

## FOREIGN EXCHANGE, COMMODITIES AND DUAL CURRENCY INVESTMENT Over-the-counter Transactions with Bank of Montreal

This notice is issued by Bank of Montreal (**BMO**) in relation to your over-the-counter transactions with BMO Toronto, where BMO Hong Kong Branch (**BMOHK**) has been engaged by BMO Toronto to provide support and assistance. The purpose of this notice is to draw your attention to the division of roles and responsibilities between BMOHK and BMO Toronto.

BMO Toronto is at all times your transaction counterparty. Your account and transactions are maintained and booked with BMO Toronto. All **BMO OTC Transactions**<sup>i</sup> will be initiated between you and BMO Toronto, and the terms and conditions governing the BMO OTC Transactions are set out in the agreement/transaction documentation (such as ISDA Master Agreement and transaction confirmations) between you and BMO Toronto.

From time to time and at your request only, the FX desk of BMOHK may provide support with respect to the BMO OTC Transactions by providing pricing and confirming the BMO OTC Transactions during Asia time zone. Such support includes accepting an order and confirming the BMO OTC Transactions on behalf of BMO Toronto, and amending an order at your request (before trade execution).

For each BMO OTC Transaction, BMOHK's role is limited to the above. In particular, (i) BMOHK does not and will not initiate any BMO OTC Transaction with you, (ii) BMOHK does not have the authority to, and will not, act on your behalf, and (iii) BMOHK acts as an agent of BMO Toronto and not your agent. Any communications between the personnel of BMOHK and your personnel will be in relation to order placement/confirmation only. You confirm that for each BMO OTC Transaction, you have obtained all governmental and other consents that are required and you continue to comply with all applicable laws, rules and regulations (including those related to foreign exchange control, taxation, anti-money laundering and anti-bribery).

Should you require any information in relation to your BMO OTC Transactions (such as pre-trade term sheet or an explanation of circumstances under which your positions may be closed out), your usual contact at BMO will be responsible to provide such information to you.

BMO acts as principal in these transactions, and may receive trading profit from these transactions. BMOHK will not receive from you directly any commission, charges or fees on these transactions. Whilst BMOHK and BMO Toronto may have revenue and expense allocation arrangements internally with respect to these transactions, no such allocation is currently made between BMOHK and BMO Toronto.

Should you have any questions on the contents of this notice, please do not hesitate to speak with your usual BMO contact. Please note that accepting services from or otherwise dealing or continuing to deal with BMO constitutes your agreement and consent to the terms set out in this notice.

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<sup>i</sup> "**BMO OTC Transaction(s)**" includes over-the-counter spot, option and forward transactions in foreign exchange or commodities, dual currency investments, cross-currency or interest rate swap or such other over-the-counter derivatives which BMO may trade with its clients and counterparties.

**For transactions which involve offshore Renminbi (RMB):** Please note that RMB is subject to exchange rate risk. Exchange controls imposed by the relevant authorities may also adversely affect the applicable exchange rate. RMB is currently not freely convertible and conversion of RMB may be subject to certain policy, regulatory requirements and/or restrictions. The actual conversion arrangement will depend on the policy, regulatory requirements and/or restrictions prevailing at the relevant time. Transactions involving offshore RMB must comply with all applicable laws, rules, regulations, directives and guidelines by the relevant government agencies and regulatory authorities, any offshore RMB settlement agreements and all rules issued by the relevant clearing bank and domestic agent bank on RMB transaction.