Bank of Montreal | Principal Protected Solutions

Bank of Montreal S&P 500 Daily Risk Control Index Principal Protected Deposit Notes, Series 63 (F-Class)

5 Year Term	Variable Return of 140% of the net positive performance of the Index at Maturity	100% Principal Protected if held to Maturity

Investment Highlights

Return Description

The Variable Return per Deposit Note, if any, will be an amount equal to $100.00 multiplied by 140% of the percentage change, if positive, between the level of the Index on the Closing Date and the level of the Index net of the 2% Program Fee on the fifth business day prior to maturity (the "**Net Index Return**"). If the Net Index Return is zero or negative, no Variable Return will be payable on the Deposit Notes.

Fundserv: JHN2778

Available until May 18, 2022

www.bmonotes.com

Index

S&P Dow Jones Indices' Risk Control Indices are designed to track the return of a strategy that applies dynamic exposure to an underlying index in an attempt to control the level of volatility.

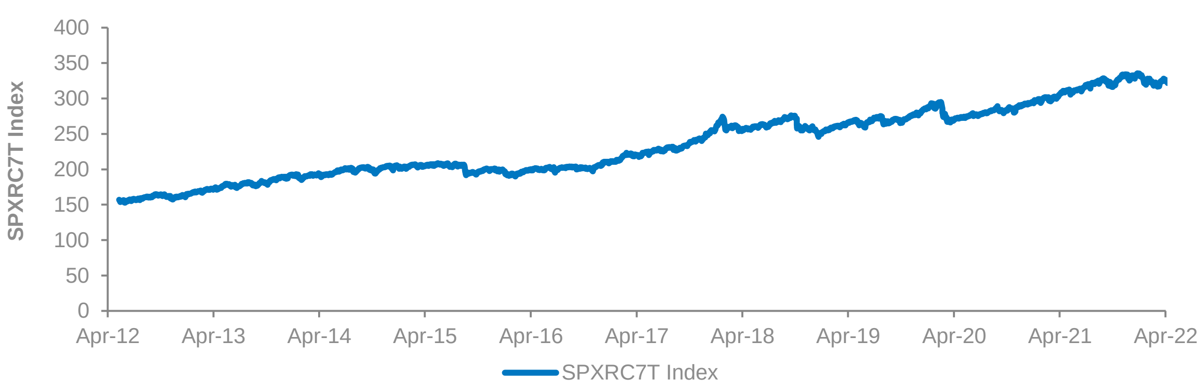
The index includes a leverage factor that changes based on realized historical volatility. If realized volatility exceeds the target level of volatility, the leverage factor will be less than one; if realized volatility is lower than the target level, the leverage factor may be greater than one.

Key Facts

Index	S&P 500® Daily Risk Control 7.5% Index
Ticker	SPXRC7T
Underlying Index	S&P 500® Total Return Index
Risk Control Level	7.5%
Maximum Leverage	150%
Interest Rate (1)	3-month USD LIBOR
Volatility Calculation	Exponential Weighting
Rebalance Frequency	Daily

Note (1): Interest rate used to calculate return on the Index's cash component and any borrowing cost if exposure to the Underlying Index is leveraged.

10 Year Performance of S&P 500® Daily Risk Control 7.5% Index(2)



Source: Bloomberg as of April 21, 2022.

Note (2): All information for the Index prior to May 3, 2013 is back-tested, based on methodology that was in effect on such date, as provided by Bloomberg. Back-tested performance is hypothetical and not actual performance. Actual returns may differ from, and be lower than, back-tested returns.

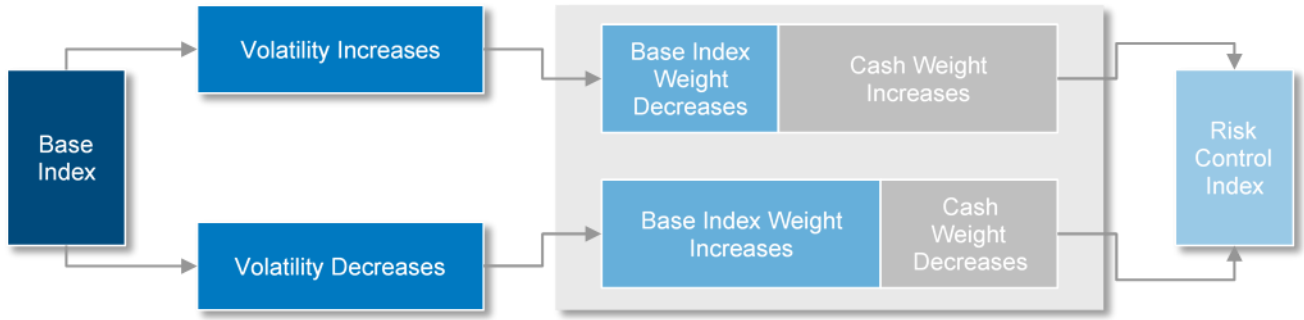
BMO Capital Markets®
We're here to help.™

For further information, please contact your Investment Advisor

Bank of Montreal S&P 500 Daily Risk Control Index Principal Protected Deposit Notes, Series 63 (F-Class)

Risk Control Methodology

The Index relies on S&P 500® methodology and overlays mathematical algorithms to maintain specific volatility targets. Index exposure is dynamically rebalanced based on observed S&P 500® historic volatility to maintain the desired volatility target.



The Index has two components: the S&P 500® Total Return Index (the "**Underlying Index**") and a cash component (together with the Underlying Index, the "**Index Components**"). When volatility increases, the Index moves out of the Underlying Index and into cash. Conversely, if volatility decreases, the Index moves more weight into the Underlying Index and weights less in cash. If the volatility of the Underlying Index falls below the target levels, the exposure to the Underlying Index could be leveraged, if desired.

Volatility is calculated as a function of historical returns that uses exponential weightings to give more significance to recent observations. In addition, short and long-term measures of volatility are used to cause the indices to deleverage quickly but increase exposure more gradually on a relative basis.

Underlying Index

The S&P 500® Index is considered a gauge of the U.S. equities market. It is comprised of 500 companies from a variety of industries in the United States. The S&P 500® Index focuses on the large cap segment of the market, with approximately 80% coverage of the U.S. equity market capitalization.

The index sponsor chooses companies for inclusion in the S&P 500® with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of its Stock Guide Database of over 10,000 companies, which S&P uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock generally is responsive to changes in the affairs of the respective industry, and the market value and trading activity of the common stock of that company.

The Index references the total return version of the S&P 500® Index, which is a total return-based calculation of the S&P 500® Index. The S&P 500® Total Return Index represents the total return earned in a portfolio that tracks the S&P 500® Index and reinvests dividend income in the overall index, not in the specific stock paying the dividend. The S&P 500® Total Return Index is built from the price return version of the S&P 500® Index but accounts for daily total dividend returns.

Historical Performance of the Index and the Underlying Index

Annualized Returns as of March 31, 2022

	1 year	3 years	5 years	10 years
S&P 500® Daily Risk Control 7.5% Index	7.55%	7.28%	8.10%	7.07%
S&P 500® Total Return Index	15.65%	18.92%	15.99%	14.64%

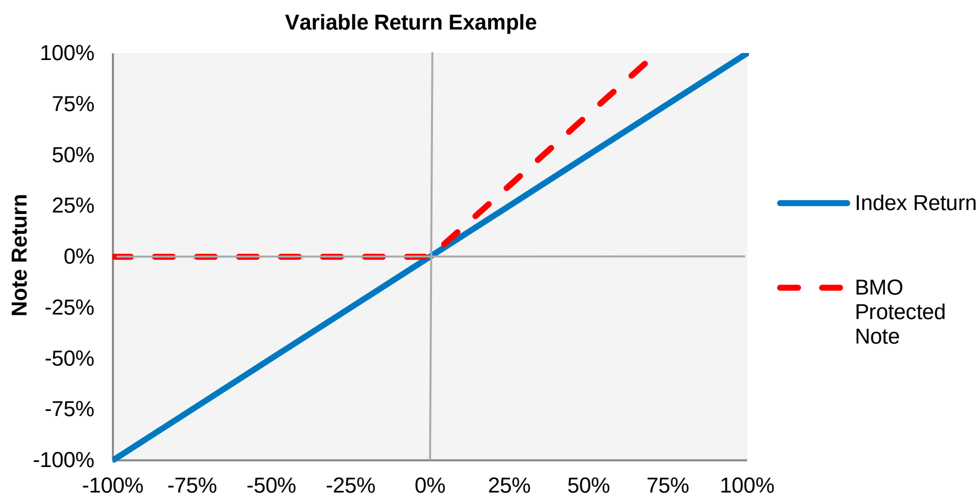
Source: S&P Dow Jones Indices as of March 31, 2022. *https://us.spindices.com*

Bank of Montreal S&P 500 Daily Risk Control Index Principal Protected Deposit Notes, Series 63 (F-Class)

Return Profile and Variable Return Examples

The following examples are included for illustration purposes only. The Net Index Returns used to illustrate the two different scenarios are hypothetical and are not estimates or forecasts of expected changes in the Closing Level of the Index from the Closing Date to and including the Final Valuation Date. Each of the scenarios refers to a Holder holding a single Deposit Note and assumes that no Extraordinary Event or Market Disruption Event has occurred. The calculation of the Variable Return would involve determining the Net Index Return by comparing the Final Net Index Level to the Initial Level. The Final Net Index Level is the Net Index Level on the Final Valuation Date. The Variable Return, if any, will be equal to the Deposit Amount multiplied by 140% of the Net Index Return, if positive.

Return Profile



- The blue line represents the range of possible Net Index Returns on the Final Valuation Date. The red line represents the range of potential Variable Return amounts for one Deposit Note.

Variable Return Examples

- **Scenario 1 – Negative Net Index Return Example**
  - Initial Level: 300.00
  - Final Net Index Level: 244.47
  - Net Index Return: (244.47 – 300.00) ÷ 300.00 = -18.51%
  - Variable Return: $0.00

In the example above, the Net Index Return is negative. As a result, the Variable Return is zero and a Holder would not receive any Variable Return at Maturity, but would receive the Deposit Amount of $100.00 per Deposit Note at Maturity.

- **Scenario 2 - Positive Net Index Return Example**
  - Initial Level: 300.00
  - Final Net Index Level: 377.58
  - Net Index Return: (377.58 – 300.00) ÷ 300.00 = 25.86%
  - Variable Return: Deposit Amount × Participation Rate × Net Index Return
  - Variable Return: $100.00 × 140% × 25.86%
  - Variable Return: $36.20

In the example above, a Holder would receive a Variable Return of $36.20, representing a cumulative return of 36.20% and an annually compounded rate of return of 6.37%. In addition, at Maturity, a Holder would receive the Deposit Amount of $100.00 per Deposit Note.

Bank of Montreal S&P 500 Daily Risk Control Index Principal Protected Deposit Notes, Series 63 (F-Class)

Terms of the Offering

Issuer	Bank of Montreal (the "**Bank**").
Issuer Rating	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. **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.**
Issue Price	$100.00 per Deposit Note (the "**Deposit Amount**").
Selling Period	Until May 18, 2022.
Issue Date	On or about May 24, 2022.
Maturity Date/Term	Each Deposit Note will mature on May 25, 2027 ("**Maturity**" or "**Maturity Date**"), resulting in a term to maturity of approximately 5 years.
Minimum Purchase	$2,000.00 (20 Deposit Notes).
Reference Index	The performance of the Index will determine the amount of Variable Return, if any, Holders will receive at Maturity. The S&P 500® Daily Risk Control 7.5% Index (the "**Index**") relies on S&P 500® methodology and overlays mathematical algorithms to maintain a 7.5% volatility target. Please see "The Index" in the Information Statement for more details.
Payment at Maturity	Subject to the occurrence of certain special circumstances, for each Deposit Note held at Maturity, an investor will receive (i) the Deposit Amount, and (ii) a Variable Return, if any, based on the performance of the Index. More specifically, the Variable Return per Deposit Note, if any, is $100.00 multiplied by 140% of the percentage change (the "**Net Index Return**") (if positive) between the level of the Index on the Closing Date (the "**Initial Level**") and the level of the Index net of the Program Fee (the "**Net Index Level**") on the fifth business day prior to Maturity (the "**Final Valuation Date**"). The Net Index Level on a particular Exchange Business Day is the Net Index Level on the previous Exchange Business Day (or where the previous Exchange Business Day is the Closing Date, the Initial Level) plus the return on the Index since the previous Exchange Business Day minus the portion of the Program Fee that has accrued since the previous Exchange Business Day. The Net Index Level on each Exchange Business Day will be reported by BMO Capital Markets at *www.bmonotes.com*. If the Net Index Return is zero or negative, no Variable Return will be payable on the Deposit Notes. Beneficial holders of Deposit Notes (each a "**Holder**") cannot elect to receive any payments prior to Maturity. No Variable Return or distributions will be paid during the term of the Deposit Notes. It is possible that no Variable Return will be payable on the Deposit Notes. See "Note Program – Maturity Payment" and "Note Program – Variable Return" in the Information Statement.
Fundserv Code	JHN2778
Fees and Expenses of the Offering	No expenses will be paid out of the proceeds of the Offering to BMO Nesbitt Burns Inc. for its services as selling agent. The Deposit Notes are available to investors who participate in programs that already charge a fee for the advice they are receiving (for example, dealer sponsored "fee for service" or wrap programs) or pay their advisor an hourly or annual asset-based fee rather than commissions on each transaction and who purchase the Deposit Notes in connection with such programs. See "Fees and Expenses of the Offering" in the Information Statement for more details.
Program Fee	The Net Index Return used to determine the Variable Return on the Deposit Notes will be affected by the deduction of an annual fee equal to 2.00% calculated and accrued daily in determining the Final Net Index Level. This Program Fee will be retained by the Bank.
Secondary Market	The Deposit Notes will not be listed on any stock exchange. Moreover, the Bank does not have the right to redeem the Deposit Notes prior to Maturity and a Holder does not have the right to require the Bank to redeem the Deposit Notes prior to Maturity. However, BMO Capital Markets will use reasonable efforts, under normal market conditions, to arrange for a daily secondary market for the sale of Deposit Notes through the order entry system operated by Fundserv but reserves the right not to do so in the future in its sole and absolute discretion, without providing prior notice to Holders. Secondary market "redemption" orders and settlements can be made using the Fundserv network. Changes in laws and regulations may impact the procedures and timing relating to selling Deposit Notes on the secondary market. Sale of a Deposit Note prior to Maturity may result in a loss even if the performance of the Index Components has been positive.
Currency	The Notes are denominated in Canadian dollars and all payments owing under the Notes will be made in Canadian dollars. Although the market prices of the constituent securities comprising the Underlying Index are quoted in U.S. dollars, the calculation of the Maturity Payment, will be determined based on the Closing Level of the Index on the relevant date, which will not be affected by fluctuations in the foreign exchange rate between the Canadian dollar and the U.S. dollar.
Early Trading Charge	No early trading charge will apply to the sale of a Deposit Note at any time after the closing of the Offering.
No CDIC	The Deposit Notes are not 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 institution.

This is only a summary of the Offering and should be read in conjunction with the Information Statement dated April 27, 2022.

This document should be read in conjunction with the Bank's information statement dated April 27, 2022 (the "**Information Statement**").
The Variable Return payable under the Deposit Notes, if any, is uncertain and is based on the performance of the Index. 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 Variable 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*. 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 affected by a number of factors. The fluctuation of the performance of the underlying securities will directly impact the Variable 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.

Bank of Montreal S&P 500 Daily Risk Control Index Principal Protected Deposit Notes, Series 63 (F-Class)

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 S&P 500 Daily Risk Control Index Principal Protected Deposit Notes, Series 63 (F-Class) will be issued by Bank of Montreal on or about May 24, 2022 and will mature on May 25, 2027. The term of the Deposit Notes is approximately 5 years. The principal amount of $100.00 per Deposit Note will be repaid at Maturity.

2. On the Maturity Date, you will receive your principal amount plus a Variable Return, if any, based on the performance of the Index.

3. Subject to certain exceptions, no payments will be made prior to Maturity. At Maturity, you will receive the Deposit Amount plus a Variable Return, if any, on the Deposit Notes. More specifically, the Variable Return per Deposit Note, if any, is $100.00 multiplied by 140% of the percentage change (if positive) between the level of the Index on the Closing Date and the level of the Index net of the program fee on the fifth business day prior to Maturity. You cannot elect to receive any payments prior to Maturity. No Variable Return or distributions will be paid during the term of the Deposit Notes.

4. It is possible that no Variable Return will be payable at Maturity.

Fees and Expenses:

5. No expenses will be paid out of the proceeds of the Offering to BMO Nesbitt Burns Inc. for its services as selling agent. The Deposit Notes are available to investors who participate in programs that already charge a fee for the advice they are receiving (for example, dealer sponsored "fee for service" or wrap programs) or pay their advisor an hourly or annual asset-based fee rather than commissions on each transaction and who purchase the Deposit Notes in connection with such programs. See "Fees and Expenses of the Offering" in the Information Statement for more details.

6. The Net Index Return used to determine the Variable Return on the Deposit Notes will be affected by the deduction of an annual program fee equal to 2.00% calculated and accrued daily in determining the Net Index Level. This program fee will be retained by the Bank.

Listing and Secondary Market:

7. The Deposit Notes will not be listed on any stock exchange or marketplace. Moreover, the Bank does not have the right to redeem the Deposit Notes prior to Maturity and you do not have the right to require the Bank to redeem (that is, buy or repay) the Deposit Notes prior to Maturity. However, BMO Capital Markets will use reasonable efforts, under normal market conditions, to arrange for a daily secondary market for the sale of Deposit Notes using the Fundserv network but reserves the right not to do so in the future, in its sole and absolute discretion, without prior notice to holders of Deposit Notes. The price that BMO Capital Markets will pay for Deposit Notes sold in the secondary market prior to Maturity will be determined by BMO Capital Markets, acting in its sole and absolute discretion.

8. If you sell your Deposit Notes prior to maturity in the secondary market, you may receive less than the Deposit Amount even if the performance of the Index has been positive. BMO Capital Markets is under no obligation to facilitate or arrange for a secondary market and may suspend any secondary market at any time. If there is no secondary market, you will not be able to sell your Deposit Notes.

Early Trading Charge:

9. No early trading charge will apply to the sale of a Deposit Note at any time after the closing of the Offering.

Tax Consequences:

10. The Canadian income tax consequences of investing in Deposit Notes are described in the Information Statement. However, in summary, (i) 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 (ii) 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:

11. 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 the medium term; receive the Deposit Amount only at Maturity; receive a return at Maturity that (i) is based on the performance of the Index and is not based on a fixed, floating or other specified interest rate, (ii) is uncertain until the Final Valuation Date, and (iii) may be zero; obtain exposure to the Index, the performance of which may not match the performance of a direct investment in the Index Components or any alternative portfolio or strategy that might be constructed from the Index Components; and accept the risks described in the Information Statement, including the risks associated with the performance of the Index.

This is only a summary of the Offering and should be read in conjunction with the Information Statement dated April 27, 2022.

Bank of Montreal S&P 500 Daily Risk Control Index Principal Protected Deposit Notes, Series 63 (F-Class)

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 wholly 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.

Variable Return May Not Be Payable

You may not receive a Variable Return on your Deposit Notes. Whether you receive a variable return, and if so, how much, will depend on the performance of the Index.

Variable Return May Be Limited

Since the Variable Return for each Deposit Note, if any, will equal $100.00 multiplied by 140% of the percentage change (if positive) between the level of the Index on the Closing Date and the level of the Index net of the Program Fee on the Final Valuation Date, a Holder's exposure under the Deposit Notes to the Index is not the same as an investment in the Securities and therefore the Variable Return that may be payable at Maturity may be less than the return realized from a direct investment in the Securities.

Risk Factors Relating to the Index, the Index Components, the Securities and the Companies

The Variable Return, if any, payable on the Deposit Notes is based on the performance of the Index. Accordingly, certain risk factors applicable to investors who invest directly in the Index, the Index Components or the Securities are also applicable to an investment in the Deposit Notes to the extent that such risk factors could adversely affect the performance of the Index.

You should recognize that it is impossible to know whether the closing level of the Index at any time will rise or fall. The closing level of the Index will be influenced by the performance of the Index Components and the performance of the Underlying Index will be impacted by changes in the market price of the Securities and the outlook for the applicable Companies and by general economic, industry and market trends. A decrease in the level of one Index Components will adversely affect the Index and may affect the Deposit Notes. Furthermore, increases in the level of one Index Component may be offset by declines in the level of other the other Index Component. These factors are beyond the control of the Bank. The Index was established on May 3, 2013 and therefore has limited history to evaluate its likely performance. Past performance of the Index Components is not indicative of future performance of the Index. Historical performance of the Index, the Index Components and the Securities should not be considered as an indication of the future performance of the Index Components or the Index.

Notwithstanding that the name of the Index includes the phrase "Risk Control", the Index may underperform the Underlying Index and there is no guarantee that the Index will achieve the 7.5% target volatility or will have a lower volatility than the Underlying Index. Further, since the Index is designed to achieve a target volatility, there may be overexposure to the Underlying Index in bear markets or underexposure in bull markets. In addition, the Index may be subject to increased volatility and borrowing costs due to the use of leverage. Borrowing costs will reduce the return on the Index relative to the Underlying Index.

You should also recognize that the Index Sponsor has no obligations with respect to the Deposit Notes or to you and that changes to the policies of the Index Sponsor could affect amounts payable on the Deposit Notes and the value of the Deposit Notes in any secondary market. In addition, the Index could be replaced with a replacement index and the Index Components may also be replaced by the Index Sponsor.

None of the Bank, BMO Capital Markets or their respective affiliates or associates has performed any due diligence investigation or review of any of the Index, the Index Components, the securities included in the Underlying Index (the "**Securities**") or the issuers of the Securities (the "**Companies**"). Any information relating to the Index, the Index Components, the Securities or the Companies was derived from and based solely upon publicly available sources and its accuracy cannot be guaranteed. None of the Bank, BMO Capital Markets or any of their respective affiliates or associates has any obligations or responsibility for the provision of future information in respect of the Index, the Index Components, the Securities or the Companies. Investors shall have no recourse against the Bank, BMO Capital Markets or any of their respective affiliates or associates in connection with any information about and/or relating to the Index, the Index Components, the Securities or the Companies that is not contained in the Information Statement. Prospective investors should undertake an independent investigation to determine if an investment in the Deposit Notes is suitable for them. None of the Companies or the Index Sponsor has participated in the preparation of the Information Statement and the Deposit Notes are not in any way sponsored, endorsed, sold or promoted by any of the Companies or the Index Sponsor.

This is not a complete description of the risks applicable to the Index, the Index Components, the Securities and the Companies. For a description of the risks applicable to the Securities and the Companies, you should consult the disclosure documents made publicly available by each Company at *www.sedar.com*. Information about the Index and the Index Components can be found at *www.standardandpoors.com/home/en/us* or other publicly available sources.

It has been announced by the U.K. Financial Conduct Authority that most LIBOR reference rates will either cease to be provided by any administrator or no longer be representative after the end of 2021, with the remaining LIBOR reference rates (which includes the 3-month USD LIBOR rate) ceasing after June 2023. The Index Sponsor has announced that SOFR is the proposed alternative rate for its indices, including the Index, that make use of USD LIBOR reference rates and, with the scheduled cessation of the 3-month USD LIBOR rate after June 2023 in mind, the Index Sponsor has announced that its decision to replace the use of the 3-month USD LIBOR rate for the Index will be determined at a later date as the SOFR markets continue to mature. As noted above, the Index Components may be replaced by the Index Sponsor, which includes the use of the 3-month USD LIBOR rate to calculate return on the Index's cash component and any borrowing cost if exposure to the Underlying Index is leveraged. Any such changes, and any uncertainty at what these changes will be and when these changes will be made by the Index Sponsor, may affect the Index in a way that adversely affects the return on and value of the Deposit Notes.

Secondary Trading of Deposit Notes

There is currently no market through which the Deposit Notes may be sold and it is possible that no such market will be arranged. Sale of a Deposit Note prior to Maturity may result in a loss even if the performance of the Index has been positive.

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

In the course of normal business operations, Bank of Montreal and BMO Capital Markets may hold interests linked to Index Components, the Securities or the Companies, or enter into other business dealings with respect to the Index Components or the Companies. In addition, BMO Capital Markets, which has undertaken to use reasonable efforts to provide a secondary market, is an affiliate of the Bank. Conflicts may also arise because the Bank or its affiliates may engage in trading activities related to the Companies or the Securities that are not for your account, which may present a conflict between your interest in the Deposit Notes and the interests that the Bank or its affiliates will have in their proprietary accounts in facilitating transactions. Such trading activities could be adverse to your interests. Subsidiaries of the Bank 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. If the Bank or BMO Capital Markets takes any such actions, the Bank and BMO Capital Markets will not necessarily take into account the effect, if any, that such actions could have on the Deposit Notes or the variable return that may be payable on the Deposit Notes.

Credit Rating

There is no assurance that the Deposit Notes, if rated, would receive the same rating as other deposit liabilities of the Bank.

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 the Bank.

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 Variable Return, if any, (ii) defer the timing of the calculation of the Variable Return, if any, (iii) replace the Index with a comparable Index, or (iv) on the occurrence of an extraordinary event, instead of paying the Variable Return, if any, at Maturity, pay the estimated present value on the occurrence of the extraordinary event of the Variable Return, if any, that would have been payable at Maturity if the extraordinary event had not occurred. See "Special Circumstances" in the Information Statement for a discussion of these circumstances.

No Independent Calculation

The Bank 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 Index, the Index Components or the Securities

You will have no rights of ownership in the Index, the Index Components or any Securities. The Deposit Notes do not represent a substitute for an investment in the Securities.

Other Important Information

12. The Bank may amend the terms of the Deposit Notes without your consent after the Deposit Notes have been issued if the Bank 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.

13. 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.

14. 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 the Bank 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.

15. 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*. During the term of the Deposit Notes, you may inquire as to the net asset value of, and the formula for determining variable return under, a Deposit Note by contacting BMO Capital Markets at the above numbers.

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

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This is only a summary of the Offering and should be read in conjunction with the Information Statement dated April 27, 2022.