities or the issuers of such Securities. Bank of Montreal has taken reasonable care to ensure that the facts in this Information Statement with respect to the description of the Deposit Notes are true and accurate in all material respects. All information in this Information Statement relating to the Securities and the issuers of such Securities has been obtained from the public disclosure filed on www.sedar.com and other publicly available sources. It is the sole responsibility of such respective issuers to ensure the accuracy, reliability and completeness of such information. As such, none of Bank of Montreal, the Selling Agent, the Manager or the Calculation Agent assumes any responsibility for the accuracy or completeness of such information or has any obligation or responsibility for the provision of future information in respect of the Securities or the issuers of such Securities. Bank of Montreal makes no

assurances, representations or warranties with respect to the accuracy, reliability or completeness of information obtained from such publicly available sources. Furthermore, Bank of Montreal makes no recommendation concerning the Securities, the issuers of such Securities, equity securities as an asset class or the suitability of investing in securities generally or the Deposit Notes in particular. In connection with the issue and sale of Deposit Notes by Bank of Montreal, no person is authorized to give any information or to make any representation not contained in this Information Statement and Bank of Montreal does not accept any responsibility for any information not contained herein. Investors shall have no recourse against Bank of Montreal, the Selling Agent, the Manager or the Calculation Agent or any of their respective affiliates or associates in connection with any information about and/or relating to the Securities or the issuers of such Securities.

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SUMMARY OF THE OFFERING

This is a summary of the offering of Deposit Notes under this Information Statement. Please note that this summary is not intended to be a detailed description of the offering and may not contain all the information that a prospective investor may need to make a decision as to whether to purchase any Deposit Notes. For more detailed and complete information prospective investors should please refer to the body of this Information Statement. In this summary, “\$” refers to Canadian dollars, unless otherwise specified and “BMO Capital Markets” refers to a company owned by the Bank of Montreal called BMO Nesbitt Burns Inc. and any of its affiliates.

Issue:	Bank of Montreal Canadian Equity Principal Protected Deposit Notes, Series 359 (the “Deposit Notes”).
Issuer:	Bank of Montreal.
Subscription Price:	The price for each Deposit Note is \$100.00 (the “Deposit Amount”).
Minimum Subscription:	Investors must invest a minimum of \$2,000.00 (20 Deposit Notes). Bank of Montreal reserves the right to change the minimum investment amount in its sole and absolute discretion.
Issue Size:	The maximum issue size is \$10,000,000.00. Bank of Montreal reserves the right to change the maximum size in its sole and absolute discretion.
Closing Date:	The Deposit Notes will be issued on or about March 10, 2023 (the “Closing Date”).
Maturity Date:	The Deposit Notes will mature on September 11, 2028 (“Maturity” or the “Maturity Date”). The term of the Deposit Notes is 5.5 years.
Offering:	<p>This offering has been designed to provide investors with payment at Maturity of (i) the Deposit Amount per Deposit Note, and (ii) an amount of Variable Return (as defined below), if any, based on the price performance of an equally-weighted notional portfolio of securities (the “Reference Basket”) as set out below under “Payment at Maturity”. See “Note Program”.</p> <p>The Deposit Notes are Canadian dollar deposits. All amounts owing on the Deposit Notes will be paid in Canadian dollars.</p>
Payment at Maturity:	<p>Subject to the occurrence of certain special circumstances, for each Deposit Note held at Maturity, an investor will receive (i) the Deposit Amount, and (ii) a Variable Return, if any, based on the price performance of the Reference Basket.</p> <p>More specifically, the Variable Return per Deposit Note, if any, is \$100.00 multiplied by 215% of the average (if positive) of the percentage changes of the Closing Prices (as defined in the Information Statement) of the securities comprising the Reference Basket (the “Securities”) from the Closing Date to and including the fifth business day prior to Maturity (the “Final Valuation Date”) (the “Variable Return”). If the percentage change in the Closing Price of one or more of the Securities is zero or negative, this will offset positive percentage changes in the Closing Prices of other Securities, potentially resulting in no Variable Return being payable. The Variable Return, if any, will not reflect any dividends or distributions declared on the Securities. Beneficial holders of Deposit Notes (each a “Holder”) cannot elect to receive any payments prior to Maturity. No Variable Return or distributions will be paid during the term of the Deposit Notes. See “Note Program — Maturity Payment” and “Note Program — Variable Return”.</p>
The Reference Basket:	The price performance of the Reference Basket will determine the amount of Variable Return, if any, an investor will receive at Maturity. The Reference Basket will consist of an equally-weighted notional portfolio of Securities consisting of common shares and units, as applicable, of the following 7 Canadian TSX-listed issuers listed below (collectively, the “Companies”):

BCE Inc.	The Bank of Nova Scotia	Canadian Imperial Bank of Commerce
Emera Inc.	Enbridge Inc.	Power Corporation of Canada
Telus Corporation		

The relative value of the Securities will change after the Closing Date based on changes to their Closing Prices. The Securities may change in certain circumstances. See “Special Circumstances”.

The Reference Basket is notional only, meaning that the Securities will be used solely as a reference to calculate the amount payable on the Deposit Notes at Maturity. Holders will not have, and the Deposit Notes do not represent, any direct or indirect ownership of, or entitlement to, the Securities or the Reference Basket. As such, Holders will not have the rights and benefits of a security holder who has invested directly in the Securities, including any right to receive dividends or distributions or to vote at or attend meetings of security holders. All actions (e.g., purchases, sales and liquidations, etc.) taken in connection with the Reference Basket are notional actions only. As of February 9, 2023, the Securities have an average dividend or distribution yield of 5.55%. As of February 9, 2023, the 7 Canadian TSX-listed Companies had an average market capitalization of approximately \$54.81 billion. (*Source: Bloomberg*).

Fees and Expenses of the Offering:

A fee of \$3.50 (3.50% of the Subscription Price) per Deposit Note will be paid out of the proceeds of this offering to BMO Nesbitt Burns Inc. for its services as selling agent (the “Selling Agent”). The Selling Agent will pay all or a portion of this fee to sub-agency groups including other qualified selling members for selling the Deposit Notes.

No annual fees will be charged to the Reference Basket. See “Fees and Expenses of the Offering”.

Listing and Secondary Market:

The Deposit Notes will not be listed on any stock exchange or marketplace. Moreover, Bank of Montreal does not have the right to redeem (that is, buy or repay) the Deposit Notes prior to Maturity and Holders do not have the right to require Bank of Montreal to redeem the Deposit Notes prior to Maturity. However, BMO Capital Markets will use reasonable efforts, under normal market conditions, to arrange for a secondary market for the sale of Deposit Notes through the order entry system operated by Fundserv, but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders. This secondary market is available only for Deposit Notes purchased using the Fundserv network and is the only way that Holders can sell their Deposit Notes prior to Maturity. The sale of Deposit Notes using the Fundserv network carries certain restrictions, including selling procedures that require an irrevocable sale order to be initiated at a price that will not be known prior to placing such sale order. The price that BMO Capital Markets will pay to a Holder prior to Maturity will be determined by BMO Capital Markets, acting in its sole discretion, and will be based on factors described under “Secondary Market”.

The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the secondary market price of a Deposit Note. In particular, Holders should realize that any trading price for the Deposit Notes (a) may have a non-linear sensitivity to the increases and decreases in the Closing Prices of the Securities (i.e., the trading price of a Deposit Note will increase and decrease at a different rate compared to the percentage increases and decreases in the Closing Prices of

the Securities); and (b) may be substantially affected by changes in interest rates independent of the price performance of the Reference Basket. If a Holder sells such Holder's Deposit Notes prior to Maturity, such Holder may receive less than the Deposit Amount even if the price performance of the Reference Basket has been positive, and as a result, such Holder may suffer losses.

If a Holder sells a Deposit Note within the first 360 days from the Closing Date, the proceeds from the sale of the Deposit Note will be reduced by an early trading charge that will be equal to the applicable percentage of the Deposit Amount, as set out in the table below. See "Secondary Market".

If Sold Within	Early Trading Charge
0 - 60 days	4.50 %
61 - 120 days	3.75 %
121 - 180 days	3.00 %
181 - 240 days	2.25 %
241 - 300 days	1.50 %
301 - 360 days	0.75 %
Thereafter	Nil

BMO Capital Markets is under no obligation to facilitate or arrange for a secondary market, and such secondary market, if commenced, may be suspended at any time at the sole discretion of BMO Capital Markets, without notice to you. If there is no secondary market, a Holder will not be able to sell such Holder's Deposit Notes. The Deposit Notes are intended to be instruments held to Maturity with their principal being payable on the Maturity Date. A Holder should consult such Holder's financial advisor on whether it would be more favourable in the circumstances at any time to sell the Deposit Notes on the secondary market, if available, or hold the Deposit Notes until Maturity.

Suitability and Appropriateness for Investment:

The Deposit Notes may be a suitable and appropriate investment for investors who are prepared to:

- invest for the medium term;
- receive the Deposit Amount only at Maturity;
- receive a return at Maturity that (i) is based on the price performance of the Reference Basket and is not based on a fixed, floating or other specified interest rate, (ii) is uncertain until the Final Valuation Date, and (iii) may be zero;
- waive the aggregate dividend or distribution yield provided by the Securities, representing approximately 34.60% over the 5.5-year term of the Deposit Notes, assuming the average dividend or distribution yield of the Securities remains constant at 5.55% each year and assuming dividends and distributions are reinvested in the Securities; and
- accept the risks described in this Information Statement, including the risks associated with the price performance of the Reference Basket.

A prospective investor should make a decision to invest in the Deposit Notes after carefully considering, with such prospective investor's advisors, the

suitability of this investment in light of such prospective investor's investment objectives and the information in this Information Statement. See "Suitability and Appropriateness for Investment".

Risk Factors:

These Deposit Notes may not be suitable for all investors and in deciding whether to invest in Deposit Notes prospective investors should take into account various risks associated with such an investment. The following is a summary list of these risks in addition to those described beside the headings "Suitability and Appropriateness for Investment" above and "Consequences of Special Circumstances" below. For a complete description of these risks, please see "Risk Factors" in this Information Statement.

Non-Conventional Deposit Notes

The Deposit Notes are not conventional instruments or debt securities in that they do not provide a Holder with a return or income stream prior to Maturity, or a return at Maturity, that is calculated wholly by reference to a specific fixed or floating rate of interest that can be determined prior to the Final Valuation Date. The return on the Deposit Notes, unlike that on many deposit liabilities of Canadian chartered banks, is uncertain and the Deposit Notes could provide no return.

Variable Return May Not Be Payable

Holders may not receive a Variable Return on their Deposit Notes. Whether Holders receive a Variable Return, and if so, how much of a Variable Return, will depend on the price performance of the Reference Basket as described beside "Payment at Maturity", above.

Variable Return May Be Limited

Since the Variable Return for each Deposit Note, if any, will equal \$100.00 multiplied by 215% of the average (if positive) of the percentage changes in the Closing Prices of the Securities from the Closing Date to and including the Final Valuation Date, a Holder's exposure under the Deposit Notes to the Reference Basket is not the same as an investment in the Securities and therefore the Variable Return that may be payable at Maturity may be less than the return realized from a direct investment in the Securities. If the price performance of one or more of the Securities is zero or negative, this will offset the positive performance of other Securities, potentially resulting in no Variable Return being paid. In addition, the Variable Return that may be paid will not reflect any dividends or distributions declared on the Securities.

Risk Factors Relating to the Securities and the Companies

The Variable Return, if any, payable on the Deposit Notes is based on the price performance of the Reference Basket. Accordingly, certain risk factors applicable to investors who invest directly in the Securities are also applicable to an investment in the Deposit Notes to the extent that such risk factors could adversely affect the price performance of the Reference Basket.

Holders should recognize that it is impossible to know whether the price of the Securities at any time will rise or fall. The price of the Securities will be influenced by the outlook for the applicable Company and by general economic, industry and market trends. These factors are beyond the control of Bank of Montreal. Historical price levels of the Securities should not be considered as an indication of the future performance of the Securities.

This is not a complete description of the risks applicable to the Securities and the Companies. For a description of the risks applicable to the Securities and the Companies, an investor should consult the disclosure documents made publicly available by each Company at www.sedar.com.

None of Bank of Montreal, BMO Capital Markets or their respective affiliates or associates has performed any due diligence investigation or review of any of the Securities or the Companies and information relating to the Securities or the Companies was derived from and based solely upon publicly available sources and its accuracy cannot be guaranteed. Prospective investors should undertake an independent investigation to determine if an investment in the Deposit Notes is suitable for them.

Secondary Trading of Deposit Notes

There is currently no market through which the Deposit Notes may be sold and it is possible that no such market will be arranged. Sale of a Deposit Note prior to Maturity may result in a loss even if the price performance of the Reference Basket has been positive.

Legislative, Regulatory and Administrative Changes

Changes in laws, regulations or administrative practices, including with respect to taxation, could have an impact on Holders.

The Bail-In Regulations, which came into effect in September 2018, prescribe the types of shares and liabilities that will be subject to conversion into common shares of the Bank if it is determined the Bank has ceased to be viable. In general, any senior debt with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and has been assigned a CUSIP or ISIN or similar identification number would be subject to a Bail-In Conversion. Shares, other than common shares, and subordinated debt would also be subject to a Bail-In Conversion, unless they are non-viability contingent capital. However, structured notes meeting the requirements of the Bail-In Regulations will not be subject to a Bail-In Conversion. Accordingly, it is not expected that these Deposit Notes will be subject to a Bail-In Conversion.

Conflicts of Interest

In the course of normal business operations, Bank of Montreal and BMO Capital Markets may hold interests linked to the Companies or enter into other business dealings with these Companies. In addition, BMO Capital Markets, which has undertaken to use reasonable efforts to provide a secondary market, is an affiliate of Bank of Montreal. Conflicts may also arise because Bank of Montreal may engage in trading activities related to the Companies and the Securities that are not for the account of Holders or on their behalf which may present a conflict between the Holders' interest in the Deposit Notes and the interests that Bank of Montreal will have in their proprietary accounts in facilitating transactions. Such trading activities could be adverse to the interests of the Holders. Subsidiaries of Bank of Montreal have published, and in the future expect to publish, research reports with respect to some or all of the Securities. This research is modified from time to time and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Deposit Notes. If Bank of Montreal or BMO Capital Markets take any such actions, Bank of Montreal and BMO Capital Markets will not necessarily take into account the effect, if any, that such actions could have on the Deposit Notes or the Variable Return that may be payable on the Deposit Notes.

Credit Rating

There is no assurance that the Deposit Notes, if rated, would receive the same rating as other deposit liabilities of Bank of Montreal.

Credit Risk

The likelihood that a Holder will receive all the payments owing under the Deposit Notes will depend on the financial health and creditworthiness of Bank of Montreal.

No Deposit Insurance

Unlike conventional bank deposits, the Deposit Notes are not insured under the CDIC Act or any other deposit insurance regime designed to ensure that depositors receive payment of all or a portion of their deposits if the deposit taking financial institution becomes insolvent.

Canadian Investor Protection Fund

There is no assurance that an investment in the Deposit Notes will be eligible for protection under the Canadian Investor Protection Fund.

No Independent Calculation

Bank of Montreal has no obligation to retain an independent person to make or confirm the determinations and calculations made for the Deposit Notes.

No Ownership of the Reference Basket

Holders will have no rights of ownership in the Reference Basket or any Securities. The Deposit Notes do not represent a substitute for an investment in the Securities.

Consequences of Special Circumstances:

In certain circumstances, BMO Capital Markets may, as it determines appropriate, (i) adjust the components or variables in calculating the Variable Return, if any, (ii) defer the timing of the calculation of the Variable Return, if any, (iii) change the Securities, or (iv) on the occurrence of an Extraordinary Event, instead of paying the Variable Return, if any, at Maturity, pay the estimated present value on the occurrence of the Extraordinary Event of the Variable Return, if any, that would have been payable at Maturity if the Extraordinary Event had not occurred. See “Special Circumstances” for a discussion of these circumstances.

Amendments:

Bank of Montreal may amend the terms of the Deposit Notes after they have been issued without the Holders’ consent if Bank of Montreal and BMO Capital Markets agree that the amendment would not materially and adversely affect a Holder’s interests. In all other cases, amendments must be approved by the votes of Holders representing at least two-thirds of the outstanding aggregate Deposit Amounts of the Deposit Notes represented at a meeting held to consider the amendment. See “Description of the Deposit Notes — Amendments to the Global Note”.

Investor’s Right to Cancel:

An investor may cancel an order to purchase a Deposit Note (or cancel its purchase if the Deposit Note has been issued) by providing instructions to Bank of Montreal through such investor’s financial advisor any time up to 48 hours after the later of (i) the day on which the agreement to purchase the Deposit Note is entered into, and (ii) deemed receipt of this Information Statement. See “Description of the Deposit Notes — Investor’s Right to Cancel the Agreement to Purchase a Deposit Note”.

If an investor places an order to purchase a Deposit Note in person or electronically, the agreement to purchase the Deposit Note will be deemed to have been entered into on the third day after the later of (i) the day such purchase order is received, and (ii) five business days after the postmark date, if this Information Statement is provided to such investor by mail, or the date this Information Statement is actually received by such investor, if it is provided other than by mail. If an order to purchase a Deposit Note is received by telephone, the agreement to purchase the Deposit Note will be

deemed to have been entered into at the time such purchase order is received.

Eligibility for Investment:

Unless Canadian law changes, a holder who purchases the Deposit Notes only at the time of issuance (an “Initial Holder”) will be able to hold Deposit Notes in a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account or deferred profit sharing plan (other than a trust governed by a deferred profit sharing plan to which contributions are made by Bank of Montreal or by an employer with which Bank of Montreal does not deal at arm’s length within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”)).

Certain Canadian Federal Income Tax Considerations:

This income tax summary applies to an Initial Holder who is resident in Canada and is subject to the limitations and qualifications set out under “Certain Canadian Federal Income Tax Considerations” in the body of this Information Statement.

In the opinion of Torys LLP, counsel to Bank of Montreal, if an Initial Holder holds Deposit Notes at Maturity, such Initial Holder will be required to include in his or her income the amount, if any, by which the payment at Maturity exceeds the Deposit Amount. Generally, based in part on counsel’s understanding of the Canada Revenue Agency’s administrative practice, an Initial Holder should not have to report any amount in respect of the Variable Return, if any, in his or her tax return for any taxation year ending before the year in which the Deposit Notes mature or are disposed of, as the case may be, provided an Extraordinary Event has not occurred. However, counsel understands that the Canada Revenue Agency is currently reviewing its administrative practice in relation to the relevance of a secondary market for debt obligations such as the Deposit Notes in determining whether there is a deemed accrual of interest on such debt obligations.

Where an Initial Holder assigns or transfers a Deposit Note, the Initial Holder will be required to include in income as accrued interest the amount, if any, by which the price for which the Deposit Note was assigned or transferred exceeds the Deposit Amount. See “Certain Canadian Federal Income Tax Considerations”.

Rank:

The Deposit Notes will rank equally with all other deposit liabilities of Bank of Montreal. See “Description of the Deposit Notes — Rank”.

CDIC:

The Deposit Notes will not constitute deposits that are insured under the CDIC Act or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.

Prospective investors may request information about the Deposit Notes or another copy of this Information Statement by calling BMO Capital Markets at 1-866-864-7760 to speak to someone in English and 1-866-529-0017 to speak to someone in French. A copy of this Information Statement is also posted at www.bmonotes.com.

During the term of the Deposit Notes, Holders may inquire as to the net asset value of the Deposit Notes and the formula for determining the Variable Return under the Deposit Notes by contacting BMO Capital Markets at the above numbers.

DEFINITIONS

In this Information Statement, unless the context otherwise requires:

“\$” means Canadian dollars, unless otherwise specified;

“**Alternate Security**” has the meaning ascribed thereto under “Special Circumstances — Substitution Event”;

“**Bail-In Conversion**” has the meaning ascribed thereto under “Risk Factors – Legislative, Regulatory and Administrative Changes”.

“**Bail-In Regulations**” has the meaning ascribed thereto under “Risk Factors – Legislative, Regulatory and Administrative Changes”.

“**Bank Act**” means the *Bank Act* (S.C. 1991, c.46), as amended;

“**BMO Capital Markets**” means collectively, BMO Nesbitt Burns Inc. and any of its affiliates;

“**Book-Entry System**” means the record entry securities transfer and pledge system established and governed by one or more agreements between CDS and CDS Participants pursuant to which the operating rules and procedures for such system are established and administered by CDS, including in relation to CDS;

“**Business Day**” means any day (other than a Saturday or a Sunday or a statutory holiday) on which commercial banks are open for business in Toronto, Ontario;

“**Calculation Agent**” means BMO Capital Markets or a third party appointed by BMO Capital Markets to act as calculation agent for the Note Program;

“**CDIC Act**” means the *Canada Deposit Insurance Corporation Act* (R.S.C., 1985, c. C-3), as amended;

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee;

“**CDS Participant**” means a broker, dealer, bank or other financial institution or other person for whom CDS effects book-entry transfers and pledges of Deposit Notes under the Book-Entry System;

“**Closing Date**” means on or about March 10, 2023;

“**Closing Price**” means, in respect of a Security, the official closing price of that Security as announced by the relevant Exchange, provided that, if on or after the Closing Date such Exchange materially changes the time of day at which such official closing price is determined or fails to announce such official closing price, the Calculation Agent may thereafter deem the Closing Price to be the price of that Security as of the time of day used by such Exchange to determine the official closing price prior to such change or failure to announce;

“**Companies**” means the issuers of the common shares and units, as applicable, notionally comprising the Reference Basket, and each is a “Company”. Except as described under “Special Circumstances — Substitution Event”, the following 7 Canadian TSX-listed issuers constitute the Companies whose Securities comprise the Reference Basket (the TSX ticker symbols for the Securities of the respective Companies are also listed below):

Company	Symbol
BCE Inc.	BCE
The Bank of Nova Scotia	BNS
Canadian Imperial Bank of Commerce	CM
Emera Inc.	EMA
Enbridge Inc.	ENB
Power Corporation of Canada	POW
Telus Corporation	T

“**CRA**” means the Canada Revenue Agency;

“**Custodian**” means Bank of Montreal or a person appointed by Bank of Montreal;

“**DBRS**” means DBRS Limited;

“Deposit Amount” means \$100.00 per Deposit Note;

“Deposit Notes” means the Bank of Montreal Canadian Equity Principal Protected Deposit Notes, Series 359 issued by Bank of Montreal;

“Early Trading Charge” means the early trading charge per Deposit Note, if any, described under “Secondary Market”;

“Exchange” means (i) in respect of a Security other than an Alternate Security, the exchange or trading system identified under “The Reference Basket” and (ii) in respect of an Alternate Security, the primary exchange or trading system on which such Alternate Security is listed as determined by the Manager; provided in each case that if the Manager, acting in its sole and absolute discretion, determines that such exchange or trading system is no longer the primary exchange for the trading of that Security or Alternate Security, the Manager may designate another exchange or trading system as the Exchange for such Security or Alternate Security;

“Exchange Business Day” means, in respect of a Security, any Business Day which is also an Exchange Day on which the Exchange and each Related Exchange for that Security are open for trading;

“Exchange Day” means, in respect of a Security, any day on which the Exchange and each Related Exchange for that Security are scheduled to be open for trading during their respective regular trading sessions;

“Extraordinary Event” has the meaning ascribed thereto under “Special Circumstances — Extraordinary Event”;

“Extraordinary Event Notification Date” has the meaning ascribed thereto under “Special Circumstances — Extraordinary Event”;

“Final Price” means, in respect of a Security, the Closing Price of that Security on the Final Valuation Date, provided that, if the Final Valuation Date is not an Exchange Business Day in respect of that Security, then the Final Price in respect of that Security means the Closing Price of that Security on the first following Exchange Business Day, and subject further to the provisions set out under “Special Circumstances — Market Disruption Event”;

“Final Valuation Date” means the date that is five Business Days prior to the Maturity Date or, if such Business Day is not an Exchange Business Day, the first following Exchange Business Day, subject to the provisions set out under “Special Circumstances — Market Disruption Event”;

“Fundserv” means Fundserv Inc.;

“Holder” means a beneficial owner of a Deposit Note;

“Initial Holder” means a Holder who purchases the Deposit Notes only at the time of their issuance;

“Initial Price” means, in respect of a Security, the Closing Price of that Security on the Closing Date, provided that, if the Closing Date is not an Exchange Business Day in respect of that Security, then the Initial Price in respect of that Security means the Closing Price of that Security on the first following Exchange Business Day, and subject further to the provisions set out under “Special Circumstances”;

“Manager” means BMO Capital Markets or a person appointed by BMO Capital Markets to act as manager of the Note Program;

“Market Disruption Event” has the meaning ascribed thereto under “Special Circumstances — Market Disruption Event”;

“Maturity” or **“Maturity Date”** means September 11, 2028;

“Merger Event” has the meaning ascribed thereto under “Special Circumstances — Merger Event and Tender Offer”;

“Moody’s” means Moody’s Investors Service Inc.;

“Note Program” means the Bank of Montreal Canadian Equity Principal Protected Deposit Notes, Series 359 note program administered by BMO Capital Markets;

“Number of Securities” means, for any Security in the Reference Basket, the number of shares notionally held in the Reference Basket at the relevant time. The “Number of Securities” will be adjusted to reflect the reinvestment of any net dividends or other distributions received on a Security as of the applicable distribution date. The reinvestment of net dividends within the Reference Basket will increase the “Number of Securities” for that Security by adjusting the number of shares proportionately to the amount of such distribution to the post-distribution Closing Price on the ex-dividend or ex-distribution date. As such, Holders will be credited the value of any net dividends with a record date from (but excluding) the Closing Date to (and including) the Final Valuation Date;

“Offering” means the offering of the Deposit Notes to prospective investors under this Information Statement;

“Participation Rate” means 215%;

“Potential Adjustment Event” has the meaning ascribed thereto under “Special Circumstances — Potential Adjustment Event”;

“Reference Basket” means the equally-weighted notional portfolio of Securities in which the Note Program has a notional investment;

“Reference Basket Return” means the greater of (i) the simple average of the Security Returns for each Security in the Reference Basket rounded to two decimal places, and (ii) zero;

“Related Exchange” means, in respect of a Security, any exchange or trading system on which futures or options relating to that Security are listed from time to time;

“S&P” means Standard & Poor's Financial Services LLC;

“Securities” means collectively, the common shares and units, as applicable of the Companies notionally comprising the Reference Basket and each is a “Security”, subject to the provisions set out under “Special Circumstances”;

“Security Return” means, in respect of a Security, the number (expressed as a percentage and rounded to two decimal places) calculated as follows:

$$\text{Security Return} = \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}};$$

“Selling Agent” means BMO Nesbitt Burns Inc.;

“Subscription Price” means \$100.00 per Deposit Note;

“Substitution Event” has the meaning ascribed thereto under “Special Circumstances — Substitution Event”;

“Tax Act” means *the Income Tax Act* (Canada);

“Tender Offer” has the meaning ascribed thereto under “Special Circumstances — Merger Event and Tender Offer”;

“TSX” means the Toronto Stock Exchange;

“U.S. Securities Act” means the United States Securities Act of 1933, as amended;

“Value of the Reference Basket” means, on any Business Day after the Closing Date, the sum of the products obtained by multiplying the Closing Prices of the Securities in the Reference Basket, as applicable, by the corresponding Number of Securities of the relevant Companies;

“Variable Return” means, on a per Deposit Note basis, the amount equal to the following formula, provided that the Variable Return shall not be less than zero:

$$\text{Variable Return} = \text{Deposit Amount} \times \text{Participation Rate} \times \text{Reference Basket Return}; \text{ and}$$

“Variable Return Early Payment Amount” has the meaning ascribed thereto under “Special Circumstances — Extraordinary Event”.

NOTE PROGRAM

The Note Program provides investors with an entitlement to payment per Deposit Note of (i) the Deposit Amount at Maturity, and (ii) a Variable Return, if any, at Maturity based on the price performance of the Reference Basket. See “Maturity Payment”, “Variable Return” and “Special Circumstances”.

Maturity Payment

The Deposit Notes will mature on the Maturity Date. At Maturity, each Holder will be entitled to receive the Deposit Amount of \$100.00 per Deposit Note, regardless of the price performance of the Reference Basket. A Holder will also be entitled to receive the Variable Return, if any, at Maturity as discussed below.

Variable Return

The Variable Return, if any, payable on the Maturity Date will be based on the Security Returns of the Securities (which will exclude any dividends or distributions declared on the Securities). The Security Return for a Security is the percentage change in the Closing Price of the Security from the Closing Date to the Final Valuation Date and will be determined by the Calculation Agent in accordance with the methodology described below. The Securities comprising the Reference Basket will be equally-weighted on the Closing Date but their relative value will fluctuate after that date based on changes to their Closing Prices.

The Variable Return, if any, will be payable in an amount per Deposit Note equal to the result obtained using the following formula:

$$\text{Variable Return} = \text{Deposit Amount} \times \text{Participation Rate} \times \text{Reference Basket Return}$$

The formula above provides for a Variable Return, if any, equal to the Deposit Amount multiplied by 215% of the Reference Basket Return. The Reference Basket Return is the simple average (if positive) of the Security Returns of each of the Securities. Accordingly, a Holder may not receive any Variable Return. No Variable Return will be payable unless the Reference Basket Return is greater than zero. A Holder should be aware that the Variable Return will not take into account any dividends or distributions paid on the Securities.

The amount of the Variable Return, if any, will be payable on the Maturity Date unless the Final Valuation Date is postponed to a later date due to a Market Disruption Event or the Variable Return Early Payment Amount is determined and paid due to an Extraordinary Event as described under “Special Circumstances”.

Variable Return Examples

The following examples are included for illustration purposes only. The Security Returns used to illustrate the two different scenarios are hypothetical and are not estimates or forecasts of expected changes in the Closing Prices of the Securities from the Closing Date to and including the Final Valuation Date. Each of the scenarios refers to a Holder holding a single Deposit Note and assumes that no Extraordinary Event, Market Disruption Event, Potential Adjustment Event or Substitution Event has occurred. The calculation of the Variable Return would involve determining (i) the Security Return for each Security by comparing the Final Price of the Security to the Initial Price of the Security, and (ii) a Reference Basket Return equal to the greater of (a) the simple average of the Security Returns for each Security and (b) zero. The Variable Return, if any, will be equal to the Deposit Amount multiplied by 215% of the Reference Basket Return.

Scenario 1 – Negative Return Example

<u>Company</u>	<u>Initial Price</u>	<u>Final Price</u>	<u>Security Return</u>
BCE Inc.	\$58.94	\$45.49	-22.81%
The Bank of Nova Scotia	\$78.77	\$53.55	-32.02%
Canadian Imperial Bank of Commerce	\$133.00	\$110.26	-17.10%
Emera Inc.	\$47.85	\$41.57	-13.12%
Enbridge Inc.	\$53.17	\$45.26	-14.88%
Power Corporation of Canada	\$35.81	\$29.32	-18.13%
Telus Corporation	\$27.30	\$21.31	-21.95%

Reference Basket Return = -20.00%

Variable Return = Deposit Amount × Participation Rate × Reference Basket Return

= \$100.00 × 215% × 0%

= \$0.00

In the example above, the Reference Basket Return is negative. As a result, the Variable Return is zero and a Holder would not receive any Variable Return at Maturity but would receive the Deposit Amount of \$100.00 per Deposit at Maturity.

Scenario 2 – Positive Return Example

<u>Company</u>	<u>Initial Price</u>	<u>Final Price</u>	<u>Security Return</u>
BCE Inc.	\$58.94	\$66.48	12.81%
The Bank of Nova Scotia	\$78.77	\$91.38	16.02%
Canadian Imperial Bank of Commerce	\$133.00	\$169.04	27.10%
Emera Inc.	\$47.85	\$53.52	11.85%
Enbridge Inc.	\$53.17	\$62.66	17.85%
Power Corporation of Canada	\$35.81	\$46.71	30.45%
Telus Corporation	\$27.30	\$29.45	7.86%

Reference Basket Return = 17.70%

Variable Return = Deposit Amount × Participation Rate × Reference Basket Return

= \$100.00 × 215% × 17.70%

= \$38.06

In the example above, a Holder would receive a Variable Return of \$38.06, representing a cumulative return of 38.06% and an annually compounded rate of return of 6.04%. In addition, at Maturity, a Holder would receive the Deposit Amount of \$100.00 per Deposit Note.

SECONDARY MARKET

The Deposit Notes will not be listed on any stock exchange or marketplace. Moreover, Bank of Montreal does not have a right to redeem the Deposit Notes prior to Maturity and a Holder may not require Bank of Montreal to redeem the Deposit Notes prior to Maturity. However, Deposit Notes purchased using the Fundserv network may be “redeemed” using that network on a daily basis. Any such redemption would actually be a sale to BMO Capital Markets in the secondary market. BMO Capital Markets will use reasonable efforts, under normal market conditions to arrange for a secondary market for the sale of Deposit Notes by Holders to BMO Capital Markets through the order entry system operated by Fundserv, but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders.

In order to sell a Deposit Note in the secondary market, if available, a Holder must arrange through his or her financial advisor to give notice to BMO Capital Markets either in writing or electronically through Fundserv’s investment fund transaction processing system. The sale of Deposit Notes using the Fundserv network carries certain restrictions, including selling procedures that require an irrevocable sale order to be initiated at a price that will not be known prior to placing such sale order. See “Fundserv — Sale of Fundserv Notes”. However, BMO Capital Markets is under no obligation to facilitate or arrange for such a secondary market, and such secondary market, when commenced, may be suspended at any time at the sole discretion of BMO Capital Markets, without notice. Therefore, there can be no assurance that a secondary

market will be available or that such market will be liquid or sustainable. See also “Fundserv” below for details in respect of secondary market trading where the Deposit Notes are held through dealers and other firms that are on the Fundserv network. The sale of a Deposit Note to BMO Capital Markets will be effected at a price equal to (i) the bid price for the Deposit Note, determined by BMO Capital Markets in its sole discretion, minus (ii) any applicable Early Trading Charge as set out below.

The Deposit Notes are intended to be instruments held to Maturity with their principal being payable on the Maturity Date. As a result, sale of the Deposit Notes prior to the Maturity Date may result in a bid price that is less than the Deposit Amount of the Deposit Notes. The bid price of a Deposit Note at any time will be determined by BMO Capital Markets, acting in its sole and absolute discretion, and will be dependent upon a number of factors, which may include, among other things: (i) whether the Closing Prices of Securities have increased or decreased since the Closing Date and by how much; (ii) the fact that Holders will receive the Deposit Amount on the Maturity Date regardless of the Closing Price or performance of any Security at any time and the aggregate performance of the Securities up to such time; and (iii) a number of other interrelated factors, including, without limitation, the correlation and volatility of the prices of the Securities, prevailing interest rates, the dividend and distribution yields of the Securities and the time remaining to the Maturity Date. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Deposit Note. In particular, Holders should realize that any trading price for a Deposit Note: (a) may have a non-linear sensitivity to the increases and decreases in the Closing Prices of the Securities (i.e., the trading price of a Deposit Note will increase and decrease at a different rate compared to the percentage increases and decreases in the Closing Prices of the Securities); and (b) may be substantially affected by changes in interest rates independent of the price performance of the Reference Basket.

If a Holder sells a Deposit Note within the first 360 days from the Closing Date, the proceeds from the sale of the Deposit Note will be reduced by an Early Trading Charge that will be equal to the applicable percentage of the Deposit Amount, as set out in the following table:

If Sold Within	Early Trading Charge
0 - 60 days	4.50 %
61 - 120 days	3.75 %
121 - 180 days	3.00 %
181 - 240 days	2.25 %
241 - 300 days	1.50 %
301 - 360 days	0.75 %
Thereafter	Nil

A Holder should be aware that any valuation price for the Deposit Notes appearing in his or her periodic investment account statements, as well as any bid price quoted to the Holder to sell his or her Deposit Notes, within the first 360 days from the Closing Date, will be before the application of any applicable Early Trading Charge. A Holder wishing to sell a Deposit Note prior to Maturity should consult his or her financial advisor on whether a sale of the Deposit Note will be subject to an Early Trading Charge and, if so, the amount of the Early Trading Charge. If a Holder sells his or her Deposit Notes prior to Maturity, such Holder may receive less than the Deposit Amount even if the price performance of the Reference Basket has been positive, and as a result, such Holder may suffer losses.

A Holder will not be able to redeem or sell a Deposit Note prior to Maturity other than through the secondary market, if available, provided by BMO Capital Markets.

A Holder should consult his or her financial advisor on whether it would be more favourable in the circumstances at any time to sell the Deposit Notes in a secondary market, if available, or hold the Deposit Notes until the Maturity Date.

Bank of Montreal, BMO Capital Markets or any of their respective affiliates, associates or successors, may at any time, subject to applicable laws, purchase Deposit Notes at any price in the open market or by private agreement.

SPECIAL CIRCUMSTANCES

Determinations of the Calculation Agent and Manager

All calculations and determinations in respect of the Deposit Notes made by the Calculation Agent or the Manager will, absent manifest error, be final and binding on Bank of Montreal and the Holders. The Calculation Agent will not be responsible for its errors or omissions if made in good faith, except in the case of its negligence or willful misconduct.

In certain circumstances, if a calculation or determination contemplated to be made by the Calculation Agent in respect of the Deposit Notes involves the application of material discretion or is not based on information or calculation methodologies compiled or utilized by, or derived from, independent third party sources, Bank of Montreal may appoint one or more calculation experts to confirm such calculation or determination.

Potential Adjustment Event

Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below) in respect of Securities of the Company that are in the Reference Basket at the time of such declaration, the Calculation Agent, acting in its sole and absolute discretion, will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Securities and, if so, will (i) make the corresponding adjustments, if any, to any one or more of the Closing Price of such Security on the Closing Date, the formula for calculating the Security Return of such Security, or any other component or variable relevant to the determination of the Variable Return as the Calculation Agent, acting in its sole and absolute discretion, determines appropriate to account for the diluting or concentrative effect and (ii) determine the effective date of the adjustments. The Calculation Agent may, but need not, determine any appropriate adjustments by reference to the adjustments in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Security traded on such options exchange. Unless expressly provided below, the Calculation Agent will make no adjustment in respect of any distribution of cash. "Potential Adjustment Event" means, in respect of a Security, the occurrence of any of the following events, as determined by the Calculation Agent, acting in its sole and absolute discretion:

- (a) a subdivision, consolidation or reclassification of the relevant Securities (unless resulting in a Merger Event), or a free distribution or dividend of any such Securities to existing holders thereof by way of bonus, capitalization or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Securities of (i) such Securities, or (ii) other share capital or securities granting the right to payment of dividends, distributions and/or the proceeds of liquidation of the applicable Company equally or proportionately with such payments to holders of such Securities, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the applicable Company as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend or distribution paid by the applicable Company in respect of such Securities (where the characterization of a dividend or distribution as "extraordinary" will be determined by the Calculation Agent);
- (d) a call by the applicable Company in respect of the relevant Securities that are not fully paid;
- (e) a repurchase by the applicable Company or any of its subsidiaries of the relevant Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or a combination of cash and securities (other than a repurchase which constitutes a Tender Offer (as defined below));
- (f) in respect of the applicable Company, an event that results in any shareholder or unitholder rights, as applicable, being distributed or becoming separated from units, common shares or other securities of the capital stock of such Company pursuant to a shareholder or unitholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred shares, warrants, debt instruments or share or unit rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event will be readjusted upon any redemption or exercise of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Securities.

Merger Event and Tender Offer

On or after a Merger Date or Tender Offer Date (each as defined below), the Calculation Agent (i) will (A) make adjustment(s), if any, to any one or more of the Closing Price of the relevant Security, the formula for calculating the Security Return of such Security, or any other component or variable relevant to the determination of the Variable Return as the Calculation Agent, acting in its sole and absolute discretion, determines appropriate to account for the economic effect on the Deposit Notes of the relevant Merger Event or Tender Offer, which may, but need not, be determined by reference to the adjustments made in respect of such Merger Event or Tender Offer by an options exchange to options on the relevant Securities traded on such options exchange and (B) determine the effective date of the adjustments, or (ii) if the Calculation Agent determines that no adjustments that it could make under (i) will produce a commercially reasonable

result, may deem the relevant Merger Event or Tender Offer to be a Substitution Event subject to the provisions of “Substitution Event” below.

“Merger Event” means, in respect of a Security, any (i) reclassification, reorganization, consolidation or change of the relevant Securities that results in a transfer of or an irrevocable commitment to transfer all of such Securities outstanding to another entity or person, (ii) statutory arrangement, consolidation, amalgamation, merger or binding security exchange of the relevant Company with or into another entity or person (other than a statutory arrangement, consolidation, amalgamation, merger or binding security exchange in which such Company is the continuing entity and which does not result in a reclassification, reorganization, consolidation or change of all of such Securities outstanding), (iii) takeover bid (within the meaning of applicable securities laws), tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Securities of such Company that results in a transfer of or an irrevocable commitment to transfer all such Securities (other than such Securities owned or controlled by such other entity or person), (iv) statutory arrangement, consolidation, amalgamation, merger or binding security exchange of such Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification, reorganization, consolidation or change of all such Securities outstanding but results in the outstanding Securities (other than Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Securities immediately following such event (commonly referred to as a “reverse merger”), or (v) sale of all or substantially all assets of the Company (or any lease, long term supply agreement or other arrangement having the same economic effect as a sale of all or substantially all assets in the Company) in each case if the Merger Date is on or before the date on which the return of such Security is determined.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Tender Offer” means, in respect of a Security, a takeover bid (within the meaning of applicable securities laws), tender offer, exchange offer, solicitation, proposal or other event by any entity or person (including, for greater certainty, an issuer bid) that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 20% and less than 100% of the outstanding relevant Securities of the applicable Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Tender Offer Date” means, in respect of a Tender Offer, the date on which the relevant Securities in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

Substitution Event

Upon the Calculation Agent becoming aware of the occurrence of a Substitution Event (as defined below) in respect of a Security or Securities (the “Substituted Security”), the following will apply, effective on a date (the “Substitution Date”) as determined by the Calculation Agent, acting in its sole and absolute discretion:

- (a) any adjustments set out in “Potential Adjustment Event” above in respect of such Security will not apply;
- (b) the Calculation Agent may choose (in its sole and absolute discretion) a new security (the “Alternate Security”) of a large issuer listed on a major exchange or market quotation system as a substitute for such Substituted Security;
- (c) such Substituted Security will be deleted from the Reference Basket and will not be considered as a Security for purposes of determining the Variable Return payable on or after the Substitution Date;
- (d) the Alternate Security will be a Security, the issuer of such Alternate Security will be the Company in respect of such Alternate Security, and the primary exchange or market quotation system on which such Alternate Security is listed will be the Exchange in respect of such Alternate Security; and
- (e) the Calculation Agent, acting in its sole and absolute discretion, will determine the Closing Price of such Alternate Security by taking into account all relevant market circumstances, including the Closing Price of such Substituted Security and the Closing Price or estimated value on the Substitution Date of the Substituted Security and the Closing Price on the Substitution Date of the Alternate Security, and will make adjustments, if any, to any one or more of the formula for calculating the return of such Alternate Security, or any other component or variable relevant to the determination of the Variable Return as the Calculation Agent, acting in its sole and absolute discretion, determines appropriate to account for the economic effect on the Deposit Notes of the relevant Substitution Event (including adjustments to account for changes in volatility, expected dividends or distributions, stock loan rate or liquidity relevant to the applicable substitution).

Upon choosing an Alternate Security, the Calculation Agent will promptly give details of such substitution and brief details of the Substitution Event to Holders or their agents. For greater certainty, the Alternate Security chosen by the Calculation Agent may be any security of a large issuer, including any securities of an issuer that was the continuing entity in respect of a Merger Event. The Calculation Agent may decide not to choose an Alternate Security as a substitute for a Substituted Security if the Calculation Agent, acting in its sole and absolute discretion, determines that there are no appropriate securities of a large issuer listed on a major exchange or market quotation system which offer sufficient liquidity in order for a party to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such securities or to realize, recover or remit the proceeds of any such hedge transaction. See “Special Circumstances — Extraordinary Event” below.

“Substitution Event” means, in respect of a Security, any Company Event, Nationalization, Insolvency or Delisting in respect of such Security, or any Merger Event or Tender Offer in respect of such Security that is deemed by the Calculation Agent to be a Substitution Event, in its sole and absolute discretion, or the occurrence and continuation for at least four consecutive applicable Exchange Days of a Market Disruption Event (as defined below) in respect of such Security.

“Company Event” means, in respect of a Security, any one or more events, as a result of which, (i) a significant portion of the securities of the applicable Company are eliminated or materially varied, (ii) all or a significant portion of the property of the applicable Company ceases to be owned by the Company, or (iii) the applicable Company becomes two or more entities (one of which may be the Company), including as a result of a split or division of the Company.

“Nationalization” means, in respect of a Security, that all or substantially all of such Securities or all or substantially all of the assets of the applicable Company are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.

“Insolvency” means, in respect of a Security, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the applicable Company, (i) all the relevant Securities of such Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Securities of such Company become legally prohibited from transferring them.

“Delisting” means, in respect of a Security, that the relevant primary exchange announces that pursuant to the rules of such exchange, the Securities cease (or will cease) to be listed, traded or publicly quoted on such exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such exchange.

Market Disruption Event

If the Calculation Agent, acting in its sole and absolute discretion, determines that a Market Disruption Event (as defined below) in respect of a Security has occurred and is continuing on any day that but for that event would be the Final Valuation Date in respect of such Security, then the Variable Return will be calculated (and the applicable Closing Price will be determined) on the basis that the Final Valuation Date will be postponed to the next Exchange Business Day on which there is no Market Disruption Event in effect in respect of such Security.

However, there will be a limit for postponement of the Final Valuation Date. If on the eighth (8th) Exchange Day following the date originally scheduled as the Final Valuation Date, the Final Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event in respect of such Security on or after such eighth (8th) Exchange Business Day:

- (i) such eighth (8th) Exchange Business Day will be the Final Valuation Date in respect of such Security, and
- (ii) the value of such Security for the purpose of calculating the Value of the Reference Basket will be a value equal to the most recent Closing Price available for such Security.

A Market Disruption Event may delay the determination of the Security Return of a Security and consequently the calculation of the Variable Return that may be payable. Where there has been a Market Disruption Event, payment of the Variable Return will be made on the third Business Day following the valuation of the Reference Basket.

“Market Disruption Event” means, in respect of a Security, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of Bank of Montreal or any person that does not deal at arm’s length with Bank of Montreal which (as determined by the Calculation Agent) has or will have a material adverse effect on the ability of a party to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such Security or to realize, recover or remit the proceeds of any such hedge transaction. A Market Disruption Event may include, without limitation, any of the following events:

- (a) any failure of trading to commence, or the permanent discontinuation of trading or any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by a relevant Exchange or Related Exchange or otherwise (i) relating to the Securities on the Exchange(s), or (ii) in futures or options contracts relating to the relevant Securities on any relevant Related Exchange;
- (b) the closure on any Exchange Business Day of a relevant Exchange or Related Exchange after it has opened for trading but prior to its scheduled closing time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be submitted for entry in the Exchange or Related Exchange system for execution at the close of trading on such Exchange Business Day;
- (c) any event (other than an event described in (b) above) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) the Securities on a relevant Exchange, or (ii) any futures or options contracts relating to the Securities on a relevant Related Exchange;
- (d) the failure on any Exchange Day of the relevant Exchange(s) of the relevant Securities or any Related Exchange to open for trading during its regular trading session;
- (e) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or notice, howsoever described, or order of any court or other governmental or regulatory authority, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event which has or would have a material adverse effect on a securityholder of a Company or on Bank of Montreal's ability to perform its obligations under the Deposit Notes or in respect of any hedge transaction established in connection with a Security;
- (f) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, that (as determined by the Calculation Agent) has a material adverse effect on the financial markets of Canada or of a country in which a relevant Exchange or Related Exchange is located;
- (g) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) that (as determined by the Calculation Agent) has or would have a material adverse effect on the ability of Bank of Montreal to perform its obligations under the Note Program or of dealers generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such Security or to realize, recover or remit the proceeds of any such hedge transaction in respect of such Security or has or would have a material adverse effect on the economy of Canada or of a country in which a relevant Exchange or Related Exchange is located or the trading of securities generally on any relevant Exchange or Related Exchange; or
- (h) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying, unwinding or disposing of any hedge transaction in connection with a Security or in the cost of realizing, recovering or remitting the proceeds of any such hedge transaction.

Extraordinary Event

If the Calculation Agent determines in its sole and absolute discretion that a Market Disruption Event in respect of a Security has occurred and has continued for at least ten (10) consecutive applicable Exchange Days or that any other Substitution Event in respect of a Security has occurred, the Calculation Agent may decide not to choose an Alternate Security as a substitute for such Security. The decision not to choose an Alternate Security in such circumstances (an "Extraordinary Event") may be made if the Calculation Agent has determined that there are no appropriate securities of a large issuer listed on a major exchange or market quotation system that offers sufficient liquidity in order for the Calculation Agent to (A) acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such securities or (B) realize, recover or remit the proceeds of any hedge transaction. If an Extraordinary Event occurs, the Calculation Agent may, upon notice to the Holders to be given effective on an applicable Exchange Day (the "Extraordinary Event Notification Date"), elect to estimate the present value, which may be nil, as of the Extraordinary Event Notification Date (the "Variable Return Early Payment Amount"), taking into account all relevant market circumstances, including the most recent Closing Prices of the Securities, of a right to receive payment of any Variable Return that, but for such occurrence of the Extraordinary Event, would have been payable on the Maturity Date.

Upon the Calculation Agent making such an election, the following consequences will arise as of the Extraordinary Event Notification Date:

- (i) any Variable Return that may otherwise be payable by Bank of Montreal will not be calculated in accordance with the provisions set out in “Note Program — Variable Return” above;
- (ii) the Variable Return Early Payment Amount, if any, will be determined as of the Extraordinary Event Notification Date, whether or not any Extraordinary Event is continuing on such date; and
- (iii) Bank of Montreal shall be discharged of all its obligations in respect of any Variable Return.

Payment of the Variable Return Early Payment Amount, if any, will be made on the tenth (10th) Business Day after the Extraordinary Event Notification Date. Upon such payment, the Holder’s right to receive any Variable Return per Deposit Note will be extinguished.

In these circumstances, payment of the Deposit Amount will not be accelerated and will remain due and payable only on the Maturity Date. The Variable Return Early Payment Amount, if any, will reflect a return to Holders that may be less than the amount of Variable Return that may have been payable absent the occurrence of the relevant Extraordinary Event and the election by Bank of Montreal to pay the Variable Return Early Payment Amount.

FUNDSERV

Holders may purchase Deposit Notes through dealers and other firms that facilitate purchase and related settlement through the order entry system operated by Fundserv. The following information about Fundserv and its network is relevant for such Holders. Holders should consult with their financial advisors as to whether their Deposit Notes have been purchased using the Fundserv network and to obtain further information on Fundserv procedures applicable to those Holders.

Where a Holder’s purchase order for Deposit Notes is effected by a dealer or other firm using the Fundserv network, such dealer or other firm may not be able to accommodate a purchase of Deposit Notes through certain registered plans for purposes of the Tax Act. Holders should consult their financial advisors as to whether their orders for Deposit Notes will be made using the Fundserv network and any limitations on their ability to purchase Deposit Notes through registered plans.

General Information

Fundserv is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products with an online transaction processing system for such financial products, including the Deposit Notes. Fundserv’s network facilitates the matching of orders to settlement instructions, facilitates reconciliation, aggregates and reports net settlement amounts and distributes settlement instructions information to the financial product distribution channel.

Deposit Notes Held Through the Custodian

All Deposit Notes will initially be issued in the form of a fully registered global deposit note (“Global Note”) that will be deposited with CDS. Deposit Notes purchased using the Fundserv network (“Fundserv Notes”) will also be evidenced by the Global Note. Holders holding Fundserv Notes will therefore have an indirect beneficial interest in the Global Note. The Deposit Notes will be recorded in CDS as being held by BMO Capital Markets (as a direct participant in CDS). BMO Capital Markets in turn will hold the Deposit Notes for the Custodian. The Custodian will record or cause to be recorded respective interests in the Fundserv Notes which recordings will be made as instructed by CDS Participants or non-CDS Participants, as the case may be, using the Fundserv network.

Purchase of Fundserv Notes

In order to purchase Fundserv Notes, the aggregate Subscription Price must be delivered to the Selling Agent in immediately available funds prior to the Closing Date. Despite delivery of such funds, the Selling Agent reserves the right not to accept any offer to purchase Fundserv Notes. If the Fundserv Notes are not issued to the subscriber for any reason, such funds will be returned without delay to the subscriber. In any event, whether or not the Fundserv Notes are issued, no interest or other compensation will be paid to the subscriber on such funds.

Sale of Fundserv Notes

A Holder wishing to sell Fundserv Notes prior to Maturity is subject to certain procedures and limitations. Any Holder wishing to sell a Fundserv Note should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. A Holder must sell Fundserv Notes by using the “redemption” procedures of Fundserv’s transaction processing system. A sale or redemption of Fundserv Notes through any other means is not possible. Accordingly, a Holder will not be able to negotiate a sale price for Fundserv Notes. Instead, the financial advisor for the Holder will need to initiate an irrevocable request to “redeem” the Fundserv Note in accordance with the then established procedures of Fundserv. Generally, this will mean the financial advisor will need to initiate the redemption request by 1:00 p.m. (Toronto time, or such other time as may hereafter be established by Fundserv) on a Business Day. Any request received after such time will be deemed to be a request sent and received in respect of the next following Business Day. Sale of a Fundserv Note will be effected at a sale price equal to (i) the bid price for the Fundserv Note determined by BMO Capital Markets, acting in its sole and absolute discretion, minus (ii) any applicable Early Trading Charge. A Holder should be aware of the limitations and restrictions surrounding the secondary market. See “Secondary Market”.

A Holder should also be aware that, although the “redemption” procedures of Fundserv’s transaction processing system would be utilized, the Fundserv Notes of the Holder will actually be sold in the secondary market to BMO Capital Markets. In turn, BMO Capital Markets will be able to deal with such Fundserv Notes in its discretion, including, without limitation, selling those Fundserv Notes to other parties at any price or holding them in its inventory.

Holders should also be aware that from time to time such “redemption” mechanism to sell Fundserv Notes may be suspended for any reason without notice, thus effectively preventing Holders from selling their Fundserv Notes. Potential Holders requiring liquidity should carefully consider this possibility before purchasing Fundserv Notes.

The sale price will actually represent BMO Capital Markets’ bid price for the Deposit Notes (i.e., the price it is offering to purchase Deposit Notes in the secondary market) as of the applicable Business Day, less any applicable Early Trading Charge. There is no guarantee that the sale price for any day is the highest bid price possible in any secondary market for the Deposit Notes, but will represent BMO Capital Markets’ bid price generally available to all Holders as at the relevant close of business, including clients of BMO Capital Markets.

A Holder holding Fundserv Notes should realize that in certain circumstances Fundserv Notes may not be transferable to another dealer, if the Holder were to decide to move his or her investment accounts to such other dealer. In that event, the Holder would have to sell the Fundserv Notes pursuant to the procedures outlined above.

SUITABILITY AND APPROPRIATENESS FOR INVESTMENT

A person should make a decision to invest in the Deposit Notes after carefully considering, with his or her advisors, the suitability of this investment in light of his or her investment objectives and the information in this Information Statement.

The Deposit Notes may be a suitable and appropriate investment for investors who are prepared to:

- invest for the medium term;
- receive the Deposit Amount only at Maturity;
- receive a return at Maturity that (i) is based on the price performance of the Reference Basket and is not based on a fixed, floating or other specified interest rate, (ii) is uncertain until the Final Valuation Date, and (iii) may be zero;
- waive the aggregate dividend or distribution yield provided by the Securities, representing approximately 34.60% over the 5.5-year term of the Deposit Notes, assuming the average dividend or distribution yield on such Securities remains constant at 5.55% each year and assuming dividends and distributions are reinvested in such Securities; and
- accept the risks set out under “Risk Factors”, including the risks associated with the price performance of the Reference Basket.

DESCRIPTION OF THE DEPOSIT NOTES

The following is a summary of the material attributes and characteristics of the Deposit Notes offered hereby. Reference is made to the certificate representing the Global Note referred to below which contains the full text of such attributes and characteristics.

Offering

The Bank of Montreal Canadian Equity Principal Protected Deposit Notes, Series 359 are being issued by Bank of Montreal with a Subscription Price of \$100.00 per Deposit Note and a minimum subscription of \$2,000.00 (20 Deposit Notes). The currency of the Offering is Canadian dollars. The maximum size of the Offering is \$10,000,000.00. Bank of Montreal reserves the right to change the maximum size of the Offering at and in its sole and absolute discretion.

Bank of Montreal is offering the Deposit Notes through Fundserv's transaction processing system. Subscriptions for Deposit Notes may be made using Fundserv's network under the Fundserv code "JHN3034" which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all required documents and satisfaction of closing conditions, if any. Funds in respect of all subscriptions shall be payable at the time of subscription.

A Global Note for the full amount of the issue will be issued in registered form to CDS on the Closing Date. Subject to certain exceptions, certificates evidencing the Deposit Notes will not be available to Holders and registration of ownership of the Deposit Notes will be made through the Book-Entry System of CDS or through Fundserv's transaction processing system, as applicable. The Deposit Notes may not be called for redemption by Bank of Montreal prior to Maturity.

Investors will subscribe for Deposit Notes by placing their orders with the Selling Agent or sub-agency groups including other qualified selling members.

Orders for purchases of Deposit Notes may be accepted in whole or in part, and the right to allot Deposit Notes to investors in an amount less than that subscribed for by the investor is reserved by Bank of Montreal. Bank of Montreal reserves the right to discontinue accepting subscriptions at any time without notice. Bank of Montreal may at any time prior to the Closing Date, in its sole and absolute discretion, elect whether or not to proceed in whole or in part with the issue of the Deposit Notes.

Bank of Montreal may from time to time issue any additional series of notes or any other notes or other debt instruments (which may or may not resemble the Deposit Notes) and offer any such notes or debt instruments concurrently with the Offering.

Maturity Payment

Each Deposit Note will mature on the Maturity Date, on which date the Holder will be entitled to receive, in respect of each Deposit Note, an amount equal to the Deposit Amount plus the Variable Return, if any. If the Maturity Date does not occur on an Exchange Business Day, then the Maturity Date will be deemed to occur on the next following Exchange Business Day and no interest or other compensation will be paid in respect of such postponement. See "Description of the Deposit Notes — Settlement of Payments" below.

The Variable Return, if any, payable to each Holder at Maturity will not affect the right of Holders to receive the Deposit Amount at Maturity.

The Deposit Notes are Canadian dollar deposits. Bank of Montreal will pay all amounts on the Deposit Notes in Canadian dollars.

Variable Return

The Variable Return, if any, payable on the Maturity Date will be determined by the Calculation Agent in accordance with the methodology described under "Note Program — Variable Return".

The amount of the Variable Return, if any, will depend upon the Security Returns of the Securities (which will exclude any distributions or dividends declared on the Securities). There is a possibility that a Holder may not receive any Variable Return. No Variable Return will be payable unless the Reference Basket Return is greater than zero.

The amount of the Variable Return, if any, will be payable on the Maturity Date. However, the timing and manner of determining the Variable Return is affected by the occurrence of certain unusual events. See "Special Circumstances". Generally stated, the Variable Return, if any, will be payable on the Maturity Date, unless the Final Valuation Date is postponed to a later date due to a Market Disruption Event or the Variable Return Early Payment Amount is determined and paid due to an Extraordinary Event, as described under "Special Circumstances".

Rank

The Deposit Notes will constitute direct unconditional obligations of Bank of Montreal. The Deposit Notes will be issued on an unsubordinated basis and will rank equally, as among themselves and with all other outstanding, direct, unsecured and unsubordinated, present and future obligations (except as otherwise prescribed by law) of Bank of Montreal, and will be payable rateably without any preference or priority.

Settlement of Payments

Bank of Montreal will be required to make available to CDS, no later than 10:00 a.m. (Toronto time) on the Maturity Date, funds in an amount sufficient to pay the amounts due on the Maturity Date under the Deposit Notes.

All amounts payable in respect of the Deposit Notes will be made available by Bank of Montreal through CDS or its nominee. CDS or its nominee will, upon receipt of any such amount, facilitate payment to the applicable CDS Participants or credit the respective accounts of such CDS Participants, in amounts proportionate to their respective interests as shown on the records of CDS. The Custodian will facilitate payment to non-CDS Participants (or CDS Participants, if applicable) through Fundserv's transaction processing system or credit the respective accounts of such non-CDS Participants (or CDS Participants, if applicable) in amounts proportionate to their respective interests. See "Description of the Deposit Notes — Custodian".

Bank of Montreal expects that payments by CDS Participants and non-CDS Participants to Holders will be governed by standing instructions and customary practices, as is the case with securities or instruments held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such CDS Participants or non-CDS Participants. The responsibility and liability of Bank of Montreal, except in its capacity as the Custodian, in respect of Deposit Notes represented by a Global Note is limited to making payment of the amounts due in respect of the Global Note to CDS or its nominee. Neither Bank of Montreal, except in its capacity as the Custodian, nor the Manager will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership of the Deposit Notes represented by the Global Note or for maintaining, supervising or reviewing records relating to any such ownership.

Bank of Montreal retains the right, as a condition to payment of amounts at Maturity, to require the surrender for cancellation of any certificate evidencing the Deposit Notes.

Neither Bank of Montreal nor CDS (or any depository) will be bound to see to the execution of any trust affecting the ownership of any Deposit Note or be affected by notice of any equitable interest that may be subsisting with respect to any Deposit Note.

Book-Entry System

Each Deposit Note will generally be represented by a Global Note representing the entire issuance of Deposit Notes. Bank of Montreal will issue Deposit Notes evidenced by certificates in definitive form to a particular Holder only in limited circumstances. Both any certificated Deposit Notes in definitive form and any Global Note will be issued in registered form, whereby Bank of Montreal's obligation will run only to the holder named on the face of such note. Definitive Deposit Notes if issued will name Holders or nominees as the owners of the Deposit Notes, and in order to transfer or exchange these definitive Deposit Notes or to receive payment, the Holders or nominees (as the case may be) must physically deliver the definitive Deposit Notes to Bank of Montreal. A Global Note will name a depository or its nominee as the owner of the Deposit Notes, initially to be CDS. (All references to the Deposit Notes and a Deposit Note contained in this Information Statement will include the Global Note unless the context otherwise requires.) Each Holder's beneficial ownership of Deposit Notes will be shown on the records maintained by the Holder's broker/dealer, bank, trust company or other representative that is a participant in the relevant depository or, in certain cases, on the records maintained by the Custodian, as explained more fully below. Interests of participants will be shown on the records maintained by the relevant depository or on the records maintained by the Custodian.

Global Note

Bank of Montreal will issue the registered Deposit Notes on the Closing Date in the form of the fully registered Global Note that will be deposited with a depository (initially being CDS) and registered in the name of such depository or its nominee in denominations equal to the aggregate Deposit Amounts of the Deposit Notes. Unless and until it is exchanged in whole for Deposit Notes in definitive registered form, the registered Global Note may not be transferred except as a whole by and among the depository, its nominee or any successors of such depository or nominee.

Each person owning a beneficial interest in a registered Global Note must rely on the procedures of the depository for that registered Global Note and on the procedures of the participant(s) and the Custodian, if any, through which the person

owns its interest, to exercise any rights of a Holder. Bank of Montreal understands that under existing industry practices, if Bank of Montreal requests any action of Holders or if an owner of a beneficial interest in a registered Global Note desires to direct or take any action that a Holder is entitled to direct or take in respect of the Deposit Notes, the depository for the registered Global Note would authorize the participants to direct or take that action, and the participants and the Custodian, if any, would authorize beneficial owners owning through them to direct or take that action or would otherwise act upon the instructions of beneficial owners holding through them. See “Description of the Deposit Notes — Custodian”.

Payments on the Deposit Notes represented by a registered Global Note registered in the name of a depository or its nominee will be made to the depository or its nominee, as the case may be, as the registered owner of the registered Global Note. Neither Bank of Montreal, except in its capacity as the Custodian, nor any agent thereof will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the registered Global Note or for maintaining, supervising or reviewing any records relating to any such ownership interests.

Bank of Montreal expects that the depository for any of the Deposit Notes represented by a registered Global Note, upon receipt of any payment on the Deposit Notes, will immediately credit participants’ accounts in amounts proportionate to their respective interests in that registered Global Note as shown on the records of the depository. See “Description of the Deposit Notes — Settlement of Payments”.

Custodian

The Custodian will hold the Deposit Notes for CDS Participants and non-CDS Participants (including, in certain cases, Holders) in accordance with their respective entitlements as reflected in a register to be maintained by the Custodian solely on the basis of and in reliance upon instructions received from such CDS Participants and non-CDS Participants, as the case may be. Upon receiving amounts payable in respect of Deposit Notes from BMO Capital Markets, the Custodian will arrange for payment to CDS Participants and non-CDS Participants (including Holders) in amounts proportionate to their respective interests in the Deposit Notes recorded in the register maintained by the Custodian.

All records maintained by the Custodian shall, absent manifest error, be final for all purposes and binding on all persons including the Holders. The Custodian shall not be responsible for its errors if made in good faith.

Definitive Deposit Notes

If the depository for any of the Deposit Notes represented by a registered Global Note is at any time unwilling or unable to continue to properly discharge its responsibilities as depository, and a successor depository is not appointed by Bank of Montreal within ninety (90) days, Bank of Montreal will issue Deposit Notes in definitive form in exchange for the registered Global Note that had been held by the depository.

In addition, Bank of Montreal may at any time and in its sole and absolute discretion decide not to have any of the Deposit Notes represented by one or more registered Global Notes. If Bank of Montreal makes that decision, Bank of Montreal will issue Deposit Notes in definitive form in exchange for all of the registered Global Notes representing the Deposit Notes.

Except in the circumstances described above, beneficial owners of the Deposit Notes will not be entitled to have any portions of such Deposit Notes registered in their name, will not receive or be entitled to receive physical delivery of the Deposit Notes in certificated, definitive form and will not be considered the owners or holders of a Global Note.

Any Deposit Notes issued in definitive form in exchange for a registered Global Note will be registered in the name or names that the depository gives to Bank of Montreal or its agent, as the case may be. It is expected that the depository’s instructions will be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the registered Global Note that had been held by the depository.

The text of any Deposit Notes issued in definitive form will contain such provisions as Bank of Montreal may deem necessary or advisable. Bank of Montreal will keep or cause to be kept a register in which will be recorded registrations and transfers of Deposit Notes in definitive form if issued. Such register will be kept at the offices of Bank of Montreal or at such other offices notified by Bank of Montreal to Holders.

No transfer of a definitive Deposit Note will be valid unless made at such offices and entered on such register upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to Bank of Montreal or its agent, and upon compliance with such reasonable conditions as may be required by Bank of Montreal or its agent and with any requirement imposed by law.

Payments on a definitive Deposit Note, if issued, will be made by cheque mailed to the applicable registered Holder at the address of the Holder appearing in the aforementioned register in which registrations and transfers of Deposit Notes are to be recorded or, if requested in writing by the Holder at least five Business Days before the date of the payment and agreed

to by Bank of Montreal, by electronic funds transfer to a bank account nominated by the Holder with a bank in Canada. Payment under any definitive Deposit Note is conditional upon the Holder first delivering the Deposit Note to the paying and transfer agent who reserves the right on behalf of Bank of Montreal, in the case of payment of the Variable Return Early Payment Amount on a Deposit Note prior to the Maturity Date, to mark on the Deposit Note that the Variable Return, if any, has been paid in full or in part (as the case may be), or, in the case of payment of the Variable Return and the Deposit Amount, or the Variable Return Early Payment Amount and the Deposit Amount (as the case may be), under the Deposit Note in full at any time, to retain the Deposit Note and mark the Deposit Note as cancelled.

Notices to Holders

If notice is required to be given to Holders it will be validly given if published once in a French language Canadian newspaper and in the national edition of an English language Canadian newspaper, or if communicated to the Holders or their agents by mail, electronic and/or any other means. Unless stated otherwise, the Manager will give notice as aforesaid to the Holders or their agents of any material change or material fact relating to the Deposit Notes.

Amendments to the Global Note

The Global Note may be amended without the consent of the Holders by agreement between Bank of Montreal and the Manager if, in the reasonable opinion of Bank of Montreal and the Manager, the amendment would not materially and adversely affect the interests of such Holders. In all other cases, the Global Note may be amended if the amendment is approved by a resolution passed by the favourable votes of Holders representing not less than 66 $\frac{2}{3}$ % of the outstanding aggregate Deposit Amount of the Deposit Notes represented at the meeting of Holders convened for the purpose of considering the resolution. Each Holder is entitled to one vote per Deposit Note held for the purpose of voting at meetings convened to consider a resolution. The Deposit Notes do not carry the right to vote in any other circumstances.

Investor's Right to Cancel the Agreement to Purchase a Deposit Note

An investor may cancel an order to purchase a Deposit Note (or cancel its purchase if the Deposit Note has been issued) by providing instructions to Bank of Montreal through his or her financial advisor any time up to 48 hours after the later of (i) the day on which the agreement to purchase the Deposit Note is entered into; and (ii) deemed receipt of this Information Statement. Upon cancellation, the investor is entitled to a refund of the Subscription Price and any fees relating to the purchase that have been paid by the investor to Bank of Montreal. This right of cancellation does not extend to investors who purchase a Deposit Note in the secondary market.

An investor will be deemed to have received this Information Statement on the earlier of: (i) the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) the day recorded as the time of sending by fax machine, if provided by fax; (iii) five Business Days after the postmark date, if provided by mail; and (iv) when it is received.

Date of Agreement to Purchase a Deposit Note

If an order to purchase a Deposit Note is received in person or electronically, the agreement to purchase the Deposit Note will be deemed to have been entered into on the third day after the later of (i) the day the purchase order is received; and (ii) five Business Days after the postmark date, if this Information Statement is provided to the investor by mail, or the date this Information Statement is actually received by the investor, if it is provided other than by mail. If an order to purchase a Deposit Note is received by telephone, the agreement to purchase a Deposit Note will be deemed to have been entered into at the time the purchase order is received.

THE REFERENCE BASKET

The price performance of the Reference Basket will affect the amount of the Variable Return, if any, that may be payable to Holders. Except as described under "Special Circumstances – Substitution Event", the Reference Basket will consist of an equally-weighted proportion of the Securities of the 7 Canadian TSX-listed Companies identified below. The following provides information on each Security, including the ticker symbol on the TSX, and the indicated dividend or distribution yield and market capitalization as at February 9, 2023 (*Source: Bloomberg*). The Reference Basket will not be rebalanced during the term of the Deposit Notes to restore the equal weighting of the Securities. Accordingly, the relative value of the Securities will fluctuate after the Closing Date based on changes to their Closing Prices.

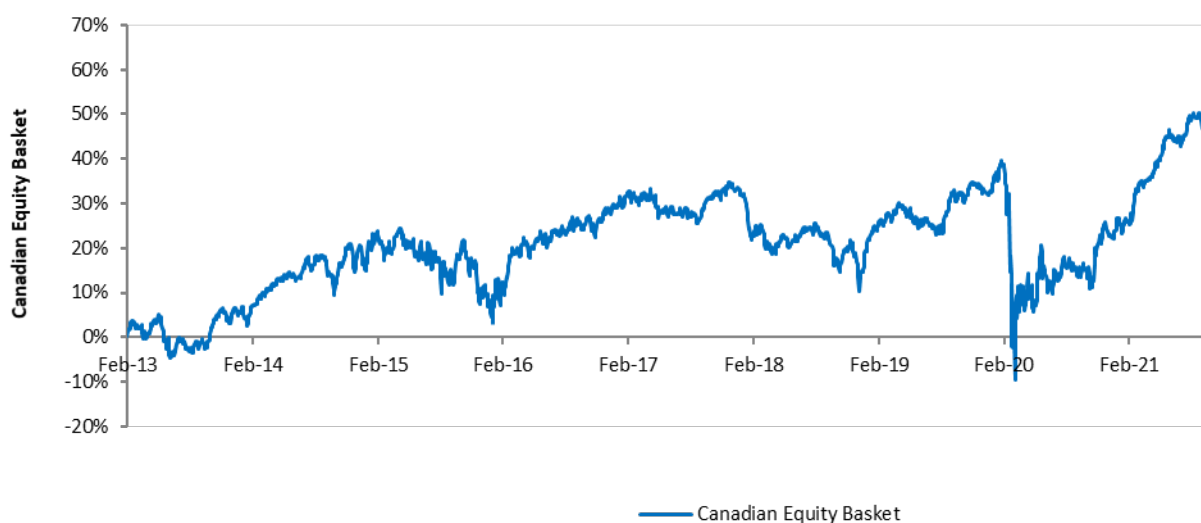
Company	Stock Exchange	Symbol	Indicated Gross Dividend or Distribution Yield	Market Capitalization (CAD\$ millions)
BCE Inc.	TSX	BCE	6.04%	55,548.88
The Bank of Nova Scotia	TSX	BNS	5.55%	87,155.60
Canadian Imperial Bank of Commerce	TSX	CM	5.28%	56,101.17
Emera Inc.	TSX	EMA	5.01%	14,266.56
Enbridge Inc.	TSX	ENB	6.42%	107,659.64
Power Corporation of Canada	TSX	POW	5.55%	23,808.11
Telus Corporation	TSX	T	5.00%	39,112.34

While the Securities have an average dividend or distribution yield of 5.55% and as of February 9, 2023, the 7 Canadian Companies had an average market capitalization of approximately \$54.81 billion (*Source: Bloomberg*). The Reference Basket will not include any dividends or distributions declared on the Securities. Investors in the Deposit Notes must be prepared to waive the aggregate dividend or distribution yield provided by the Securities, representing approximately 34.60% over the 5.5-year term of the Deposit Notes, assuming the average dividend or distribution yield on such Securities remains constant at 5.55% each year and assuming dividends and distributions are reinvested in such Securities.

Historical Data

The graph below illustrates the performance of the Reference Basket for the period beginning on February 11, 2013 and ending on February 8, 2023. All information for the Reference Basket prior to the Start Date is back-tested, based on methodology that was in effect on the Start Date, as provided by Bloomberg. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of a Reference Basket methodology and selection of constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of a Reference Basket. Actual returns may differ from, and be lower than, back-tested returns. **Past performance of the Reference Basket is not indicative of future performance.**

Historical Performance of the Bank of Montreal Canadian Equity Basket



Basket Return					
YTD	1m	3m	6m	1y	2y

-11.94% 3.60% 3.09% -5.29% -15.14% 8.20%

Source: Bloomberg as at February 8, 2023

Information about the Companies

BCE Inc. provides a full range of communication services to residential and business customers in Canada. The company's services includes local, long distance and wireless phone services, high speed and wireless Internet access, IP-broadband services, value-added business solutions and direct-to-home satellite and VDSL television services.

The Bank of Nova Scotia provides retail, commercial, international, corporate, investment and private banking services and products.

Canadian Imperial Bank of Commerce provides banking and financial services to consumers, individuals, and corporate clients in Canada and around the world.

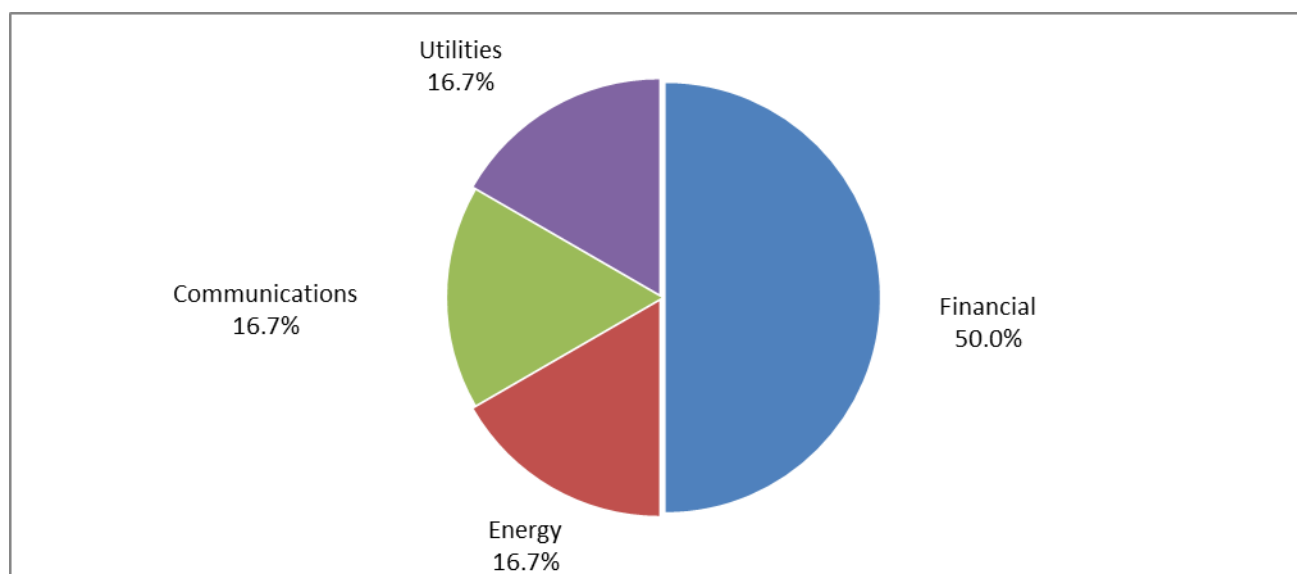
Emera Inc. owns and operates a broad portfolio of electric and natural gas generation, transmission and distribution assets and services, and has an overall strategic focus on transformation to cleaner energy. The company serves customers across Canada, the Caribbean and the United States, including Florida and New Mexico.

Enbridge Inc. provides energy transportation, distribution, and related services in North America and internationally. The company operates a crude oil and liquids pipeline system, is involved in international energy projects, and is involved in natural gas transmission and midstream businesses. The company also distributes natural gas and electricity, and provides retail energy products.

Power Corporation of Canada operates as a diversified management and holding company. The company invests in financial services, communications, utility, industrial, and energy sectors. The company serves customers worldwide.

Telus Corporation is a telecommunications company providing a variety of communications products and services. The company provides voice, data, Internet and wireless services to businesses and consumers in Canada.

The following chart provides an industry sector breakdown of the Securities included in the Reference Basket:



Source: Bloomberg

All information in this Information Statement relating to the Securities and the Companies is derived from publicly available sources and is presented in this Information Statement in summary form. As such, none of Bank of Montreal, the Selling Agent, the Manager or the Calculation Agent assumes any responsibility for the accuracy, reliability or completeness of such information, or accepts responsibility for the provision of any future information in respect of the Securities or the Companies, or has any duty or obligation to update such information up to or after the Closing Date. A Holder may obtain further information about the Securities and the Companies by consulting documents made publicly available by each Company at www.sedar.com. These internet addresses are included in this Information Statement as inactive textual references only.

The Companies whose securities comprise the Reference Basket may change in certain circumstances. However, the Reference Basket will always consist of securities of different Companies. See “Special Circumstances”. If the composition of the Reference Basket changes, such information will be available at www.bmonotes.com.

FEES AND EXPENSES OF THE OFFERING

A fee of \$3.50 (3.50% of the Subscription Price) per Deposit Note will be paid out of the proceeds of the Offering on or about the Closing Date to the Selling Agent. The Selling Agent will pay all or a portion of this amount to sub-agency groups including other qualified selling members for selling the Deposit Notes.

No annual fees will be charged to the Reference Basket.

RISK FACTORS

An investment in Deposit Notes is subject to certain risk factors that prospective investors should carefully consider before acquiring Deposit Notes, including, but not limited to, the risk factors described below. This section describes the most significant risks relating to the Deposit Notes. Bank of Montreal urges prospective investors to read the following information about these risks, together with other information in this Information Statement, before investing in the Deposit Notes.

Suitability of Deposit Notes for Investment

An investor should decide to invest in the Deposit Notes only after carefully considering with his or her advisor, whether the Deposit Notes are a suitable investment in light of the information set out in this Information Statement. Neither Bank of Montreal nor BMO Capital Markets, including in its capacity as Selling Agent, Manager and Calculation Agent, makes any recommendation as to whether the Deposit Notes are a suitable investment for any person.

The return on the Deposit Notes, if any, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain in that, if the Reference Basket does not generate positive returns, the Deposit Notes could produce no return on a Holder’s original investment. There is no assurance that the Reference Basket will generate positive returns. It is possible that at Maturity a Holder will only receive the Deposit Amount. The Deposit Notes are designed for investors with a medium term investment horizon who are prepared to hold the Deposit Notes to Maturity; an investment in the Deposit Notes is only suitable for investors prepared to assume the risks of an investment whose return, if any, is based on the price performance of the Reference Basket and could be zero. The Deposit Amount is only repaid if the Deposit Notes are held to Maturity. The Deposit Notes are not conventional indebtedness. They do not have a fixed yield and could produce no return at Maturity. Therefore, the Deposit Notes are not suitable investments for investors who need or expect a return on investment. In addition, the Deposit Notes are not a suitable investment for a prospective investor who does not understand their terms or the risks involved in holding the Deposit Notes.

Non-Conventional Deposit Notes

The Deposit Notes are not conventional instruments or debt securities. The Deposit Notes may not provide Holders with a return or income stream prior to Maturity, or a return at Maturity, that is calculated wholly by reference to a specific fixed or floating rate of interest that can be determined prior to the Final Valuation Date. The return on the Deposit Notes, unlike that on many deposit liabilities of Canadian chartered banks, is uncertain in that the Deposit Notes could provide no return.

Variable Return May Not Be Payable

The Variable Return payable under the Deposit Notes, if any, is uncertain and is based on the price performance of the Reference Basket, which will not include any dividends or distributions declared on the Securities. Accordingly, an investment in the Deposit Notes will not track a direct investment in the Securities and Holders will not have any ownership interest or related rights (including, without limitation, any voting rights or rights to receive dividends or distributions) in the Securities. There is a possibility that no Variable Return will be payable, with the result that a Holder may only receive the Deposit Amount at Maturity. In all cases, however, Holders will be entitled to receive the Deposit Amount at Maturity. See “Note Program — Variable Return”.

Variable Return May Be Limited

Since the Variable Return, if any, will equal \$100.00 multiplied by 215% of the average (if positive) of the percentage changes in the Closing Prices of the Securities from the Closing Date until the Final Valuation Date, a Holder’s exposure under the Deposit Notes to the Reference Basket is not the same as an investment in the Securities and therefore the Variable Return that may be payable at Maturity may be less than the return realized from a direct investment in the

Securities. If the Security Return of one or more of the Securities is zero or negative, this will offset the positive Security Returns of other Securities, potentially resulting in no Variable Return being payable. In addition, the Variable Return that may be paid will not reflect any dividends or distributions declared on the Securities.

Risk Factors Relating to the Securities and the Companies

The Variable Return, if any, payable on the Deposit Notes is generally based on the price performance of the Reference Basket. Accordingly, certain risk factors applicable to investors who invest directly in the Securities are also applicable to an investment in the Deposit Notes to the extent that such risk factors could adversely affect the price performance of the Reference Basket.

An investor should recognize that it is impossible to know whether the price of the Securities at any time will rise or fall. The price of the Securities will be influenced by the outlook for the applicable Company and by general economic, industry and market trends. As a result, the price performance of the Reference Basket will likely be affected by the complex and interrelated political, economic, financial and other factors that influence Canadian equity markets generally, as well as corporate developments, changes in interest rates, changes in the level of inflation and by other various circumstances that can influence the values of the securities in a specific market segment or a particular type of security. The effect on the prices of equity securities of changes in these factors, which are beyond the control of Bank of Montreal, is unpredictable. Historical price levels of the Securities should not be considered as an indication of the future performance of the Securities.

This is not a complete description of the risks applicable to the Companies and the Securities. For a full description of the risks applicable to the Companies and the Securities initially in the Reference Basket, an investor should consult the disclosure documents made publicly available by each Company at www.sedar.com.

Recently, the spread of coronavirus (“COVID-19”) has caused a slowdown in the global economy and increased volatility in global financial markets. Although the full impact of COVID-19 on the global economy and its duration remains uncertain, disruptions caused by COVID-19 or any other outbreak or public health emergency may adversely affect the price performance of the Reference Basket and the return on the Deposit Notes.

None of Bank of Montreal, BMO Capital Markets or their respective affiliates or associates has performed any due diligence investigation or review of any of the Securities or the Companies. Any information relating to the Securities or the Companies was derived from and based solely upon publicly available sources and its accuracy cannot be guaranteed. None of Bank of Montreal, BMO Capital Markets or any of their respective affiliates or associates has any obligations or responsibility for the provision of future information in respect of the Securities or the Companies. Investors shall have no recourse against Bank of Montreal, BMO Capital Markets or any of their respective affiliates or associates in connection with any information about and/or relating to the Securities or the Companies that is not contained in this Information Statement. Prospective investors should undertake an independent investigation to determine if an investment in the Deposit Notes is suitable for them. None of the Companies have participated in the preparation of this Information Statement and the Deposit Notes are not in any way sponsored, endorsed, sold or promoted by any of the Companies.

Secondary Trading of Deposit Notes

The Deposit Notes are designed for investors who are prepared to hold the Deposit Notes to Maturity.

There is currently no market through which the Deposit Notes may be sold. Bank of Montreal does not intend to apply to have the Deposit Notes listed on any securities exchange or marketplace.

BMO Capital Markets may (but is not obligated to) arrange for a secondary market for the purchase and sale of the Deposit Notes. Should there be such a secondary market, it is not possible to predict, due to several factors, the price at which the Deposit Notes will trade in the secondary market or whether such market will be liquid or illiquid.

A Holder who sells Deposit Notes in the secondary market may receive less than the Deposit Amount. Sale of a Deposit Note prior to Maturity may result in a loss even if the price performance of the Reference Basket has been positive.

The Deposit Amount is repaid by Bank of Montreal only at Maturity. There is no assurance that any premium that may have been paid by a Holder having purchased Deposit Notes in the secondary market will be repaid. The price that BMO Capital Markets will pay to a Holder for a Deposit Note prior to Maturity will be determined by BMO Capital Markets, acting in its sole discretion, and will be based on, among other things:

- whether the Closing Prices of Securities have increased or decreased since the Closing Date and by how much;

- the fact that the Deposit Amount is payable on the Maturity Date regardless of the Closing Price or performance of any Security at any time and the aggregate performance of the Securities up to such time; and
- a number of other interrelated factors, including, without limitation, the correlation and volatility of the prices of the Securities, prevailing interest rates, the dividend or distribution yields of the Securities and the time remaining to the Maturity Date.

The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Deposit Note. In particular, Holders should realize that the secondary market price for the Deposit Note (a) may have a non-linear sensitivity to the increases and decreases in the Closing Prices of the Securities (i.e., the trading price of a Deposit Note will increase and decrease at a different rate compared to the percentage increases and decreases in the Closing Prices of the Securities); and (b) may be substantially affected by changes in interest rates independent of the price performance of the Reference Basket. Holders may wish to consult their respective financial advisors on whether it would be more appropriate in the circumstances at any time to sell or to hold their Deposit Notes until Maturity.

A Holder will not be able to redeem or sell Deposit Notes prior to Maturity, other than through the secondary market, if available.

Legislative, Regulatory and Administrative Changes

Changes in laws, regulations or administrative practices, could have an impact on Holders including changes, if any, as a result of a current review by the CRA of its administrative practice in relation to the relevance of a secondary market for debt obligations such as the Deposit Notes in determining whether there is a deemed annual accrual of interest on such debt obligations.

On June 22, 2016, legislation came into force amending the Bank Act, the CDIC Act, and certain other federal statutes pertaining to banks to create a bail-in regime for Canada's domestic systemically important banks, including the Bank. In March 2018, the Government of Canada registered the final regulations under the CDIC Act and the Bank Act providing the final details of the conversion, issuance and compensation regimes for bail in instruments issued by domestic systemically important banks, including the Bank (collectively the "Bail-In Regulations"). The Bail-In Regulations came into force in September 2018. Pursuant to the CDIC Act, in circumstances where the Superintendent of Financial Institutions has determined that the Bank has ceased, or is about to cease to be viable, the Governor in Council may upon a recommendation of the Minister of Finance, if he or she is of the opinion that it is in the public interest to do so, make an order directing the Canada Deposit Insurance Corporation to convert all or a portion of certain shares and liabilities of the Bank into common shares of the Bank (a "Bail-In Conversion").

The Bail-In Regulations prescribe the types of shares and liabilities that will be subject to a Bail-In Conversion. In general, any senior debt with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and has been assigned a CUSIP or ISIN or similar identification number would be subject to a Bail-In Conversion. Shares, other than common shares, and subordinated debt would also be subject to a Bail-In Conversion, unless they are non-viability contingent capital. However, structured notes meeting the requirements of the Bail-In Regulations will not be subject to a Bail-In Conversion. Accordingly, it is not expected that these Deposit Notes will be subject to a Bail-In Conversion.

Conflicts of Interest

Each of Bank of Montreal, BMO Capital Markets, whether in its capacity as Selling Agent, Calculation Agent or Manager and any of their respective affiliates, may from time to time, in the course of its normal business operations, hold interests linked to the Companies or hold securities of, extend credit to or enter into other business dealings with the Companies, including under hedging arrangements relating to the Deposit Notes. In addition, BMO Capital Markets, which has undertaken to use reasonable efforts to provide a secondary market, is an affiliate of Bank of Montreal. Each of Bank of Montreal and BMO Capital Markets has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances. Conflicts may also arise because Bank of Montreal and/or its affiliates may engage in trading activities related to the Companies and the Securities that are not for the account of Holders or on their behalf. These trading activities may present a conflict between the Holders' interest in the Deposit Notes and the interests that Bank of Montreal and/or its affiliates will have in their proprietary accounts in facilitating transactions, including block trades and options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the Reference Basket, could be adverse to the interests of the Holders. Moreover, subsidiaries of Bank of Montreal (including BMO Capital Markets) have published, and in the future expect to publish, research reports with respect to some or all of the Securities. This research is modified from time to time

and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Deposit Notes. The foregoing actions by Bank of Montreal, BMO Capital Markets and their respective affiliates may not take into account the effect, if any, of such actions on the Deposit Notes or the Variable Return that may be payable on the Deposit Notes.

Credit Rating

The Deposit Notes have not been rated. As of the date of this Information Statement, the deposit liabilities of Bank of Montreal with a term to Maturity of more than one year are rated “AA” by DBRS, “A+” by S&P and “Aa2” by Moody’s. There can be no assurance that, if the Deposit Notes were specifically rated by these rating agencies, they would have the same rating as the conventional deposit liabilities of Bank of Montreal. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

Credit Risk

Because the obligation to make payments to Holders is an obligation of Bank of Montreal, the likelihood that such Holders will receive the payments owing to them in connection with the Deposit Notes will be dependent upon the financial health and creditworthiness of Bank of Montreal.

No Deposit Insurance

Unlike conventional bank deposits, the Deposit Notes will not constitute deposits that are insured under the CDIC Act or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution. Therefore, a Holder will not be entitled to Canada Deposit Insurance Corporation protection.

Canadian Investor Protection Fund

There is no assurance that an investment in the Deposit Notes will be eligible for protection under the Canadian Investor Protection Fund. A Holder should consult a financial advisor on whether the Holder’s investment in the Deposit Notes is eligible for protection in light of such Holder’s particular circumstances.

Special Circumstances

If a Market Disruption Event occurs on a day on which the Closing Price of a Security is to be determined for calculating the Variable Return, the determination of that price (and possibly any subsequent payment of that Variable Return, if any) may be delayed. Fluctuations in the Closing Price of the Security may occur in the interim. In certain unusual circumstances, the Calculation Agent may estimate the Closing Price of a Security, replace an existing Security with a new Security or determine the amount of the Variable Return, if any, that may be payable to Holders in an alternate manner. However, in no event will the Deposit Amount be paid prior to the Maturity Date. See “Special Circumstances”.

In certain circumstances, such as a Substitution Event, the Calculation Agent may replace the applicable Security in the Reference Basket with the security of another large issuer as chosen by the Calculation Agent. In other circumstances, such as a stock split or extraordinary dividend in respect of a Security, the Calculation Agent may adjust any one or more of the Initial Price for such Security, the formula for calculating the Security Return for such Security, or any other component or variable relevant to the determination of any Variable Return to account for those circumstances. Adjustments made to a component or variable relevant to the determination of the amount of Variable Return or to the composition of the Reference Basket may have a negative effect on the Security Return of a Security or on the amount of the Variable Return payable. See “Special Circumstances”.

No Independent Calculation

As part of its responsibilities, the Manager will be solely responsible for computing the Variable Return based on the price performance of the Reference Basket as determined by the Calculation Agent. Bank of Montreal has no obligation to retain a person to make or confirm the determinations and calculations made for the Deposit Notes.

No Ownership of the Securities or the Reference Basket

The Deposit Notes will not entitle a Holder to any direct or indirect ownership of, entitlement to, or interest in the Securities. As such, a Holder will not be entitled to the rights and benefits of a security holder, including any right to receive dividends or distributions or to vote at or attend meetings of security holders.

Owning the Deposit Notes is different from owning the Securities. The Deposit Notes do not represent a substitute for an investment in the Securities.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to Bank of Montreal, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Deposit Notes by an Initial Holder. This summary is applicable only to an Initial Holder who is an individual (other than a trust) and, for the purposes of the Tax Act is, or is deemed to be, a resident of Canada, deals at arm's length with and is not affiliated with Bank of Montreal and holds Deposit Notes as capital property.

The Deposit Notes will generally be considered to be capital property to an Initial Holder unless: (i) the Initial Holder holds such Deposit Notes in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Holder acquired such Deposit Notes as an adventure in the nature of trade. Certain Initial Holders resident in Canada whose Deposit Notes might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Deposit Notes as capital property may be entitled to make an irrevocable election to have the Deposit Notes and all of the Initial Holder's other "Canadian securities" (as defined in the Tax Act) deemed to be capital property pursuant to subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act and the regulations thereunder (the "Regulations") as in force on the date of this Information Statement, counsel's understanding of the current administrative and assessing practices of the CRA and all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. No assurance can be given that any proposals to amend the Tax Act and the Regulations will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative or assessing practices, whether by legislative, governmental or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Deposit Notes, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not intended to be, nor should it be relied upon or construed as, legal or tax advice to any particular Holder. Holders should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Deposit Notes, based on their particular circumstances.

Variable Return

A Deposit Note is a "prescribed debt obligation" within the meaning of the Tax Act. The rules in the Regulations applicable to a prescribed debt obligation (the "prescribed debt obligation rules") generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium receivable on the obligation. Based in part on counsel's understanding of the CRA's administrative practice relating to "prescribed debt obligations", there should be no deemed accrual of the Variable Return on the Deposit Notes under the prescribed debt obligation rules prior to the Final Valuation Date, provided that Bank of Montreal has not given notice of the payment of a Variable Return Early Payment Amount following an Extraordinary Event. However, counsel understands that the CRA is currently reviewing its administrative practice in relation to the relevance of a secondary market for debt obligations such as the Deposit Notes in determining whether there is a deemed accrual of interest on such debt obligations. See "Risk Factors — Legislative, Regulatory and Administrative Changes".

If an Extraordinary Event occurs and Bank of Montreal has given notice of the payment of a Variable Return Early Payment Amount, the amount of any Variable Return Early Payment Amount will generally be required to be included in the Initial Holder's income in the taxation year that includes the date such amount was determined, except to the extent otherwise included in income for the taxation year or a preceding taxation year. Bank of Montreal will file an information return with the CRA in respect of any such amount as and when required by law and will provide the Initial Holder with a copy of such return.

Disposition of Deposit Notes

Where an Initial Holder assigns or transfers a Deposit Note, the Initial Holder will be required to include in income as accrued interest the amount, if any, by which the price for which the Deposit Note was assigned or transferred exceeds the Deposit Amount. An Initial Holder may realize a capital loss on such assignment or transfer to the extent that the price for which the Deposit Note was assigned or transferred is less than the Deposit Amount.

Upon a disposition of a Deposit Note at Maturity, an Initial Holder will be required to include in income for the taxation year in which the disposition occurs, the amount, if any, of the Variable Return, except to the extent otherwise included in income for the taxation year or a preceding taxation year. Bank of Montreal will file an information return with the CRA in respect of any such amount as and when required by law and will provide the Initial Holder with a copy of such return.

One-half of a capital loss (an “allowable capital loss”) realized by an Initial Holder is deductible against one-half of any capital gain (a “taxable capital gain”) realized by an Initial Holder in the taxation year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back and deducted against net taxable capital gains realized in the three preceding taxation years or carried forward and deducted against net taxable capital gains realized in subsequent taxation years, subject to the detailed rules in the Tax Act.

Eligibility for Investment by Registered Plans

In the opinion of Torys LLP, counsel to Bank of Montreal, the Deposit Notes will, at the date of issue, be qualified investments under the Tax Act for trusts governed by tax-free savings accounts, registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by Bank of Montreal or by an employer with which Bank of Montreal does not deal at arm’s length within the meaning of the Tax Act).

Where a Holder’s purchase order for Deposit Notes is effected through dealers and other firms that place and clear orders for Deposit Notes using the Fundserv network, such dealers or other firms may not be able to accommodate a purchase of Deposit Notes through certain registered plans. Holders should consult their financial advisors as to whether their orders for Deposit Notes will be made using the Fundserv network and any limitations on their ability to purchase Deposit Notes through registered plans.

PLAN OF DISTRIBUTION

Pursuant to an agreement between Bank of Montreal and the Selling Agent, the Selling Agent has agreed to offer Deposit Notes for sale as agent of Bank of Montreal on a best efforts basis, if, as and when issued by Bank of Montreal. Investors will subscribe for Deposit Notes by placing their orders with the Selling Agent or sub-agency groups including other qualified selling members. The Deposit Notes are being offered through Fundserv’s transaction processing system. Subscriptions for Deposit Notes may be made through the Fundserv network under the Fundserv code “JHN3034” which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all required documents and satisfaction of closing conditions, if any. Holders should recognize that, unless they have purchased the Deposit Notes directly through a representative of BMO Nesbitt Burns Inc., they do not have an account with BMO Nesbitt Burns Inc. Funds in respect of all subscriptions shall be payable at the time of subscription. Bank of Montreal will have the sole right to accept offers to purchase Deposit Notes and may reject any proposed purchase of Deposit Notes in whole or in part. Bank of Montreal reserves the right to allot the Deposit Notes to investors in an amount less than that subscribed for by an investor and/or to close the subscription book or discontinue accepting subscriptions at any time without notice.

The Selling Agent is a wholly-owned subsidiary of Bank of Montreal. Consequently, Bank of Montreal is a related issuer of the Selling Agent under applicable securities legislation. The decision to offer the Deposit Notes and the terms of this Offering were negotiated at arm’s length between Bank of Montreal and the Selling Agent.

Each Deposit Note will be issued at 100% of its Deposit Amount. There is a maximum issue size of \$10,000,000.00 of Deposit Notes. Bank of Montreal may change the maximum size of the Offering at its discretion. No annual fees will be charged to the Reference Basket. Expenses of the Offering of \$3.50 (3.50% of the Subscription Price) per Deposit Note will be paid out of the proceeds of this Offering on or about the Closing Date to the Selling Agent. The Selling Agent will pay all or a portion of this amount to sub-agency groups including other qualified selling members for selling the Deposit Notes. While the Selling Agent has agreed to use its best efforts to sell the Deposit Notes offered hereby, the Selling Agent will not be obligated to purchase any Deposit Notes that are not sold. For greater certainty, BMO Capital Markets may purchase Deposit Notes offered hereby as principal.

The proceeds to Bank of Montreal from the issuance of the Deposit Notes will constitute deposits received by Bank of Montreal and will be used for general banking purposes.

The closing of this Offering is scheduled to occur on or about the Closing Date. Bank of Montreal may, at any time prior to the Closing Date, in its sole and absolute discretion, elect whether or not to proceed in whole or in part with the issue of the Deposit Notes. If for any reason the closing of this Offering does not occur, all subscription funds will be returned to subscribers without interest or deduction.

Bank of Montreal may from time to time issue any additional series of notes or any other notes or debt instruments (which may or may not resemble the Deposit Notes) and offer any such notes or debt instruments concurrently with the Offering.

Bank of Montreal reserves the right to purchase for cancellation at its discretion any amount of Deposit Notes in the secondary market, without notice to Holders.

A Global Note for the aggregate principal amount of the Offering will be issued in registered form to CDS and will be deposited with CDS on the Closing Date. Subject to certain exceptions, certificates evidencing the Deposit Notes will not be available to Holders under any circumstances and registration of interests in and transfer of Deposit Notes will be made through the Book-Entry System of CDS or through Fundserv's transaction processing system, as applicable. See "Description of the Deposit Notes — Book-Entry System".

The Deposit Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"). No Deposit Notes may or will be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S of the U.S. Securities Act). In connection with the issue and sale of the Deposit Notes by Bank of Montreal, no person is authorized to give any information or to make any representation not expressly contained in this Information Statement or the Global Note and Bank of Montreal does not accept responsibility for any information not contained herein. This Information Statement 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 authorized 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 Deposit Notes or the distribution of this Information Statement in the United States or to U.S. Persons (as defined in Regulation S of the U.S. Securities Act) or in any jurisdiction outside Canada where any action is required.

ADDITIONAL INFORMATION

An investor may request information about the Deposit Notes or another copy of this Information Statement by calling BMO Capital Markets at 1-866-864-7760 to speak to someone in English and 1-866-529-0017 to speak to someone in French. A copy of this Information Statement is also posted at www.bmonotes.com.