

# Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3

**AutoCallable at a Basket  
Return of 5%**

**Contingent Coupon of 2.10% p.a.  
Coupon Knock-Out Level equal to a  
Basket Return of -10%**

**100% Principal Protected  
if held to Maturity**

## Investment Highlights

### Term to Maturity

10 years

### Contingent Semi-Annual Coupon Payments:

Semi-annual Coupons equal to 1.05% (equivalent to 2.10% per annum), provided that the Basket Return is equal to or above the Coupon Knock-Out Level (i.e., a Basket Return of -10%) on the applicable Observation Date.

### AutoCall Feature:

The Deposit Notes will be automatically called by the Bank if the Basket Return is equal to or above the AutoCall Level, after the first Observation Date.

**100% Principal Guaranteed by BMO as issuer if held to Maturity**

Fundserv: JHN2496

Available until January 29, 2021

[www.bmonotes.com](http://www.bmonotes.com)

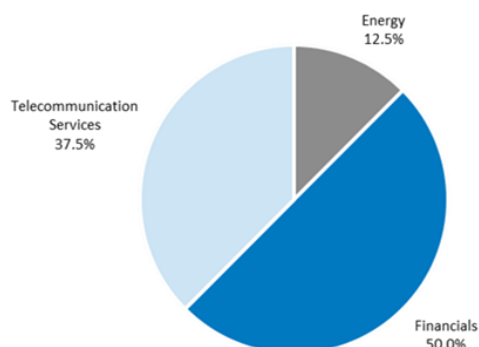
The 8 Companies whose securities are included in the Reference Basket as January 13, 2021 are as follows:

Company	Stock Exchange	Symbol	Indicated Gross Dividend or Distribution Yield	Market Capitalization (CAD\$ millions)
BCE INC.	TSX	BCE CT	6.04%	\$49,858.2
THE BANK OF NOVA SCOTIA	TSX	BNS CT	5.18%	\$84,148.0
ENBRIDGE INC.	TSX	ENB CT	7.46%	\$90,669.1
GREAT-WEST LIFECO INC.	TSX	GWO CT	5.70%	\$28,490.5
POWER CORP OF CANADA	TSX	POW CT	5.96%	\$20,161.3
SHAW COMMUNICATIONS INC-B	TSX	SJR/B CT	5.28%	\$11,496.1
TELUS CORP.	TSX	T CT	4.75%	\$33,843.7
THE TORONTO-DOMINION BANK	TSX	TD CT	4.20%	\$136,485.7

## The Reference Basket

The Reference Basket will consist of an initially equally-weighted notional portfolio of Securities consisting of common shares of 8 Canadian TSX-listed Companies. As of January 13, 2021, the Securities in the Reference Basket had an average dividend or distribution yield of 5.57% and the 8 Canadian Companies had an average market capitalization of approximately \$56.89 billion (Source: Bloomberg). The following provides an industry sector breakdown of the Reference Basket as well as information on each Security, including the TSX ticker symbol and the indicated dividend or distribution yield and market capitalization as at January 13, 2021 (Source: Bloomberg). The information in the following table is not intended to be, nor should it be construed to be, an indication as to the future dividend or distribution yield of the Securities. The Reference Basket will not include any dividends or distributions declared on the Securities. Investors must be prepared to waive the aggregate dividend and distribution yield provided by the Securities, representing approximately 71.99% over the 10-year term of the Deposit Notes assuming the average dividend and distribution yield of the Securities remains constant at 5.57% each year and assuming dividends and distributions are reinvested in the Securities.

## Sector Allocation of the Reference Basket



# Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3

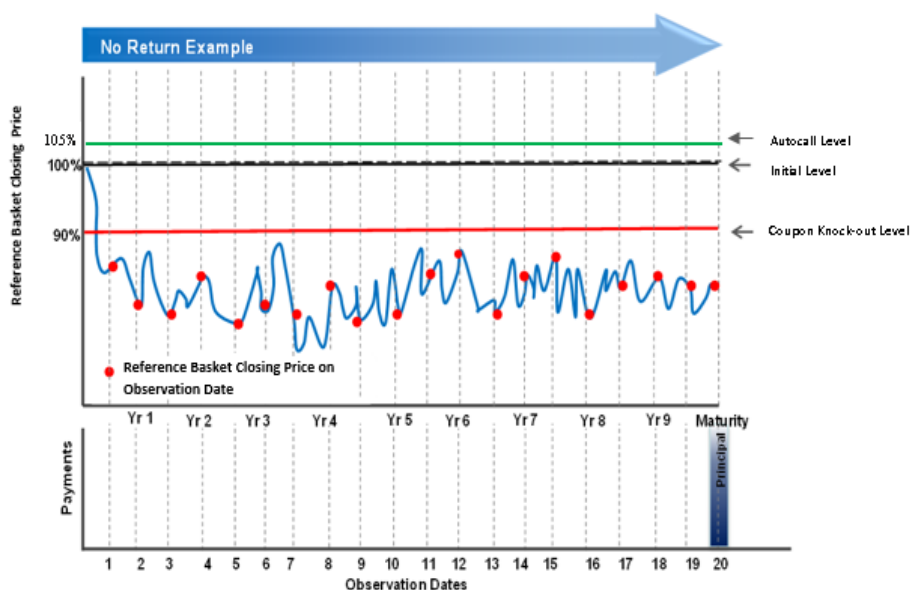
## Return Examples

The examples below are provided for illustration purposes only. The return examples demonstrate the Coupons that may be payable on the Deposit Notes and the timing of payments of Coupons, if any, and the Deposit Amount based on the Basket Return during the term of the Deposit Notes.

## Return Examples

### Scenario 1 - Negative Scenario

- AutoCall Level = Basket Return of 5%
- Coupon Knock-Out Level = Basket Return of -10%
- The Basket Return is below the Coupon Knock-Out Level during the term of the Deposit Notes resulting in no Coupons being paid. The Basket Return is below the AutoCall Level on all Observation Dates, so the Deposit Notes are not automatically called by the Bank



Observation Date	Basket Return	Coupon Payment
1	-15.00%	-
2	-30.00%	-
3	-31.00%	-
4	-18.00%	-
5	-34.00%	-
6	-33.00%	-
7	-33.20%	-
8	-30.00%	-
9	-40.00%	-
10	-38.50%	-
11	-23.00%	-
12	-15.00%	-
13	-33.00%	-
14	-22.70%	-
15	-14.80%	-
16	-40.00%	-
17	-27.00%	-
18	-26.00%	-
19	-27.20%	-
20	-30.00%	-
Total		\$0.00

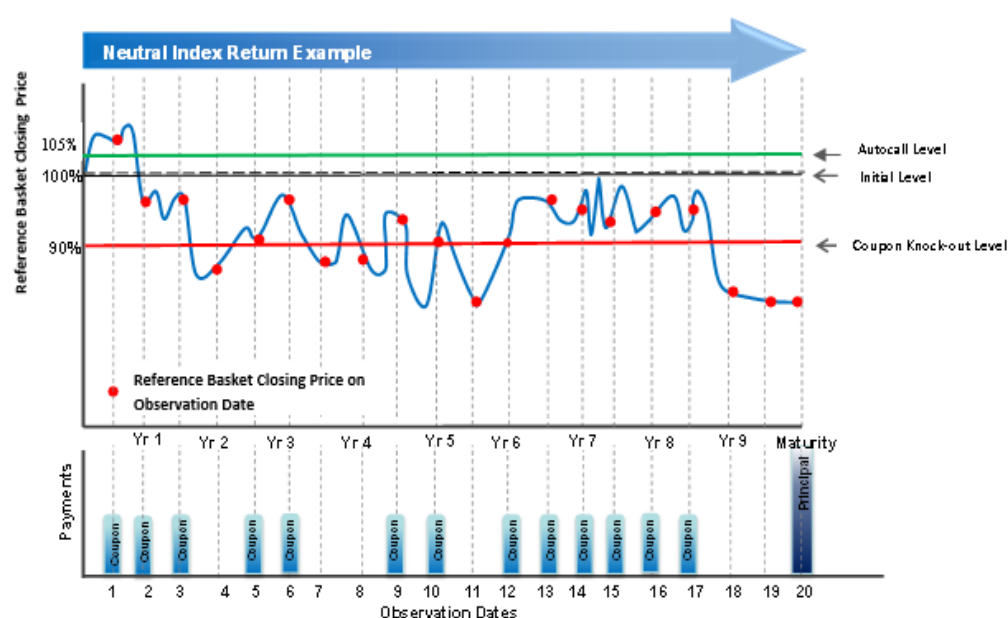
In this hypothetical scenario, a Holder would receive no Coupons since the Basket Return was below the Coupon Knock-out Level on all Observation Dates. A Holder would receive a Maturity Payment Amount equal to \$100.00 per \$100.00 Note, which is 100% of the Principal Amount. The Basket Return was below the AutoCall Level on all Observation Dates, so the Deposit Notes were not automatically called by the Bank.

# Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3

## Return Examples

### Scenario 2 - Neutral Scenario

- AutoCall Level = Basket Return of 5%
- Coupon Knock-Out Level = Basket Return of -10%
- The Basket Return is above and below the Coupon Knock-Out Level during the term of the Deposit Notes. The Basket Return is equal to or above the Coupon Knock-Out Level on all of the Observation Dates except for the fourth, seventh, eighth, eleventh, eighteenth, nineteenth and twentieth Observation Dates, resulting in Coupons being paid on all Coupon Payment Dates except for the fourth, seventh, eighth, eleventh, eighteenth, nineteenth and twentieth Coupon Payment Dates. The Basket Return is below the AutoCall Level on all Observation Dates after the first Observation Date prior to Maturity, so the Deposit Notes are not automatically called by the Bank



Observation Date	Basket Return	Coupon Payment
1	10.00%	\$1.05
2	-3.00%	\$1.05
3	-2.50%	\$1.05
4	-15.10%	-
5	-9.80%	\$1.05
6	-2.20%	\$1.05
7	-13.00%	-
8	-13.00%	-
9	-6.00%	\$1.05
10	-9.90%	\$1.05
11	-30.00%	-
12	-9.90%	\$1.05
13	-2.00%	\$1.05
14	-3.00%	\$1.05
15	-7.00%	\$1.05
16	-5.00%	\$1.05
17	-4.00%	\$1.05
18	-29.00%	-
19	-29.50%	-
20	-30.00%	-
Total		\$13.65

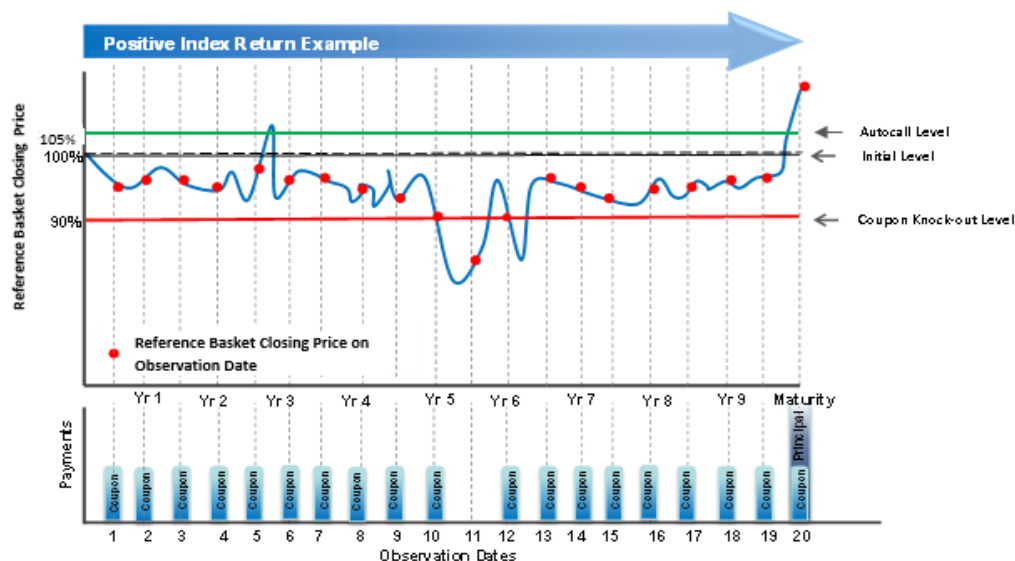
In this hypothetical scenario, a Holder would receive a Coupon on all Coupon Payment Dates except the fourth, seventh, eighth, eleventh, eighteenth, nineteenth, and twentieth Coupon totalling \$13.65 per \$100.00 Note (or an annualized rate of return of 1.29%). In addition, a Holder would receive a Maturity Payment Amount equal to \$100.00 per \$100.00 Note, which is 100% of the Principal Amount. The Basket Return was below the AutoCall Level on all Observation Dates, so the Deposit Notes were not automatically called by the Bank.

# Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3

## Return Examples

### Scenario 3 - Positive Scenario

- AutoCall Level = A Basket Return of 5%
- Coupon Knock-Out Level = A Basket Return of -10%
- The Basket Return is above and below the Coupon Knock-Out Level during the term of the Deposit Notes. The Basket Return is equal to or above the Coupon Knock-Out Level on all of the Observation Dates except for the eleventh Observation Date, resulting in Coupons being paid on all Coupon Payment Dates except for the eleventh Coupon Payment Date. The Basket Return is below the AutoCall Level on all Observation Dates prior to Maturity, so the Deposit Notes are not automatically called by the Bank



Observation Date	Basket Return	Coupon Payment
1	-5.00%	\$1.05
2	-4.00%	\$1.05
3	-3.00%	\$1.05
4	-6.00%	\$1.05
5	-1.00%	\$1.05
6	-1.50%	\$1.05
7	-2.00%	\$1.05
8	-7.00%	\$1.05
9	-8.00%	\$1.05
10	-9.50%	\$1.05
11	-20.00%	-
12	-9.70%	\$1.05
13	-2.00%	\$1.05
14	-3.00%	\$1.05
15	-7.00%	\$1.05
16	-5.00%	\$1.05
17	-4.20%	\$1.05
18	-2.40%	\$1.05
19	-2.00%	\$1.05
20	22.00%	\$1.05
	<b>TOTAL</b>	<b>\$19.95</b>

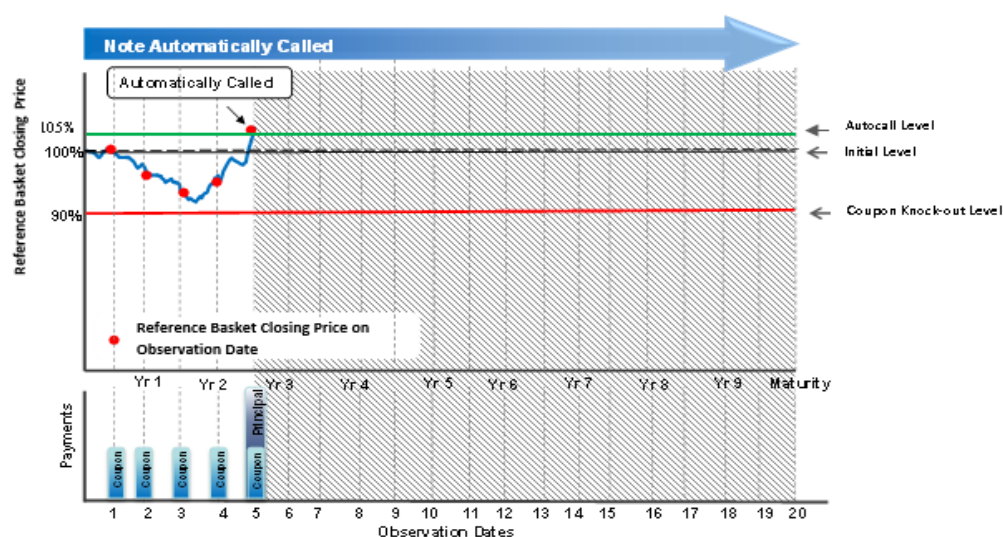
In this hypothetical scenario, a Holder would receive a Coupon on all Coupon Payment Dates except the eleventh Coupon totalling \$19.95 per \$100.00 Note (or an annualized rate of return of 1.84%). In addition, a Holder would receive a Maturity Payment Amount equal to \$100.00 per \$100.00 Note, which is 100% of the Principal Amount. The Basket Return was below the AutoCall Level on all Observation Dates prior to Maturity, so the Deposit Notes were not automatically called by the Bank.

# Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3

## Return Examples

### Scenario 4 - Deposit Note Automatically Called

- AutoCall Level = Basket Return of 5%
- Coupon Knock-Out Level = Basket Return of -10%
- The Basket Return is equal to or above the Coupon Knock-Out Level on each of the first five Observation Dates, resulting in Coupons being paid on each corresponding Coupon Payment Date. The Basket Return is above the AutoCall Level on the fifth Observation Date so the Deposit Notes are automatically called by the Bank



Observation Date	Basket Return	Coupon Payment
1	1.00%	\$1.05
2	-5.00%	\$1.05
3	-7.00%	\$1.05
4	-6.00%	\$1.05
5	8.00%	\$1.05
6	AutoCalled	-
7	AutoCalled	-
8	AutoCalled	-
9	AutoCalled	-
10	AutoCalled	-
11	AutoCalled	-
12	AutoCalled	-
13	AutoCalled	-
14	AutoCalled	-
15	AutoCalled	-
16	AutoCalled	-
17	AutoCalled	-
18	AutoCalled	-
19	AutoCalled	-
20	AutoCalled	-
TOTAL		\$5.25

In this hypothetical scenario, a Holder would receive a Coupon on first, second, third, fourth and fifth Coupon Payment Dates totalling \$5.25 per \$100.00 Note (or an annualized rate of return of 2.07%). The Basket Return was above the AutoCall Level on the fifth Observation Date, resulting in the Deposit Notes being automatically called by the Bank on the fifth Coupon Payment Date (in this case the Call Date), so the Holders receive the Principal Amount plus the applicable Coupon on the Call Date.

# Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3

## Terms of the Offering

Issuer	Bank of Montreal (the "Bank").			
	As of the date of the Information Statement, the deposit liabilities of the Bank with a term to maturity of more than one year are rated "AA" by DBRS, "A+" by Standard & Poor's and "Aa2" by Moody's. The Deposit Notes have not been rated and there is no assurance that, if the Deposit Notes were rated by such rating agencies, they would have the same rating as the other conventional deposit liabilities of the Bank. <b>The Deposit Notes will not be deposits insured under the Canada Deposit Insurance Corporation 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.</b>			
Issuer Rating				
Issue Price	\$100.00 per Deposit Note (the "Deposit Amount").			
Selling Period	From January 20, 2021 to January 29, 2021			
Issue Date	On or about February 3, 2021			
Maturity Date/Term	Each Deposit Note will mature on February 3, 2031 ("Maturity" or "Maturity Date"), resulting in a term to maturity of approximately 10 years.			
Minimum Purchase	\$2,000.00 (20 Deposit Notes).			
The Reference Basket	The Reference Basket will consist of an initially equally-weighted notional portfolio of Securities consisting of common shares and units, as applicable, of the following 8 Canadian TSX-listed issuers listed below (collectively, the "Companies"):			
	BCE INC.	THE BANK OF NOVA SCOTIA	ENBRIDGE INC.	GREAT-WEST LIFECO INC.
	POWER CORP OF CANADA	SHAW COMMUNICATIONS INC-B	TELUS CORP.	THE TORONTO-DOMINION BANK
Coupon Payments	As of January 13, 2021, the Reference Basket had a dividend or distribution yield of 5.57%. As of January 13, 2021, the 8 Canadian Companies had an average market capitalization of approximately \$56.89 billion (Source: Bloomberg). The Maturity Payment will not reflect the payment of any distributions or dividends declared on the Securities.			
	Subject to the occurrence of an Extraordinary Event or the Deposit Notes being automatically called by the Bank, a Holder will be entitled to receive for each Deposit Note a semi-annual coupon payment on each Coupon Payment Date equal to 1.05% (equivalent to 2.10% per annum), provided that the Basket Return is equal to or above the Coupon Knock-Out Level on the applicable Observation Date. If the Basket Return is below the Coupon Knock-Out Level on an Observation Date, then no Coupon will be payable to a Holder on the related Coupon Payment Date. If the Basket Return is below the Coupon Knock-Out Level on all Observation Dates, there will be no Coupons paid to Holders during the term of the Deposit Notes.			
Coupon Knock-Out Level	A Basket Return of -10%			
AutoCall Level	A Basket Return of 5%, triggering the Deposit Notes to be automatically called by the Bank if the Basket Return is equal to or above the AutoCall Level on any Observation Date, after the first Observation Date.			
Observation Dates and Coupon Payment Dates	Period	Observation Date	Coupon Payment Date/Call Date	
	1	July 26, 2021	August 3, 2021 (Not Callable)	
	2	January 27, 2022	February 3, 2022	
	3	July 26, 2022	August 3, 2022	
	4	January 27, 2023	February 3, 2023	
	5	July 27, 2023	August 3, 2023	
	6	January 29, 2024	February 5, 2024	
	7	July 29, 2024	August 6, 2024	
	8	January 27, 2025	February 3, 2025	
	9	July 28, 2025	August 5, 2025	
	10	January 27, 2026	February 3, 2026	
	11	July 27, 2026	August 4, 2026	
	12	January 27, 2027	February 3, 2027	
	13	July 26, 2027	August 3, 2027	
	14	January 27, 2028	February 3, 2028	
	15	July 27, 2028	August 3, 2028	
	16	January 29, 2029	February 5, 2029	
	17	July 27, 2029	August 3, 2029	
	18	January 28, 2030	February 4, 2030	
	19	July 29, 2030	August 6, 2030	
	20	January 27, 2031	February 3, 2031	
Maturity Payment	Subject to the occurrence of an Extraordinary Event or the Deposit Notes being automatically called, 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 (i) the Deposit Amount, plus (ii) the final Coupon payment, if the Basket Return is equal to or above the Coupon Knock-Out Level on the Final Valuation Date.			
No Secondary Market	The Deposit Notes will not be listed on any stock exchange and neither Bank of Montreal nor any of its affiliates will establish or arrange for a secondary market for the sale of Deposit Notes prior to Maturity. Moreover, Bank of Montreal does not have the right to redeem (that is, buy or repay) the Deposit Notes prior to Maturity and investors do not have the right to require Bank of Montreal to redeem the Deposit Notes prior to Maturity. The Deposit Notes are intended to be instruments held to Maturity with their principal being payable on the Maturity Date.			

This document should be read in conjunction with the Information Statement dated January 20, 2021 (the "Information Statement"). The return payable under the Deposit Notes, if any, is uncertain and is based on the price performance of the Reference Basket. Prospective investors should carefully consider all of the information set forth in the Information Statement and, in particular, should evaluate the specific risk factors set out under the heading "Risk Factors" in the Information Statement. BMO Nesbitt Burns Inc. is a wholly-owned subsidiary of the Bank. As a result, the Bank is a "related issuer" of BMO Nesbitt Burns Inc. for the purposes of National Instrument 33-105 - Underwriting Conflicts. See "Plan of Distribution" in the Information Statement. The Notes have not been and will not be rated by any credit rating organization. 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. The Deposit Notes are issued by and constitute direct, unconditional obligations of Bank of Montreal. This summary is issued for discussion purposes only to provide an overview of the proposed Deposit Notes and does not constitute investment advice or an offer to sell or a solicitation to purchase. Details of certain risks of investing in the Deposit Notes, as well as complete disclosure of how the return on the Deposit Notes is calculated, are contained in the related Information Statement which will be available through your financial advisor or at [www.bmonotes.com](http://www.bmonotes.com). You should read the Information Statement carefully before investing and discuss all the key features of the Deposit Notes, including their suitability for you, with your financial advisor. The Deposit Notes may not be suitable for all types of investors. The prices and value of the Deposit Notes may fluctuate and/or be adversely

This is only a summary of the Offering and should be read in conjunction with the Information Statement dated January 20, 2021.



# Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3

affected by a number of factors. The fluctuation of the performance of the underlying securities will directly impact the return, if any, on the Deposit Notes at Maturity. The Deposit Notes will not be listed on any stock exchange. You do not have the right to require Bank of Montreal to redeem the Deposit Notes prior to maturity. Bank of Montreal makes no recommendations concerning equity investments as asset classes or the suitability of investing in securities generally or Deposit Notes in particular. No person has been authorized to give any information or to make any representation not contained in the Information Statement relating to the Deposit Notes and Bank of Montreal does not accept any responsibility for any information not contained in the Information Statement.

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## Key Information for Investors (Oral Disclosure)

Where an investor is considering a purchase of Deposit Notes, the financial advisor must orally disclose all of the following information to the investor:

### Offering Overview:

1. The Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3 will be issued by Bank of Montreal on or about February 3, 2021 and will mature on February 3, 2031. The term of the Deposit Notes is approximately 10 years. The principal amount of \$100.00 per Deposit Note will be repaid at Maturity.
2. Subject to certain exceptions or the Deposit Notes being automatically called by the Bank, you will be entitled to receive a semi-annual coupon payment equal to 1.05% (equivalent to 2.10% per annum) (the "Coupon"), so long as the Reference Basket is equal to or above or above the Coupon Knock-Out Level on the relevant Observation Date. If the Basket Return is below the Coupon Knock-Out Level on an Observation Date, then no Coupon will be payable to a Holder on the related Coupon Payment Date.
3. If the Basket Return is equal to or above the AutoCall Level on any Observation Date after the first Observation Date, the Deposit Notes will be automatically called by the Bank. If the Deposit Notes are automatically called by the Bank, Holders will receive the Deposit Amount plus the applicable Coupon on the Call Date, and the Deposit Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Deposit Notes.
4. On the Maturity Date, you will receive your principal amount plus the final Coupon payment, if the Basket Return is equal to or above the Coupon Knock-Out Level on the Final Valuation Date.
5. It is possible that no Coupons will be payable on the Deposit Notes.

### No Secondary Market:

6. The Deposit Notes will not be listed on any stock exchange and neither Bank of Montreal nor any of its affiliates will establish or arrange for a secondary market for the sale of Deposit Notes prior to Maturity. Moreover, Bank of Montreal does not have the right to redeem (that is, buy or repay) the Deposit Notes prior to Maturity and investors do not have the right to require Bank of Montreal to redeem the Deposit Notes prior to Maturity. The Deposit Notes are intended to be instruments held to Maturity with their principal being payable on the Maturity Date.

### Tax Consequences:

7. The Canadian income tax consequences of investing in Deposit Notes are described in the Information Statement. However, in summary, (i) you will be required to include a Coupon Payment as interest on a Deposit Note in income for the taxation year in which the Coupon Payment is received or became receivable, (ii) if you hold Deposit Notes at maturity, you will be required to include in your income the amount, if any, by which the payment at maturity exceeds the Deposit Amount, and (iii) on a disposition of a Deposit Note by you prior to maturity, you will be required to include in income as accrued interest the amount, if any, by which the price for which the Deposit Note was disposed of exceeds the Deposit Amount.

### Risk Factors:

8. The Deposit Notes may not be suitable for all investors and in deciding whether to invest in Deposit Notes you should take into account various risks associated with such an investment. The Information Statement contains a complete description of these risks, which include the following:

#### *Suitability*

An investment in Deposit Notes may be suitable and appropriate for you if you are prepared to: invest for an uncertain term from 1 year to 10 years; receive the Deposit Amount only at Maturity; receive Coupons, if any, that (i) are based on the performance of the Reference Basket and not on a fixed, floating or other specified interest rate, (ii) are uncertain until the applicable Observation Date, and (iii) may be zero; receive the Deposit Amount, plus a Coupon of \$1.05 per Deposit Note and no further payments if the Deposit Notes are automatically called by the Bank; waive the aggregate dividend or distribution yield provided by the Securities, representing approximately 71.99% over the 10-year term of the Deposit Notes, assuming the average dividend or distribution yield on such Securities remains constant at 5.57% each year and assuming dividends and distributions are reinvested in such Securities; and; and accept the risks described in the Information Statement, including the risks associated with the performance of the Reference Basket.

# Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3

## *Non-Conventional Deposit Notes*

The Deposit Notes are not conventional instruments or debt securities in that they do not provide you with a return or income stream prior to Maturity, or a return at Maturity, that is calculated 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.

## *Coupons May Not Be Payable*

The return on the Deposit Notes will depend on the price performance of the Reference Basket over the term of the Deposit Notes and there is no assurance that Holders will receive any Coupons during the term of the Deposit Notes. If the Basket Return is below the Coupon Knock-Out Level on any Observation Date, Holders will not receive a Coupon on the related Coupon Payment Date. There is no guarantee that the price performance of the Reference Basket will result in the payment of any Coupons to a Holder.

## *The Deposit Notes are Subject to Being Automatically Called by the Bank*

If the Basket Return is equal to or above the AutoCall Level on any Observation Date after the first Observation Date, the Deposit Notes will be automatically called by the Bank. If the Deposit Notes are automatically called by the Bank, Holders will receive the Deposit Amount plus the applicable Coupon on the Call Date, and the Deposit Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Deposit Notes.

## *Risk Factors Relating to the Securities and the Companies*

The performance of the Reference Basket will determine the payment of Coupons, if any, and whether the Deposit Notes are automatically called prior to Maturity. 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. 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. This effect on the prices of equity securities of changes in these factors, which are beyond the control of the Bank or the Selling Agent, 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 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](http://www.sedar.com). The content of this website is not incorporated by reference in, and does not form part of, this Information Statement.

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 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 Eligible Securities or the issuers of the Eligible Securities. Prospective investors should undertake an independent investigation to determine if an investment in the Deposit Notes is suitable for them.

This is not a complete description of the risks applicable to the Securities. For a description of the risks applicable to the Eligible Securities and their issuers, you should consult the publicly available disclosure documents available at [www.sedar.com](http://www.sedar.com). Information about the Reference Basket can be found in the Information Statement.

## *No Secondary Trading of Deposit Notes*

The Deposit Notes will not be listed on any stock exchange and neither Bank of Montreal nor any of its affiliates will establish or arrange for a secondary market for the sale of Deposit Notes prior to Maturity.

The Deposit Notes are intended to be instruments held to Maturity with their principal being payable on the Maturity Date.

## *Legislative, Regulatory and Administrative Changes*

Changes in laws, regulations or administrative practices, including with respect to taxation, could have an impact on you. The Bail-In Regulations, which came into effect in September 2018, 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 the Bank, 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. Each of the Bank 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 the Bank 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 the Bank 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 the Bank (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 the Bank, 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 Coupons that may be payable on the Deposit Notes.



# Bank of Montreal Equity Linked AutoCallable Income Principal Protected Deposit Notes, Series 3

## *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 you will receive all the payments owing to you 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 *Canada Deposit Insurance Corporation 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 your investment in the Deposit Notes will be eligible for protection under the Canadian Investor Protection Fund.

## *Special Circumstances (Extraordinary Event)*

In certain circumstances, BMO Capital Markets may, as it determines appropriate, (i) adjust the components or variables in calculating the Maturity Payment, (ii) defer the timing of the determination of the Closing Price of the Securities or the calculation of the Maturity Payment, (iii) change the Securities, or (iv) on the occurrence of an Extraordinary Event, instead of paying the Coupons, if any, that may have been payable on subsequent Coupon Payment Dates, pay the estimated present value on the occurrence of the Extraordinary Event of the Coupons, if any, that would have been payable if the Extraordinary Event had not occurred. See "Special Circumstances" for a discussion of these circumstances. See "Special Circumstances" in the Information Statement for a discussion of these circumstances.

## *No Independent Calculation*

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

## Other Important Information

9. Bank of Montreal may amend the terms of the Deposit Notes without your consent after the Deposit Notes have been issued if Bank of Montreal and BMO Capital Markets agree that the amendment would not materially and adversely affect your interests. In all other cases amendments must be approved by the votes of holders representing at least two-thirds of the outstanding Deposit Notes represented at a meeting convened to consider the amendment.
10. If you place an order for Deposit Notes in person or electronically, the agreement to purchase the Deposit Notes will be deemed to have been entered into on the third day after the later of (i) the day your purchase order is received, and (ii) five business days after the postmark date, if the Information Statement is provided to you by mail, or the date the Information Statement is actually received by you, if it is provided other than by mail. If an order to purchase Deposit Notes is received by telephone, the agreement will be deemed to have been entered into at the time your purchase order is received. You 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 your 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 the Information Statement. You will receive the Information Statement by mail with the trade confirmation.
11. You may request information about the Deposit Notes or a copy of the 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 the Information Statement will be posted at [www.bmonotes.com](http://www.bmonotes.com). During the term of the Deposit Notes, you may inquire as to the net asset value of, and the formula for determining the Coupons under, a Deposit Note by contacting BMO Capital Markets at the above numbers.
12. This is only a summary of certain terms of the Deposit Notes. You should read the Information Statement for more detailed and complete information on all aspects of the Deposit Notes.

1-866-750-5190

[www.bmonotes.com](http://www.bmonotes.com)