

Pre-Hedging Disclaimer



Overview

The purpose of this Disclosure Statement is to clarify the circumstances in which Bank of Montreal Global Markets division ('BMO') may engage in pre-hedging in the fulfilment of any order or transaction placed with us. This Disclosure Statement supplements and should be read in conjunction with any other disclosures or agreements regarding such matters as BMO may provide to or agree with you, including terms of business, any master agreement for financial transactions, BMO's general disclosures as a swap dealer, BMO's risk disclosures and other disclosures as may be provided by BMO from time to time. To the extent this disclosure statement conflicts with any agreement in place between you and BMO, the other agreement will govern. Any statements made by BMO should not be construed as recommendations or investment advice. You are expected to evaluate the appropriateness of any transaction based on your own assessment of the transaction's merits and all facts and circumstances in connection therewith. This disclosure is not intended to conflict with or override any relevant law, regulatory rule or other applicable requirement in any jurisdiction in which BMO operates, the terms of which may vary depending on the precise nature of your relationship with us and the jurisdiction(s) in which we operate.

You should be aware that, unless otherwise instructed by you or prohibited by applicable regulation, BMO may pre-hedge potential client orders. Our intention in pre-hedging is to facilitate order execution and reduce the potential market impact of filling your order, with the goal of achieving a better price outcome for you. However, there is no guarantee that the pre-hedging will have the desired outcome. Further, you should note that, regardless of whether BMO pre-hedges your order or not, your order may have a market impact depending on its size and the level of liquidity in the market at the time of execution. If an eventual instruction or order is not received from you, BMO bears responsibility to unwind any pre-hedging transactions in its sole discretion.

If you have questions after reading this Disclosure Statement or concerning BMO's dealings with you, we encourage you to contact your BMO sales representative. This disclosure is also available at (<https://capitalmarkets.bmo.com/en/aboutus/regulatory/>) and may be updated from time to time in order to address changing regulatory, industry and other developments.