

## **NOTICE AND ADDITIONAL TERMS & DISCLOSURE INSTITUTIONAL PROFESSIONAL INVESTORS ONLY**

This notice and additional terms and disclosure apply when you conduct transactions with or through Bank of Montreal, Hong Kong Branch<sup>1</sup> (“**BMO HK**”). These terms supplement other provisions applicable to your dealings with BMO Capital Markets<sup>2</sup> and may be amended from time to time. In the event of a conflict between these terms and any other agreements or provisions between you and BMO Capital Markets, these terms shall govern your relationship with BMO HK to the extent of the conflict. This notice and additional terms and disclosure supersedes the previous version(s).

**By conducting transactions with or through BMO HK, you agree to these terms (and any subsequent amendments).** These terms shall be governed by and construed in accordance with the laws of Hong Kong. The most updated BMO HK notice and additional terms and disclosure is available at: <https://capitalmarkets.bmo.com/en/about-us/regulatory/>.

### **NOTICE OF TREATMENT AS A PROFESSIONAL INVESTOR**

BMO HK has determined that you, and each of your underlying clients, are an “Institutional Professional Investor” as defined below for Hong Kong regulatory purposes. To satisfy the regulatory requirements applicable to us, we are required to provide the information set out in this Notice to you.

For the purposes of the Code of Conduct (“**Code of Conduct**”) for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong (“**SFC**”), Institutional Professional Investor means person falling under paragraphs (a) to (i) of the definition of “professional investor” in Section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap 571) (“**SFO**”), details of which are set out in the Annex 1.

As you are categorized as an “Institutional Professional Investor” pursuant to the Code of Conduct and a “professional investor” under the SFO, we are exempt from complying with certain regulatory requirements in our dealings with you, including those set out below. Whilst we may provide you with certain information (such as confirmation of trades, terms of business and disclosures), they may not contain all the details nor fulfill regulatory requirements.

- a) Contract notes and statements of account or receipts - we are not required to provide you with contract notes, statements of account or receipts pursuant to the Securities and Futures (Contract Notes, Statements of Accounts and Receipts) Rules, unless you advise us otherwise in writing;
- b) Client Agreement - we are not required to enter into a written agreement with you;
- c) Risk Disclosure - we are not required to provide you with written risk disclosure statements in respect of the risks involved in any transactions we enter into with you or on your behalf, or to bring those risks to your attention;
- d) Information about clients - we are not required to establish your financial situation, investment experience and investment objectives;

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<sup>1</sup> Bank of Montreal Hong Kong Branch is an authorized institution under the Banking Ordinance and a registered institution with the Securities and Futures Commission (CE No. AAK809) under the Securities and Futures Ordinance. In Australia, Bank of Montreal is exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of the financial services BMO HK provides to wholesale investors (as defined in the Corporations Act). BMO HK is authorized and regulated by the Hong Kong Monetary Authority and the SFC under Hong Kong laws which differ from Australian laws

<sup>2</sup> “BMO Capital Markets” is a trade name used by BMO Financial Group for its wholesale banking businesses and may include BMO Nesbitt Burns Inc., BMO Capital Markets Corp., BMO Capital Markets Limited, Bank of Montreal, Bank of Montreal Ireland Plc, Bank of Montreal (China) Co Ltd

- e) Suitability - we are not required to ensure that a recommendation or solicitation is suitable for you;
- f) Information for clients - we are not required to provide you with information about our business or the identity and status of our employees and others acting on our behalf with whom you may have contact;
- g) Disclosure of sales related information – we are not required to deliver the following information to you prior to or at the time of entering into any transaction:
  - i. the capacity (principal or agent) in which we are acting;
  - ii. our affiliation with the product issuer;
  - iii. the existence or nature of any monetary and non-monetary benefits; and
  - iv. terms and conditions in generic terms under which you may receive a discount of fees and charges from us;
- h) Complex products – we are not required to ensure the suitability of a transaction in a complex product<sup>3</sup>, to provide sufficient information about a complex product and to provide warning statements;
- i) Prompt confirmation - we are not required to confirm promptly the essential features of a transaction after effecting a transaction for you.

You should notify us immediately if you do not believe that you qualify as an “Institutional Professional Investor” or if you cease to be an “Institutional Professional Investor” at any time.

#### ADDITIONAL TERMS & DISCLOSURE

##### Conflict of Interest

Actual and potential conflicts of interest are inherent to large financial services group such as BMO Financial Group<sup>4</sup>. In short, a conflict of interest is a situation where there may be competing professional and/or personal interests. The types of situations where we could potentially or actually face a conflict of interest include where we or a member of BMO Financial Group or a member of staff:

- make a financial gain or avoid a financial loss at the expense of a client;
- have an interest in the outcome of a service provided to, or transaction carried out on behalf of, a client that is different from the client's interest in that outcome;
- have a financial or other incentive to favour the interest of one client or group of clients over the interests of another client;
- carry on the same business as the client;
- deal on your behalf through another member of BMO Financial Group which receives a commission or fee;
- receive or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services.

You acknowledge and agree that we or any member of BMO Financial Group may engage in transactions where there may be conflict, and may retain the benefits arising from these transactions to the extent permitted by applicable laws, and provided that the transactions are executed on arm's length basis and on terms and conditions that are not less favorable than had such conflicts of interests not existed.

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<sup>3</sup> “Complex product” generally refers to an investment product whose terms, features and risks are not reasonably likely to be understood by a retail investor because of its complex structure.

<sup>4</sup> “BMO Financial Group” means Bank of Montreal and its subsidiaries and affiliates

## Outsourcing and Information Disclosure

As part of the continual review of our ability to offer to our clients comprehensive, efficient and consistent services, BMO HK has undertaken initiatives to centralize our processes and to implement the use of global systems by members of BMO Financial Group in our daily operations. Certain activities are outsourced to head office, other branches and affiliates within BMO Financial Group or to external service providers (collectively, “Service Providers”), who may be based in locations outside Hong Kong. The outsourced activities include, but not limited to, identification and on-boarding of clients; payment, settlement and other financial transactions processing and execution; and IT security and other system related services, such as data processing, archiving and storage. The centralization of some of the activities will require client information, such as non-personal business information and personal data of your officers, shareholders or authorized representatives to be transferred to and/or accessed by the Service Providers who may be based outside Hong Kong.

You undertake to provide BMO HK with information as we may reasonably require from time to time including, but not limited to, all information that is requested by BMO Financial Group in order to carry out and be satisfied that it has complied with all necessary due diligence and identification procedures in accordance with its internal policy and requirements and in compliance with all laws and regulations applicable to BMO Financial Group.

If you provide us with confidential information that relates to a third party (including its related or associated parties) or personal data (such as employees, officers or directors personal data), you represent and warrant that you have the legal right to disclose to us or otherwise provide us with those confidential information and personal data. You will maintain evidence of any required consent from such individuals and provide such evidence of consent to us upon our request.

You agree that we may collect, use, retain, disclose and otherwise process those confidential information and personal data in accordance with the terms set out in BMO Capital Markets Global Institutional Client Terms of Business Master Agreement and BMO HK Notice to Data Subjects relating to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) set out in Annex 2, which is also available at <https://capitalmarkets.bmo.com/en/about-us/regulatory/>.

## Order Execution

BMO Capital Markets will take all sufficient steps to provide best execution of client orders in accordance with the best execution obligations under applicable rules, subject to any specific instructions from you. The scope of best execution obligation is restricted to instances in which we are executing orders on your behalf. The circumstances in which we will not be executing orders on your behalf are set out in our Order Execution Policy, which include cases where BMO Capital Markets provides quotes or negotiates a price to trade on a bilateral basis with you on request (i.e. dealing on a “Request for Quotes” basis where BMO Capital Markets is acting as principal). For further details, please refer to BMO Capital Markets Order Execution Policy which is available at <https://capitalmarkets.bmo.com/en/about-us/regulatory/>.

You acknowledge that while we will take reasonable effort to adhere to our Order Execution Policy, we are not liable for any of your losses (including lost profits) or expenses incurred as a result of any non-adherence.

## Provision of Financial Products and Services related Information, Market Commentaries and Research Reports (collectively, “Materials”)

By engaging our services, you request that we provide you from time to time information on markets, financial products and services, any new issues and secondary offerings, price quotes and product term sheets. We may also, from time to time and at your request, provide research report to you. Any research services by us to you will, if required by applicable law, be subject to charge.

The Materials are provided for general information only and should not be construed as an offer to sell, a solicitation for or an offer to buy, any products or services (including, without limitation, any commodities, securities or other financial instruments). Unless specify otherwise in writing, none of the Materials shall be considered as investment advice or as a recommendation to enter into any transaction. The Materials are directed only at entities or persons in jurisdictions or countries where access to and use of the Materials is not contrary to local laws or regulations. Accordingly, you should make your own assessment of any transaction that you are considering and should not rely on any information, proposal or other communication from us as being a recommendation or advice in relation to that transaction, and it is your responsibility to be aware of and to observe all applicable laws and regulations of any relevant jurisdiction.

The Materials are distributed to you in Hong Kong by BMO HK. The Materials have not been reviewed or approved by any regulatory authority in Hong Kong. Where the Materials contain an offer in respect of securities, please note that the securities may not be offered or sold in Hong Kong other than (a) to “professional investors” within the meaning of Securities and Futures Ordinance of Hong Kong (“SFO”) and any rules made thereunder, or (b) in other circumstances which do not result in or which do not constitute an offer to the public in Hong Kong.

If you do not wish us to send you the Materials, you may notify your usual BMO Capital Markets contact.

## ANNEX 1

Under the Securities and Futures Ordinance (Cap 571) (“SFO”), Section 1 of Part 1 of Schedule 1 “Professional Investor” type (a) to (i) is defined as follows:

- a) any recognized exchange company, recognized clearing house, recognized exchange controller or recognized investor compensation company, or any person authorized to provide automated trading services under section 95(2) of the SFO;
- b) any intermediary, or any other person carrying on the business of the provision of investment services and regulated under the law of any place outside Hong Kong;
- c) any authorized financial institution, or any bank which is not an authorized financial institution but is regulated under the law of any place outside Hong Kong;
- d) any insurer authorized under the Insurance Companies Ordinance (Cap 41), or any other person carrying on insurance business and regulated under the law of any place outside Hong Kong;
- e) any scheme which: (i) is a collective investment scheme authorized under section 104 of the SFO; or (ii) is similarly constituted under the law of any place outside Hong Kong and, if it is regulated under the law of such place, is permitted to be operated under the law of such place, or any person by whom any such scheme is operated;
- f) any registered scheme as defined in section 2(1) of the Mandatory Provident Fund Schemes Ordinance (Cap 485), or its constituent fund as defined in section 2 of the Mandatory Provident Fund Schemes (General) Regulation (Cap 485 sub. leg. A), or any person who, in relation to any such registered scheme, is an approved trustee or service provider as defined in section 2(1) of that Ordinance or who is an investment manager of any such registered scheme or constituent fund;
- g) any scheme which: (i) is a registered scheme as defined in section 2(1) of the Occupational Retirement Schemes Ordinance (Cap 426); or (ii) is an offshore scheme as defined in section 2(1) of that Ordinance and, if it is regulated under the law of the place in which it is domiciled, is permitted to be operated under the law of such place, or any person who, in relation to any such scheme, is an administrator as defined in section 2(1) of that Ordinance;
- h) any government (other than a municipal government authority), any institution which performs the functions of a central bank, or any multilateral agency;
- i) Except for the purposes of the exemptions from the licensing requirements, any corporation which is:
  - (i) a wholly owned subsidiary of (a) an intermediary, or any other person carrying on the business of the provision of investment services and regulated under the law of any place outside Hong Kong; or (b) an authorized financial institution, or any bank which is not an authorized financial institution but is regulated under the law of any place outside Hong Kong;
  - (ii) a holding company which holds all the issued share capital of (a) an intermediary, or any other person carrying on the business of the provision of investment services and regulated under the law of any place outside Hong Kong; or (b) an authorized financial institution, or any bank which is not an authorized financial institution but is regulated under the law of any place outside Hong Kong; or
  - (iii) any other wholly owned subsidiary of a holding company referred to in subparagraph (ii).

## ANNEX 2

**NOTICE TO DATA SUBJECTS** relating to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ("PDPO"). This PDPO Notice is also available at <https://capitalmarkets.bmo.com/en/about-us/regulatory/>, and may be updated from time to time. Please familiarize yourself with this PDPO Notice and check it from time to time for updates.

- a. From time to time, it is necessary for customers to supply Bank of Montreal Hong Kong Branch ("**BMO HK**", such expression shall include its assignees, transferees and successors) with personal data ("**Data**") in connection with banking and financial services provided by BMO HK, including the opening or continuation of accounts, the establishment or continuation of banking or trade related facilities, or the provision of sales and financial product distribution and other client related services. The Data that we collect include those of the directors, shareholders, officers, authorized persons and managers of our corporate customers, or sureties and persons providing security or guarantee for banking or trade related facilities (collectively "**Data Subjects**").
- b. Failure to supply such Data may result in BMO HK being unable to open or continue accounts or establish or continue services or facilities.
- c. Data are also collected from Data Subjects in the ordinary course of the continuation of banking or financial services relationship with BMO HK, for example, when Data Subjects write cheques, deposit money or provide personal information in connection with banking or investment accounts.
- d. Data relating to a Data Subject may be used for the following purposes (whether within or outside Hong Kong):–
  - i. the processing of applications for banking or financial services or other services and facilities;
  - ii. the daily operation of banking and financial services and facilities, including performance of such function as may be deemed necessary by BMO HK as part of its enterprise function which may include but shall not be limited to the centralization and/or outsourcing of functions outside of Hong Kong for meeting operational, administrative and risk management requirements of BMO HK or otherwise;
  - iii. ensuring the ongoing creditworthiness of Data Subjects and conducting credit checks and audits generally;
  - iv. designing financial services or related products;
  - v. marketing services, products and other subjects;
  - vi. the enforcement of obligations of Data Subjects including, without limitation, the collection of amounts outstanding from Data Subjects and from providers of guarantees, security or other credit support for the obligations of Data Subjects;
  - vii. making disclosure pursuant to the requirements of any law or regulation of Hong Kong or elsewhere binding on or applying to BMO HK, its holding company, any of its offices, units or branches or any subsidiaries or affiliates of Bank of Montreal (whether in Hong Kong or elsewhere) (each, a "**BMO Financial Group Member**") or under and for the purposes of any application, direction, request, requirement, guideline or other similar document (whether or not having the force of law) issued by any competent regulatory or other authority of Hong Kong or elsewhere with which BMO Financial Group Member(s) is(are) expected to comply;
  - viii. enabling BMO Financial Group Members to comply with obligations, commitments or arrangements undertaken by BMO Financial Group Members with, local or foreign bodies and authorities, whether legal, regulatory, governmental, tax, law enforcement, self-regulatory, industry or others, including but not limited to obligations or arrangements relating to information sharing and exchange for tax purposes, compliance with reporting requirements, sanctions, or prevention or detection of money laundering, terrorist financing or other unlawful activities;
  - ix. enabling an actual or proposed assignee, transferee or successor of BMO HK or of all or part of its business, assets and/or shares or an actual or proposed participant or sub-participant of BMO HK's rights in respect of the Data Subject, to evaluate the transaction intended to be the subject of the assignment, transfer, succession, participation or sub-participation; and
  - x. other purposes directly or indirectly relating to any of the above.
- e. Data held by BMO HK relating to a Data Subject will be kept confidential but BMO HK may provide such information to the following parties (whether within or outside Hong Kong) for the purposes set out in paragraph d.:–

- i. any agent, contractor or third party service provider who provides services to BMO HK in connection with the operation of its business or the banking and financial services that it provides to its customers;
  - ii. any other BMO Financial Group Member;
  - iii. any actual or proposed assignee, transferee or successor of BMO HK or of all or part of its business, assets and/or shares or any actual or proposed participant or sub- participant of BMO HK's rights in respect of the Data Subject;
  - iv. government departments or other appropriate governmental or regulatory authorities within or outside of Hong Kong; and
  - v. any person to whom a BMO Financial Group Member is under an obligation to make disclosure under the requirements of any law or regulation of Hong Kong or elsewhere binding on or applying to the BMO Financial Group Member or under and for the purposes of any application, direction, request, requirement, guideline or other similar document (whether or not having the force of law) issued by any competent regulatory or other authorities of Hong Kong or elsewhere with which the BMO Financial Group Member is expected to comply.
- f. Pursuant to the PDPO, any individual has the following rights:–
- i. the right to check whether BMO HK holds Data about him or her and of access to such Data;
  - ii. the right to require that BMO HK correct any Data relating to him or her which is inaccurate;
  - iii. the right to ascertain BMO HK's policies and practices in relation to Data and to be informed of the kind of Data held by BMO HK;
  - iv. the right to obtain a copy of the Data.
- g. Data of a Data Subject may be used, processed, stored, disclosed or transferred in and to any country or territory as BMO HK or any person who has obtained such data from BMO HK (as referred to in paragraph e. above) considers appropriate. Such data may also be disclosed in accordance with the local practices and the laws or regulations in such country or territory. Disclosure or transfer made pursuant to this Notice may be made to recipients in a jurisdiction other than that of the disclosing party or a jurisdiction that may not necessarily provide an equivalent level of protection for Data as the Data Subject's home jurisdiction.
- h. Unless written notice to the contrary is provided to BMO HK, a Data Subject will be deemed to have acknowledged and consented to such collection, use, processing, storage, disclosure or transfer of personal data as described in paragraphs d., e. and g. above. A Data Subject may revoke this consent by written notice to BMO HK. Each customer acknowledges that BMO HK may be unable to open, continue or establish accounts or banking facilities, or establish or continue services without the consent. By providing BMO with such Data of the Data Subject, the customer: (a) is deemed to have given such consent and acceptance on behalf of the Data Subject; and (b) warrants and represents to BMO that such persons have given the customer the power to give such consent and acceptance on their behalf.
- i. In accordance with the PDPO, BMO HK is entitled to charge a reasonable fee for the processing of any request for access to Data.
- j. Requests for access to, or correction of, Data or for information regarding policies and practices and kinds of Data should be sent in writing to:–
- The Data Protection Officer  
Bank of Montreal, Hong Kong Branch  
Suites 2806-2809, Level 28  
Three Pacific Place, 1 Queen's Road East, Hong Kong  
Telephone: (852) 3716 0888 Fax: (852) 2810 4520  
Email: [DLHKCompliance@bmo.com](mailto:DLHKCompliance@bmo.com)
- k. The contents of this Notice shall apply to all Data Subjects and form part of any contract for services that the customers have or may enter into with BMO HK from time to time. If there is any inconsistency or discrepancy between this Notice and the relevant contract, this Notice shall prevail insofar as it relates to the protection of the Data.
- l. Nothing in this Notice shall limit the rights of Data Subjects under the PDPO.