BMO London Branch & BMO Capital Markets Limited

Order Execution Policy

February 2026

BMO Capital Markets

We're here to help.™

Order Execution Policy

1) Purpose & Regulatory Basis

This Policy explains how BMO Capital Markets – London meets its obligation to take all sufficient steps to obtain the best possible result when executing or receiving/transmitting orders on behalf of Professional Clients, considering price, costs, speed, likelihood of execution and settlement, size, nature, and other relevant factors (COBS 11.2A).

2) Scope

• Clients: Professional Clients. Eligible Counterparties are not owed Best Execution.
• Instruments: MiFID financial instruments relevant to BMO Capital Markets – London (equities, bonds/MMIs, FX/IR/equity/commodity derivatives, SBL, structured products).
• Activities: Execution on behalf of clients; RTO; matched principal; own-account dealing that amounts to executing client orders.

3) Acting on Behalf of Clients — Four-Fold Test (periodic reassessment)

We use the Four-Fold Cumulative Test to determine legitimate reliance and thus the application of Best Execution (who initiates; market practice/shop around; relative price transparency; information/agreements). We reassess periodically (e.g., quarterly or risk-based) and whenever market dynamics or client behaviour change. For RFQ/quote-driven activity we conduct post-event sampling to validate the scoping outcome. Client selection of a standard algorithm is not a specific instruction unless the algorithm is customised; DMA/Sponsored Access may constitute a limited specific instruction.

4) Specific Client Instructions

Where specific instructions are given and accepted, we execute that aspect; accordingly, remaining aspects remain subject to Best Execution. We will not induce clients to instruct in a way that would prevent Best Execution.

5) Execution Factors & Criteria

We consider execution factors and determine their relative importance based on the client; order characteristics (benchmark, urgency, size, liquidity); instrument characteristics; and venue characteristics. Ordinarily price/total consideration and liquidity rank highly, but this may shift (e.g., illiquid markets).

6) Venues, Brokers, and Off-Venue Execution

We may execute on RMs/MTFs/OTFs, with SIs, OTC liquidity providers and inter-dealer brokers, or via BMO affiliates/third-party brokers. Where we use third parties, we either instruct them appropriately or satisfy ourselves they have arrangements enabling us to meet our obligations; we monitor outcomes achieved through them. Off-venue execution may be used where permitted and, in the client's best interests, with prior express consent maintained.

7) Internalisation & Conflicts

Where we internalise client orders (including matched principal), we apply conflict-focused controls: benchmarking against available external prices/liquidity (pre/post as data allows); periodic sample reviews; and documented rationales and conflicts assessments.

8) Algorithmic Execution & Smart Order Routing (SOR)

We maintain an Algo/SOR Governance framework annual certification and scenario/stress testing; user-parameter controls and override capture; monthly routing calibration (fill quality, mark-out, latency, auction participation, adverse selection) with Committee approval and post-implementation validation of outcomes.

9) Order Handling, Aggregation & Allocation

Orders are handled promptly, fairly and expeditiously. Aggregation is permitted only if unlikely to work to clients' overall disadvantage; fair allocation applies and, where aggregated with own account, clients take priority unless demonstrably not to their disadvantage.

10) Monitoring, MI & Remediation

• Daily exception surveillance (e.g., technology vendor defined thresholds) to capture potential poor outcomes or data issues.
• Monthly trend MI: outcome metrics across venues, algos, SIs/internalisation, liquidity segments, and client-instruction impacts; outlier root-cause analysis; remediation status.
• Quarterly Committee deep-dives: scope/Four-Fold testing, venue/router reviews, algo/SOR oversight, internalisation benchmarking, and effectiveness retesting of remediations.

MI must be decision-useful (neither too high-level nor overly complex), enabling senior management scrutiny and second-line challenge.

11) Recordkeeping

We maintain audit-ready records: time-stamped order data; routing/venue rationale; algo parameters; exceptions; MI packs; minutes; challenge logs; and action trackers.

12) Policy Review & Notifications

This Policy and arrangements are reviewed at least annually and on material change (market structure, liquidity, technology, regulation). Clients with ongoing relationships are notified of material changes.

Appendices

Appendix A — Execution Venues

Venue inventory retained; panel reviewed quarterly (or risk-based) using performance MI and Committee approval.

Equities:

BMO Capital Markets London may access the following regulated markets, multilateral trading facilities and, for North America, alternative trading systems (ATS):

Important Note: the following are not exhaustive lists and may change.

Europe:

BMO Capital Markets London is a member of the London Stock Exchange (including AIM), the LME and BATS Chi-X MTF.

BMO Capital Markets London has access to the following trading venues through third-party brokers: Deutsche Boerse, Euronext (Belgium, France, Netherland, Portugal), Borsa Italiana, Spanish Stock Exchange, Athens Exchange, Nasdaq OMX (Denmark, Finland, Sweden), Oslo Bors, Irish Stock Exchange, SIX Swiss Exchange, Wiener Boerse, Posit MTF, UBS MTF, Sigma X MTF, Aquis Exchange MTF, BlockMatch MTF, Equiduct MTF.

United States:

BMO Capital Markets London has access to the following trading venues and ATSs through its local affiliate BMO Capital Markets Corporation or third-party brokers: NYSE (including NYSE Arca and NYSE Market), NASDAQ Exchanges (including regional exchanges as Boston, Philadelphia, Pacific), BATS Exchanges, Investor's Exchange (IEX), Chicago Stock Exchange, CS Crossfinder, UBS ATS, Deutsche Bank Super X, BAML Instinct X, Level, GS Sigma X2, Knight Match, Knight Link, JPMX, Instinet CBX, MS Pool, Barclays LX ATS, BIDS Trading, ITG Posit, Fidelity Crossstream, Citi Cross, Liquidnet H20.

Canada:

BMO Capital Markets London has access to the following trading venues and ATSs through its local affiliate Nesbitt Burns or third-party brokers: Toronto Stock Exchange, TSX Venture Exchange, Aequitas Neo Exchange, Chi-X Canada ATS, Chi-X CX2, Omega ATS, Match Now, Canadian National Stock Exchange, Canadian Securities Exchange, Pure Trading, Alpha Exchange, Lynx ATS, NASDAQ CXD.

Asia:

BMO Capital Markets London has access to the following trading venues through third-party brokers: Australian Securities Exchange, stock exchanges in Japan (1), Stock Exchange of Hong Kong, Hong Kong Futures Exchange, Singapore Exchange, New Zealand Stock Exchange.

Appendix B — Best Execution by Product

How best execution is applied in the context of each product.

Asset class	Prioritisation of factors	Best execution applicable?
FX Forwards	1. Size of the order 2. Price 3. Speed of execution 4. Likelihood of execution 5. Costs 6. Likelihood of settlement; and 7. Any other consideration relevant t o the execution of the order.	Normally Best Execution would not apply, unless BMO Capital Markets London are executing client (for clients who are entitled to best execution based on their categorisation) orders with discretion.
FX Options	1. Size of the order 2. Price 3. Likelihood of execution 4. Speed of execution 5. Costs 6. Likelihood of settlement; and 7. Any other consideration relevant to the execution of the order.	Normally Best Execution would not apply, unless BMO Capital Markets London are executing client (for clients who are entitled to best execution based on their categorisation) orders with discretion, including the execution of delta hedges.
Interest Rate derivatives	1. Size of the order 2. Price 3. Likelihood of execution 4. Speed of execution 5. Costs 6. Likelihood of settlement; and 7. Any other consideration relevant to the execution of the order.	Normally Best Execution would not apply, unless BMO Capital Markets London are executing client (for clients who are entitled to best execution based on their categorisation) orders with discretion.
Equities	1. Size and nature of the order 2. Price 3. Speed of execution 4. Likelihood of execution 5. Costs 6. Likelihood of settlement; and 7. Any other consideration relevant to the execution of the order.	Where BMO Capital Markets London executes orders as agent, we will owe clients (for clients who are entitled to best execution based on their categorisation) best execution. Where we execute as principal in response to a request for quote best execution will not apply, provided the Client (for clients who are entitled to best execution based on their categorisation) is not legitimately relying on BMO Capital Markets London.

Securities Borrowing and Lending	1. Size of the order 2. Price 3. Likelihood of execution 4. Speed of execution 5. Costs 6. Likelihood of settlement; and 7. Any other consideration relevant to the execution of the order.	BMO does not undertake agency lending, and the requirement would not otherwise apply other than if the Client (for clients who are entitled to best execution based on their categorisation) is legitimately relying on BMO Capital Markets London.
Equity derivatives	1. Size of the order 2. Price 3. Likelihood of execution 4. Speed of execution 5. Costs 6. Likelihood of settlement; and 7. Any other consideration relevant to the execution of the order.	Normally Best Execution would not apply, unless BMO Capital Markets London are executing client (for clients who are entitled to best execution based on their categorisation) orders with discretion.
Bonds and money market instruments;	1. Size of the order 2. Price 3. Likelihood of execution 4. Speed of execution 5. Costs 6. Likelihood of settlement; and 7. Any other consideration relevant to the execution of the order.	Normally Best Execution would not apply, unless BMO Capital Markets London are executing client (for clients who are entitled to best execution based on their categorisation) orders with discretion.
Structured Products	1. Size of the order 2. Price 3. Likelihood of execution 4. Speed of execution 5. Costs 6. Likelihood of settlement; and 7. Any other consideration relevant to the execution of the order.	Would apply in the context of secondary market trading in BMO Capital Markets London issued instruments.
Commodities	1. Size of the order 2. Price 3. Likelihood of execution 4. Speed of execution 5. Costs 6. Likelihood of settlement; and 7. Any other consideration relevant to the execution of the order.	Normally Best Execution would not apply, unless BMO Capital Markets London are executing client (for clients who are entitled to best execution based on their categorisation) orders with discretion.

Appendix C — Execution Factors

Note on UK public reporting: RTS27/RTS28 public reports were removed from 1 Dec 2021. Focus is on internal MI and demonstrable outcomes under COBS 11.2A.

Price: this refers to the resulting price of the transaction excluding BMO Capital Markets London execution charges. Price will usually be our most important consideration. After price, size of the order, likelihood of execution and speed are usually our most important considerations.

Likelihood of execution & size: we interpret this as the likelihood that we are able to fill your order, in its entirety or a substantial part of it. Size and likelihood of execution are negatively correlated and are related to the concept of liquidity of the instrument. The more liquid an instrument is considered, the easier it will be to execute an order and all other things being equal, size.

Size and likelihood of execution increase in importance in situations where access to liquidity in the relevant instrument is constrained in some way. For example, if the security itself is illiquid or if the order has a limit price which is not marketable.

Speed of execution: BMO Capital Markets London defines this as the rate at which it is able to progress an order. Where order instructions do not refer to speed (or participation rate), we will progress your order at a rate which we believe represents a balance between creating market impact and executing your order in a timely fashion so as to reduce execution risk.

Other Execution Factors

Likelihood of settlement: we expect transactions that we execute for you to settle in a timely fashion. Generally, in equity security markets, likelihood of settlement is not a significant factor when executing on regulated markets and MTFs due to the involvement of a central counterparty (“CCP”).

However, if we become aware that a particular execution strategy may compromise likelihood of settlement, we may not pursue that strategy even if it would result in a better price. Likelihood of settlement will also become more significant when executing through Systematic Internalisers or other OTC channels.

Costs: if you have a commercial arrangement with us in which those costs influence our own charges to you, we will agree an appropriate way with you to incorporate costs into our execution strategy. We will not structure or charge commissions in a way as to discriminate unfairly between execution venues.