Prospectus Supplement No. 1 dated May 17, 2016
(to the short form base shelf prospectus dated May 17, 2016)

Bank of Montreal Medium Term Notes (Principal At Risk Notes) (Unsecured)

ENHANCED RETURN NOTES

Bank of Montreal (the "**Bank**") may offer and issue, from time to time, enhanced return notes (the "**Enhanced Return Notes**" or the "**Notes**") of varying maturities under its Medium Term Notes (Principal At Risk Notes) Program (the "**MTN Program**"). This prospectus supplement (the "**Product Supplement**") relates to the offering and issuance of such Enhanced Return Notes. The short form base shelf prospectus of the Bank dated May 17, 2016 (as may be amended, restated or supplemented from time to time, the "**Base Shelf Prospectus**") and this Product Supplement describe terms that will generally apply to the Enhanced Return Notes. The specific terms of any Enhanced Return Notes to be offered and sold hereunder will be set out in one or more pricing supplements that will be delivered, together with the Base Shelf Prospectus and this Product Supplement, to purchasers in conjunction with the sale of such Enhanced Return Notes. In this Product Supplement, references to the "relevant pricing supplement" mean the specific pricing supplement pursuant to which a particular series of Enhanced Return Notes is offered.

Enhanced Return Notes are designed for investors who are seeking enhanced returns linked to the price performance of one or more Reference Assets (defined below) and who anticipate that the closing price, level or value of the applicable Reference Asset(s) will increase during the term of the applicable Enhanced Return Notes. The Enhanced Return Notes will be unsecured, principal at risk notes linked to the price performance of one or more equities, indices, securities of exchange traded funds or other assets (or any combination thereof) (each, a "**Reference Asset**") that will be specified and described in the relevant pricing supplement. The payment at Maturity (as defined below) to a holder of Enhanced Return Notes (a "**Holder**") will be based on the price performance of the applicable Reference Asset(s) during the term of the Enhanced Return Notes, subject to the occurrence of any special circumstances described under the heading "Special Circumstances" below or in the relevant pricing supplement. Holders of Enhanced Return Notes must be willing to forego dividends, distributions or other income or amounts that may be payable on the Reference Asset(s) or the constituent securities comprising the Reference Asset(s) and accept the risk of negative returns on such Reference Asset(s), which may result in Holders receiving less, and possibly significantly less, at Maturity than their principal investment in the Notes.

A Holder's return on the Notes will depend on the price performance of the applicable Reference Asset(s) over the term of the Notes. Bank of Montreal does not guarantee that a Holder will receive an amount equal to or greater than his or her principal investment in the Notes and does not guarantee that any return will be paid on the Notes at Maturity, other than the Minimum Payment Amount. Since the Notes are not fully principal protected and the principal amount will be at risk, it is possible that a Holder could lose some or substantially all of his or her principal investment in the Notes. See "Additional Risk Factors Specific to Enhanced Return Notes".

Certain common terms and conditions of Enhanced Return Notes are described in this Product Supplement. The specific economic terms associated with any particular series of Enhanced Return Notes will be described in the relevant pricing supplement that will be delivered with this Product Supplement and the Base Shelf Prospectus. Such pricing supplements may identify terms and conditions that are unique to that particular offering of Enhanced Return Notes, whether or not such terms and conditions are described in this Product Supplement. If the terms and conditions of a particular series of Enhanced Return Notes described in the relevant pricing supplement are inconsistent with those described in this Product Supplement or in the Base Shelf Prospectus, the terms and conditions described in the relevant pricing supplement shall supersede the terms and conditions in this Product Supplement or the Base Shelf Prospectus, as the case may be.

The Notes are not a suitable investment for prospective purchasers who require a guaranteed return or who cannot withstand a loss of some or substantially all of their principal investment in the Notes. There can be no assurance that Enhanced Return Notes will generate positive returns or avoid losses for Holders. A Holder will not have, and the Notes will not represent, any direct or indirect ownership or other interest in the Reference Asset(s) or the constituent securities comprising the Reference Asset(s) (including, without limitation, voting rights or rights to receive dividends, distributions or other income or amounts). The Reference Asset(s) will be used solely as a reference to calculate the amount payable on the Notes at Maturity and Holders will only have a right against the Bank to be paid any amounts due under the Notes. Unless specified otherwise in the relevant pricing supplement, the Maturity Payment Amount on Enhanced Return Notes will be calculated using the "price return" of the Reference Asset(s), meaning the return on the Notes will not reflect the value of any dividends, distributions or other income or amounts that investors might otherwise receive if they directly owned the Reference Asset(s) or the constituent securities comprising the Reference Asset(s). Prospective purchasers should also take into account additional risk factors associated with the Notes. See "Suitability for Investment" and "Additional Risk Factors Specific to Enhanced Return Notes".

The Notes will constitute direct, unconditional obligations of the Bank to the extent the Bank is obligated to make payments to Holders under the Notes. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations of the Bank (except as otherwise prescribed by law), and will be payable ratably without any preference or priority. **The Notes will not constitute deposits that are 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.** See "Description of the Notes — Rank; No Deposit Insurance".

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ABOUT THIS PROSPECTUS

Enhanced Return Notes that may be issued by the Bank under its MTN Program are unsecured, unsubordinated debt obligations of the Bank. Such Notes will be described in three separate documents: (1) the Base Shelf Prospectus, (2) this Product Supplement, and (3) the relevant pricing supplement that contains the specific terms (including pricing information) about the specific series of Enhanced Return Notes being offered. In respect of any particular series of Enhanced Return Notes the Bank may offer under its MTN Program, the Base Shelf Prospectus as supplemented by a Product Supplement (if any) and the relevant pricing supplement will constitute the "**prospectus**" in respect of such Notes. If the terms and conditions of a particular series of Enhanced Return Notes described in the relevant pricing supplement are inconsistent with those described in this Product Supplement or the Base Shelf Prospectus, the terms and conditions of such Enhanced Return Notes described in the relevant pricing supplement shall supersede the terms and conditions in this Product Supplement or the Base Shelf Prospectus. Please refer to the "Index of Defined Terms" for reference to the definition of any capitalized terms used herein.

FORWARD-LOOKING STATEMENTS

The Bank's public communications often include written or oral forward-looking statements. Statements of this type are included in this Product Supplement including documents incorporated by reference, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of, and are intended to be forward-looking statements under, the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. The forward-looking statements contained in this Product Supplement can often, but not always, be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

By their nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that the Bank's assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. The Bank cautions readers of this Product Supplement not to place undue reliance on its forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which the Bank operates; weak, volatile or illiquid capital and/or credit markets; interest rate and currency value fluctuations; changes in monetary, fiscal, tax or economic policy; the level of competition in the geographic and business areas in which the Bank operates; changes in laws or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance; judicial or regulatory proceedings; the accuracy and completeness of the information the Bank obtains with respect to its customers and counterparties; the Bank's ability to execute its strategic plans and to complete and integrate acquisitions, including regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks; changes to the Bank's credit ratings; general political conditions; global capital markets activities; the possible effects on the Bank's business of war or terrorist activities; outbreaks of disease or illness that affect local, national or international economies; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; technological changes and the Bank's ability to anticipate and effectively manage the risks associated with all of the foregoing factors.

The Bank cautions that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect its results. For more information, please see the Enterprise-Wide Risk Management section on pages 86 to 117 of the Bank's 2015 Annual Report, which outlines in detail certain key factors that may affect the Bank's future results. When relying on forward-looking statements to make decisions with respect to the Bank, investors and others should carefully consider these factors and risks, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the Bank or on its behalf, except as required by law. The forward-looking information contained in this Product Supplement is presented for the purpose of assisting prospective purchasers in understanding the Bank's operations, prospects, risks and other external factors that impact it specifically as at and for the periods ended on the dates presented, as well as certain strategic priorities and objectives, and may not be appropriate for other purposes.

Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on the Bank's business, are material factors the Bank considers when determining its strategic priorities, objectives and expectations for its business. In determining the Bank's expectations for economic growth, both broadly and in the financial services sector, the Bank primarily considers historical economic data provided by Canadian and U.S. governments and their agencies. For more information, please see the discussion on pages 30 to 31 of the Bank's 2015 Annual Report.

DOCUMENTS INCORPORATED BY REFERENCE

This Product Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purpose of the MTN Program and Enhanced Return Notes issued hereunder. Other documents are also incorporated or deemed to be incorporated by reference into the Base Shelf Prospectus and reference should be made to the Base Shelf Prospectus for full particulars.

Any statement contained in this Product Supplement or a document incorporated or deemed to be incorporated by reference in the Base Shelf Prospectus or this Product Supplement is deemed to be modified or superseded, for purposes of this Product Supplement, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Product Supplement or the Base Shelf Prospectus, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Product Supplement.

INFORMATION RELATING TO THE NOTES

This Product Supplement has been prepared for the sole purpose of assisting prospective purchasers in making an investment decision with respect to Enhanced Return Notes. This Product Supplement relates only to the Enhanced Return Notes offered hereby and does not relate to any other notes offered under the MTN Program, any Reference Asset or sponsor thereof, including related indices, any of the constituent securities comprising those indices or any issuers of such constituent securities. The Bank has taken reasonable care to ensure that the facts stated in this Product Supplement with respect to Enhanced Return Notes are true and accurate in all material respects. Any information contained in the relevant pricing supplement regarding any Reference Asset or sponsor is derived from and based solely upon publicly available information. In addition, certain information contained in this Product Supplement was obtained from public sources and its accuracy cannot be guaranteed. None of the Bank, BMO Nesbitt Burns Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Industrial Alliance Securities Inc. and any other dealers that may be appointed from time to time (collectively, the "**Dealers**") nor any of their respective affiliates or associates has any obligation or responsibility for the provision of any future information with respect to any Reference Asset, related indices, any constituent securities of those indices and any issuers of such constituent securities, or has any duty or obligation to update such information up to or after the day the Notes are issued (the "**Issue Date**"). Furthermore, neither the Bank nor the Dealers make any recommendation as to whether the Notes are a suitable investment for any person or the suitability of investing in the component securities of any Reference Asset, any of the constituent securities of the indices that are replicated by a Reference Asset or exchange traded funds or equity securities generally. Sponsors of Reference Assets have not participated in the preparation of this Product Supplement and the Enhanced Return Notes are not in any way sponsored, endorsed, sold or promoted by any such sponsor and no sponsor makes any representation or warranty regarding the advisability of investing in the Notes. Prospective purchasers should independently investigate the Reference Assets to determine whether an investment in the Notes is suitable for them.

SUITABILITY FOR INVESTMENT

An investment in a particular series of Enhanced Return Notes is suitable only for investors prepared to assume risks associated with investing in the markets represented by the applicable Reference Asset(s). The return on Enhanced Return Notes, if any, is uncertain and an investor may not be repaid his or her principal investment, other than the Minimum Payment Amount (as defined below), at or prior to Maturity. A person should only reach a decision to invest in Enhanced Return Notes after carefully considering, with his or her advisors, the suitability of this investment in light of his or her investment objectives and the information set out in this Product Supplement and the relevant pricing supplement. Enhanced Return Notes are not conventional indebtedness in that they do not provide Holders with a guaranteed return or any income stream prior to Maturity and the return at Maturity is not calculated by reference to a fixed or floating rate of interest that is determined prior to Maturity. **It is possible that the upside return potential of a Reference Asset may be "capped" or limited on the Notes, or that a Reference Asset may decline beyond any applicable downside protection feature provided by the Notes. As such, the return on the Notes may not reflect the return generated by a direct investment in the Reference Asset. It is possible that Holders could lose some or substantially all of their principal investment in the Notes.** Accordingly, Enhanced Return Notes are not a suitable investment for investors requiring or expecting certainty of yield or a guaranteed return of principal. There is no assurance that Enhanced Return Notes will be able to meet the investment objectives of the Holders or avoid losses to the Holders. Prospective purchasers should take into account additional risk factors associated with Enhanced Return Notes. See "Additional Risk Factors Specific to Enhanced Return Notes".

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to the Bank, the Notes offered hereby will, at the date of issue, be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered education savings plans ("**RESPs**"), registered disability savings plans ("**RDSPs**"), tax-free savings accounts ("**TFSAs**") and deferred profit sharing plans ("**DPSPs**") (other than a trust governed by a DPSP to which contributions are made by the Bank or by an employer with which the Bank does not deal at arm's length within the meaning of the Tax Act).

DESCRIPTION OF THE NOTES

General

The following terms and conditions will apply generally to Enhanced Return Notes. The relevant pricing supplement pursuant to which a particular series of Enhanced Return Notes may be offered (an "**Offering**") will provide specific economic terms and may specify other terms and conditions applicable to such Offering. If the terms and conditions of a particular series of Enhanced Return Notes described in the relevant pricing supplement are inconsistent with those described in this Product Supplement or in the Base Shelf Prospectus, the terms and conditions described in the relevant pricing supplement shall supersede the terms and conditions in this Product Supplement or the Base Shelf Prospectus.

Series Offerings

The Notes will be offered from time to time in different series. Unless specified otherwise in the relevant pricing supplement, the principal amount for each Enhanced Return Note purchased by any Holder under the MTN Program will be $100.00 per Note ("**Principal**" or "**Principal Amount**") with a minimum purchase size of $2,000 (or 20 Notes). A minimum or maximum size of an Offering may be specified in the relevant pricing supplement. The Bank may change the minimum and maximum size of any Offering in its discretion at any time.

Specified Currency

Unless otherwise specified in the relevant pricing supplement, all Enhanced Return Notes and any payments made thereon will be denominated in Canadian dollars.

Issue Date

The "**Issue Date**" will be the date of issuance specified in the relevant pricing supplement for any particular series of Enhanced Return Notes.

Maturity Date

The "**Maturity**" or "**Maturity Date**" will be the date on which a particular series of Enhanced Return Notes comes due and will be specified in the relevant pricing supplement. If such day is not a Business Day, then the Maturity Date will be the immediately following Business Day. It is possible that the Maturity Date may be accelerated or postponed upon the occurrence of certain special circumstances. See "Special Circumstances".

Valuation Dates

The final valuation date (the "**Final Valuation Date**") will be specified in the relevant pricing supplement, and, unless otherwise stated, the Final Valuation Date will be the fifth (5^{th}) Business Day prior to the Maturity Date. If such day is not an Exchange Day (as defined below) in respect of a Reference Asset, then the Final Valuation Date for that Reference Asset will be the immediately preceding Exchange Day (subject to the occurrence of a Market Disruption Event, as defined below). If there is more than one valuation date applicable to the Notes (the "**Valuation Dates**") such Valuation Dates will be described in the relevant pricing supplement.

If the Calculation Agent (as defined below) determines that a Market Disruption Event has occured or is continuing on any Final Valuation Date applicable to the Notes, the Final Level (as defined below) will be determined according to the calculation set out under the heading "Special Circumstances — Market Disruption Event".

"**Business Day**" means any day (other than a Saturday, a Sunday or a statutory holiday) on which commercial banks are open for business in Toronto, Ontario, provided that, if any day on which the Bank is obligated to make a payment in U.S. dollars in respect of the Notes falls on a day that commercial banks are not open for business in New York, USA, such payment will be postponed to the following Business Day on which commercial banks are open for business in New York, USA. Unless specified otherwise, if any day on which an action is specified to be taken in this Product Supplement in respect of the Notes falls on a day that is not a Business Day, such action will be postponed to the following Business Day.

Payments at Maturity

At Maturity, a Holder of Enhanced Return Notes will receive a cash payment that is based on the price performance (positive or negative) of the Reference Asset (the "**Maturity Payment Amount**"). Unless otherwise specified in the relevant pricing supplement, the Maturity Payment Amount will be calculated using one or more of the features and related formulas set out under the heading "Key Features of Enhanced Return Notes" in this Product Supplement.

If, as a consequence of a Market Disruption Event, it is not possible to determine a value for the Enhanced Return Notes on a Final Valuation Date, the calculation and payment of the Maturity Payment Amount or other amount may be postponed to a later date. If an Extraordinary Event occurs, the Bank may choose to accelerate payment to Holders prior to Maturity. Any special circumstances affecting the valuation of any particular series of Enhanced Return Notes will not affect the valuation of any other series of Enhanced Return Notes under the MTN Program. No interest will accrue past the Maturity Date specified in the relevant pricing supplement for any Enhanced Return Notes. See "Special Circumstances".

No Payments During Term

Unless specified otherwise in the relevant pricing supplement, other than the Maturity Payment Amount, no interest or any other payment will be made by the Bank during the term of any Enhanced Return Notes.

Fees and Expenses

Any commissions, fees, selling concessions and other expenses associated with an investment in or holding a particular series of Enhanced Return Notes will be specified in the relevant pricing supplement. Holders wishing to sell their Enhanced Return Notes prior to Maturity may be subject to an Early Trading Charge (as defined below). Any such Early Trading Charge applicable to a series of Enhanced Return Notes will be specified in the relevant pricing supplement. The Bank will not charge any fees or seek reimbursement for any other expenses not specified in the relevant pricing supplement.

No Redemption

The Notes are not redeemable at the option of a Holder. The Notes are not redeemable by the Bank prior to the Maturity Date, however an early payment may be made on the occurrence of an Extraordinary Event. See "Special Circumstances — Extraordinary Event".

Rank; No Deposit Insurance

The Notes will rank equally with all of the Bank's deposit liabilities and constitute direct, unconditional obligations of the Bank to the extent the Bank is obligated to make payments to Holders under the Notes. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations of the Bank (except as otherwise prescribed by law), and will be payable ratably without any preference or priority. **The Notes will not be deposits that are 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.**

Credit Rating

The Notes have not been and will not be rated. As at the date of this Product Supplement, the deposit liabilities of the Bank with a term to maturity of more than one year were rated AA by DBRS, A+ by S&P and Aa3 by Moody's. There can be no assurance that, if the Enhanced Return Notes were rated by these rating agencies, they would have the same rating as the other unsubordinated indebtedness of the Bank. Additional information concerning these ratings is included in the Base Shelf Prospectus and the Bank's continuous disclosure filings that are incorporated by reference in the Base Shelf Prospectus. 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.

Continuous Disclosure

Ongoing information about the performance of the Notes will be available to Holders on the Bank's structured products website (www.bmosp.com), including the Bid Price (as defined below) and any applicable Early Trading Charge (see "Secondary Market" below). None of the Bank, the Dealers nor any of their respective affiliates has any obligation or responsibility for the provision of any future information with respect to any Reference Asset, related indices, any constituent securities of those indices and any issuers of such constituent securities, or has any duty or obligation to update such information up to or after the Issue Date.

KEY FEATURES OF ENHANCED RETURN NOTES

This section describes the different features which may be applicable to any series of Enhanced Return Notes and how the associated returns will be calculated at Maturity. This section also explains some of the defined terms that may be used to describe these features in the relevant pricing supplement. These features and related formulas may be modified for any particular series of Enhanced Return Notes. If the terms and conditions described in the relevant pricing supplement are inconsistent with those described in this Product Supplement or in the Base Shelf Prospectus, the terms and conditions described in the relevant pricing supplement shall supersede the terms and conditions in this Product Supplement or the Base Shelf Prospectus.

Unless specified otherwise, the return on Enhanced Return Notes will be calculated by the Calculation Agent using the "price return" of the Reference Asset(s), which means that the return payable on such Notes will not reflect the value of any dividends, distributions or other income or amounts payable on any Reference Asset(s) or the constituent securities comprising the Reference Asset(s).

If the relevant pricing supplement provides that any Enhanced Return Notes are linked to the price performance of more than one Reference Asset, we may refer to such basket of Reference Assets in the relevant pricing supplement as a "**Reference Basket**". For purposes of this section and the Product Supplement generally, when the relevant pricing supplement contemplates more than one Reference Asset (or a Reference Basket), any references to "Asset Return" or "Reference Asset" used in this Product Supplement in the singular form should be read in their plural form. In such cases, the Maturity Payment Amount for the Notes using the formulas set forth below will be calculated using the "Basket Return" based on the price performance of the Reference Basket, unless specified otherwise in the relevant pricing supplement.

The "**Minimum Payment Amount**", which will be the minimum amount payable to Holders at Maturity, will be specified in the relevant pricing supplement and may differ depending on the specific features applicable to a series of Enhanced Return Notes, but in no circumstances will the Minimum Payment Amount be less than $1.00 per Note.

A. Calculating Asset Return and Basket Return

1. Asset Return

Unless specified otherwise in the relevant pricing supplement, the "**Asset Return**" or "**AR**" for a Reference Asset will be the percentage change in the Closing Level of the Reference Asset (which may be positive or negative) measured from the Issue Date to the Final Valuation Date. The Asset Return will be calculated as follows:

$$\frac{\textbf{Final Level - Initial Level}}{\textbf{Initial Level}}$$

Where:

"**Initial Level**" of a Reference Asset for a particular series of Notes will be its Closing Level on the Issue Date, unless specified otherwise in the relevant pricing supplement;

"**Final Level**" of a Reference Asset for a particular series of Notes will be its Closing Level on the Final Valuation Date, unless specified otherwise in the relevant pricing supplement; and

"**Closing Level**" means, in respect of a Reference Asset on any day, the official closing price, level or value, in the official currency used by the relevant Exchange (as defined below) for that Reference Asset as announced by the relevant Exchange, provided that, if on or after the Issue Date such Exchange changes the time of day at which such official closing price, level or value is determined or fails to announce such official closing price, level or value, the Calculation Agent may thereafter deem the Closing Level to be the price, level or value of that Reference Asset as of the time of day used by such Exchange to determine the official closing price, level or value prior to such change or failure to announce.

2. Basket Return

The "**Basket Return**" for a particular series of Enhanced Return Notes whose performance is linked to a Reference Basket (i.e., more than one Reference Asset) will be the weighted average of the Asset Return determined for each Reference Asset in the Reference Basket. The Basket Return will be calculated as follows:

$$(AR_1 \text{ x } AW_1) + (AR_2 \text{ x } AW_2) + (AR_3 \text{ x } AW_3) + (AR_4 \text{ x } AW_4)$$

Where:

"**AR**" is the Asset Return (expressed as a percentage) calculated for each individual Reference Asset in a Reference Basket (*i.e.* AR_1, AR_2, AR_3, *etc.*); and

"**AW**" is the respective weighting applied to each individual Reference Asset in a Reference Basket, as may be set forth in the relevant pricing supplement (*i.e.* AW_1, AW_2, AW_3, *etc.*).

B. Enhanced Return Features (For Positive Asset Return)

Generally, if the Final Level is greater than the Initial Level (i.e., the Asset Return is positive) a Holder will receive more than the Principal Amount invested in the applicable series of Enhanced Return Notes. In such cases, the Maturity Payment Amount will be calculated using one or more of the following "Enhanced Return Features" and related formulas set out in this section unless specified otherwise in the relevant pricing supplement.

1. Upside Participation

If the relevant pricing supplement specifies that Upside Participation (as defined below) will apply to a particular series of Enhanced Return Notes, then a Holder will benefit from enhanced or "accelerated" participation in any positive price performance of a Reference Asset at Maturity (i.e., a positive Asset Return). Unless specified otherwise, the Maturity Payment Amount for such Notes will be calculated as follows:

Principal Amount + (Principal Amount x Asset Return x Upside Participation)

The "**Upside Participation**" will be a percentage amount equal to or greater than 100% as set forth in the relevant pricing supplement. If the Upside Participation is *greater than* 100%, then a Holder will receive enhanced participation in the positive price performance of the Reference Asset over the term of the Notes (subject to a Cap (as defined below) or other limitation on the return payable on the Notes as described in this Product Supplement and the relevant pricing supplement).

2. Boosted Return

If the relevant pricing supplement specifies that a Boosted Return (as defined below) will apply to a particular series of Enhanced Return Notes, then a Holder may benefit from receiving an enhanced or "boosted" return on the Notes for Asset Returns falling within a predefined "booster range". The booster range for any particular series of Enhanced Return Notes will be bounded by the Booster Level (the lowest point of the range) and the Boosted Return (the highest point of the range). The "**Booster Level**" will be expressed as a percentage of the Initial Level of the Reference Asset set forth in the relevant pricing supplement. The "**Boosted Return**" will be a specified return expressed as a percentage of the Principal Amount set forth in the relevant pricing supplement.

Unless otherwise specified in the relevant pricing supplement, the Maturity Payment Amount for Notes with a Boosted Return will be determined as follows:

(A) If the Final Level of the Reference Asset is equal to or greater than the Booster Level, then the Maturity Payment Amount will equal the *greater* of:

(i) Principal Amount + (Principal Amount x Boosted Return), and

(ii) Principal Amount + (Principal Amount x Asset Return)

(B) If the Final Level of the Reference Asset is less than the Booster Level, then the Maturity Payment Amount will equal:

Principal Amount + (Principal Amount x Asset Return)

In other words, a Holder will receive *at least* the Boosted Return at Maturity where the Final Level of the Reference Asset is at or above the Booster Level for the Notes. The amount of participation beyond the Boosted Return will be specified in the relevant pricing supplement and could be subject to a Cap, reduced participation or other limiting factor.

If the Final Level of the Reference Asset is below the Booster Level for the Notes, a Holder will receive an amount equal to the Asset Return (which could be positive or negative). In such cases, a Holder could lose some or substantially all of his or her principal investment in the Notes, subject to the Minimum Payment Amount.

3. <u>Cap Level</u>

If the relevant pricing supplement specifies that a "**Cap**" will apply to the return payable on the Enhanced Return Notes, then the Maturity Payment Amount will be limited to the Maximum Payment Amount (as defined below) specified in the relevant pricing supplement. The "**Cap Level**" will be specified in the relevant pricing supplement and will be expressed as a percentage of the Principal Amount that results in the Maximum Payment Amount specified for the Notes. The "**Maximum Payment Amount**" for such Notes will be the maximum amount payable to Holders at Maturity, calculated as follows:

Principal Amount + (Principal Amount x Cap Level)

For Notes with a Cap, the relevant pricing supplement will also specify the equivalent Asset Return that results in the Maximum Payment Amount <u>*after*</u> taking into consideration any Upside Participation or other similar features applicable to such Notes.

For Enhanced Return Notes where the return is linked to more than one Reference Asset, a different Cap Level may apply to the price performance of one or more individual Reference Assets in a Reference Basket ("**Local Cap**") or on a global basis to the price performance of the Reference Basket as a whole ("**Global Cap**"). Unless specified otherwise for Enhanced Return Notes whose performance is linked to more than one Reference Asset, any Cap Level specified in the relevant pricing supplement will be a Global Cap.

C. Downside Protection Features (For Negative Asset Return)

Enhanced Return Notes may also provide some partial downside protection against loss of principal if the Final Level of the Reference Asset is less than the Initial Level (i.e., the Asset Return is negative). In such a case, the Maturity Payment Amount will be calculated using one or more of the following features and related formulas set out in this section. As the Principal Amount invested in Enhanced Return Notes may only be partially protected by any of these downside "protection" features, it is still possible for a Holder to lose some or substantially all of his or her principal investment in the Notes. Under no circumstances will Holders lose more than their principal investment in the Notes.

1. <u>Downside Participation</u>

If the relevant pricing supplement specifies that Downside Participation (as defined below) will apply to a particular series of Notes, then a Holder may participate in any negative price performance of the Reference Asset at a different rate than the actual Asset Return. The "**Downside Participation**" may be expressed as a percentage amount *greater or less than* 100%, or as an absolute value, of the negative Asset Return as set forth in the relevant pricing supplement. Unless specified otherwise in the relevant pricing supplement, the Maturity Payment Amount for such Notes will be calculated as follows:

Principal Amount + (Principal Amount x Asset Return x Downside Participation)

Notwithstanding the partial protection offered by Notes with a "buffer" feature that will reduce a Holder's exposure to any negative price performance of the Reference Asset, it is still possible for a Holder to lose a significant portion of his or her principal investment in the Notes. Unless specified otherwise in the relevant pricing supplement, the Minimum Payment Amount for such Notes will be calculated as follows:

Principal Amount - (Principal Amount x Downside Participation)

If the Downside Participation is *equal to* 100%, then a Holder will fully participate in any negative price performance of the Reference Asset at Maturity. In other words, a Holder will lose 1% of the Principal Amount for every 1% decline in the value of the Reference Asset. If the Downside Participation is *less than* 100%, then a Holder will suffer only a proportionate loss of any decline in the value of the Reference Asset (i.e. a negative Asset Return) at Maturity on the basis proportional to the Downside Participation. However, in no case will the Minimum Payment Amount be less than $1.00 per Note.

2. Buffer Protection

If the relevant pricing supplement specifies that "**Buffer Protection**" will apply to a particular series of Notes, then a Holder will be fully protected against a specified decline in the price performance of the Reference Asset, and then incur only *incremental* losses for any negative price performance of the Reference Asset beyond such Protection Buffer. The "**Buffer Level**" will be expressed as a percentage of the Initial Level and will be set forth in the relevant pricing supplement. The "**Protection Buffer**" describes the amount of downside protection under the Notes and will be the percentage difference between 100% and the Buffer Level.

Unless specified otherwise in the relevant pricing supplement, the Maturity Payment Amount for such Notes will be calculated as follows:

(A) If the Final Level of the Reference Asset is *equal to or greater than* the Buffer Level, then a Holder will be fully protected against the loss that would otherwise result from the decline in the value of the Reference Asset. In such cases, the Maturity Payment Amount will equal the Principal Amount of the Notes.

(B) If the Final Level of the Reference Asset is *less than* the Buffer Level, then a Holder will sustain an *incremental* loss on the Notes equal to 1% of the Principal Amount for every 1% decline in the value of the Reference Asset *beyond* the Protection Buffer. In these cases, the Maturity Payment Amount will be calculated as follows:

Principal Amount + (Principal Amount x (Asset Return + Protection Buffer))

Unless specified otherwise in the relevant pricing supplement, the Minimum Payment Amount for Enhanced Return Notes with a Buffer Protection will be calculated as follows:

Principal Amount x Protection Buffer

The Minimum Payment Amount will be specified in the relevant pricing supplement. Notwithstanding the partial protection provided by the Buffer Protection, it is still possible for a Holder to lose a significant portion of his or her principal investment in the Notes.

3. Barrier Protection

If the relevant pricing supplement specifies that "**Barrier Protection**" will apply to a particular series of Enhanced Return Notes, then a Holder may benefit from downside protection so long as a Barrier Event (as defined below) does not occur during the term of the Enhanced Return Notes. The existence of such "*contingent protection*" is dependent entirely on the value of the Reference Asset not falling below a specified level during the term of the Notes. Unless specified otherwise, the Maturity Payment Amount for these Notes will be determined as follows:

(A) If no Barrier Event has occurred, then a Holder will be fully protected against any decline in value of the Reference Asset (or negative Asset Return) on the Final Valuation Date and the Maturity Payment Amount will equal the Principal Amount of the Notes.

(B) If a Barrier Event has occurred, then a Holder will be fully exposed to any decline in the value of the Reference Asset (or negative Asset Return) on the Final Valuation Date and the Maturity Payment Amount will equal:

Principal Amount + (Principal Amount x Asset Return)

Unless specified otherwise in the relevant pricing supplement, a "**Barrier Event**" will occur:

(i) for Notes subject to "*Intra-Day Monitoring*", if the price, level or value of the Reference Asset falls below the Barrier Level <u>at any time</u> during any trading day during the monitoring period;

(ii) for Notes subject to "*Close of Trading Day Monitoring*", if the Closing Level of the Reference Asset is less than the Barrier Level <u>at the end of any trading day</u> during the monitoring period; or

(iii) for Notes subject to "*Final Valuation Date Monitoring*", if the Closing Level of the Reference Asset is less than the Barrier Level <u>on the Final Valuation Date</u>.

The "**Barrier Level**" will be expressed as a percentage of the Initial Level of the Reference Asset and set forth in the relevant pricing supplement. Such pricing supplement will also specify or describe the monitoring convention and monitoring period applicable to that particular series of Notes. If the Notes contemplate using Barrier Events for other purposes based on a different methodology, that methodology will be described in the relevant pricing supplement.

Notwithstanding the "contingent protection" offered by Enhanced Return Notes with a "barrier" feature, it is possible for a Holder to lose substantially all of his or her principal investment in the Notes if a Barrier Event has occurred.

4. <u>Floor Protection</u>

If the relevant pricing supplement specifies that "**Floor Protection**" will apply to a particular series of Enhanced Return Notes, then a Holder may benefit from partial protection that limits the potential loss from a significant decline in the value of the Reference Asset. If the Asset Return is negative, a Holder will sustain a 1% loss on the Principal Amount for every 1% decline in the value of the Reference Asset up to the maximum loss established by the Floor Level (as defined below).

The "**Floor Level**" will be expressed as a percentage of the Initial Level of the Reference Asset and set forth in the relevant pricing supplement. Unless specified otherwise in the relevant pricing supplement, if the Asset Return is negative, the Maturity Payment Amount for these Enhanced Return Notes will be determined as follows:

(A) If the Final Level of the Reference Asset is *equal to or greater than* the Floor Level, then a Holder will receive a Maturity Payment Amount equal to the Asset Return on the Notes. In this case, the Maturity Payment Amount will be calculated as follows:

Principal Amount + (Principal Amount x Asset Return)

(B) If the Final Level of the Reference Asset is *less than* the Floor Level, then a Holder will receive the Minimum Payment Amount at Maturity and will be protected against a further decline in the value of the Reference Asset beyond the Floor Level.

Unless specified otherwise in the relevant pricing supplement, the Minimum Payment Amount for such Notes will be calculated as follows:

Principal Amount x Floor Level

Notwithstanding the partial protection offered by Enhanced Return Notes with a "floor" feature that may protect against a significant decline in the value of the Reference Asset, it is still possible for a Holder to lose some of his or her principal investment in the Notes.

Hypothetical Return Scenarios

The relevant pricing supplement may include a table or chart or other explanation showing a hypothetical return for Enhanced Return Notes at Maturity, based on a range of hypothetical Closing Levels of the Reference Asset and on various key assumptions shown in the relevant pricing supplement. Any such information will be provided for illustration purposes only and should not be viewed as an indication or prediction of future results. Hypothetical returns are intended merely to illustrate sample payout calculations based on theoretical Closing Levels of the Reference Asset on the Final Valuation Date, as calculated in the manner described in the relevant pricing supplement and assuming all other variables remained constant.

The hypothetical amounts payable on the Enhanced Return Notes in these examples may bear little or no relationship to the actual value of the Notes on any Valuation Date or at any other time, or the price at which BMO Capital Markets or any other person may be willing to purchase or sell the Notes in any secondary market. In addition, the hypothetical amounts should not be viewed as an indication of the possible financial return on an investment in Enhanced Return Notes, since the illustrative examples will be based on certain assumptions and actual performance will be affected by a number of complex and interrelated factors beyond the control of the Bank. Moreover, the financial return on the Notes may bear little relation to the financial return that a Holder might realize were he or she to invest in the Reference Asset directly. See "Additional Risk Factors Specific to Enhanced Return Notes".

REFERENCE ASSETS

General Description

The particular Reference Asset or Reference Assets to which the Enhanced Return Notes are linked will be specified and described in the relevant pricing supplement. The Reference Assets will be used solely as a reference to calculate the amount payable on the Notes at Maturity. Holders of Notes will not have any ownership or other interest (including, without limitation, voting rights or rights to receive dividends, distributions or other income or amounts) in the Reference Asset(s) or the constituent securities comprising the Reference Asset(s) and will only have a right against the Bank to be paid any amounts due under the Notes.

Historical Performance of Reference Assets

Historical performance for the Reference Asset(s) may be included in the relevant pricing supplement. Such historical performance should not be taken as an indication of future performance of the Reference Asset(s). The Bank cannot give any assurance that the price, level or value of any Reference Asset will not decrease. An investor may receive little or no return on the Notes and the amount payable on the Notes may be less than the Principal Amount.

Unless specified otherwise in the relevant pricing supplement, the return on the Notes will be calculated based on the price return of the applicable Reference Asset(s), which will not reflect the value of any dividends, distributions or other income or amounts in respect of the Reference Asset(s) or the constituent securities comprising the Reference Asset(s). Unless specified otherwise in the relevant pricing supplement, Holders will not be entitled to receive any such dividends, distributions or other income or amounts in respect of a Reference Asset or the constituent securities comprising the Reference Asset.

SPECIAL CIRCUMSTANCES

Special circumstances in addition to those described below may be specified and described in the relevant pricing supplement.

Market Disruption Event

If the Calculation Agent, in its sole and absolute discretion acting in good faith, determines that a Market Disruption Event in respect of a Reference Asset has occurred and is continuing on any day that but for that event would be the Final Valuation Date, then the Asset Return will be calculated (and the applicable Closing Level will be determined) on the basis that the Final Valuation Date will be postponed to the next Exchange Business Day (as defined below) on which there is no Market Disruption Event in effect in respect of such Reference Asset.

However, there will be a limit for postponement of the Final Valuation Date. Unless otherwise specified in the relevant pricing supplement, if on the eighth (8^{th}) Exchange Business Day (as defined below) following the date originally scheduled as the Final Valuation Date, the Final Valuation Date has not occurred, then despite any ongoing Market Disruption Event in respect of such Reference Asset on or after such eighth (8^{th}) Exchange Business Day:

(i) such eighth (8^{th}) Exchange Business Day will be the Final Valuation Date in respect of such Reference Asset, and

(ii) the Closing Level of the Reference Asset as at the Final Valuation Date used in the calculation of the Asset Return will be a value equal to the Calculation Agent's estimate of the Closing Level of such Reference Asset as at the Final Valuation Date in its sole discretion acting in good faith reasonably taking into account all relevant market circumstances.

A Market Disruption Event may delay the determination of the Asset Return in respect of a Reference Asset and consequently the calculation of the Maturity Payment Amount that may be payable to Holders of the related series of Notes. Where there has been a Market Disruption Event in respect of a Reference Asset, payment of the Maturity Payment Amount on the related series of Notes will be made on the fifth (5^{th}) Business Day after the Asset Return has been determined.

"**Market Disruption Event**" means, in respect of a Reference Asset, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Bank or any person that does not deal at arm's length with the Bank which has or will have a material adverse effect on the ability of a party to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Reference Asset or to realize, recover or remit the proceeds of any such hedge transaction. A Market Disruption Event may include, without limitation, any of the following events:

(a) *With Respect to Exchange Traded Funds or Equity Securities:*

(i) any suspension of or limitation imposed on trading by the Exchange (as defined below) or Related Exchange (as defined below) or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (i) relating to the Reference Asset on the Exchange, or (ii) in futures or options contracts relating to the Reference Asset on any relevant Related Exchange;

(ii) the closure ("**Early Closure**") on any Exchange Day of the Exchange or the Related Exchange after it has opened for trading but prior to its Scheduled Closing Time (as defined below) unless such earlier closing time is announced by the Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or Related Exchange on such Exchange Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;

(iii) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) the Reference Asset on the Exchange, or (ii) futures or options contracts relating to the Reference Asset on the Related Exchange;

(iv) the failure on any Exchange Day of the Exchange or the Related Exchange to open for trading during its regular trading session;

(v) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or notice, howsoever described, or order of any court or other governmental authority, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event which has or would have a material adverse effect on a securityholder of the Reference Asset or in respect of any hedge transaction established in connection with the Reference Asset;

(vi) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or a country in which the Exchange or Related Exchange is located;

(vii) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of the Bank to perform its obligations under the Notes or for a party generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Reference Asset, or to realize, recover or remit the proceeds of any such hedge transaction in respect of the Reference Asset, or has or would have a material adverse effect on the economy or the trading of securities generally on any relevant Exchange or Related Exchange; or

(viii) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying or unwinding or disposing of any hedge transaction in connection with the Reference Asset, or in the cost of realizing, recovering or remitting the proceeds of any such hedge transaction.

(b) *With Respect to an Index:*

(i) a suspension, absence or limitation of trading in index components constituting 10% or more, by weight, of that index;

(ii) a suspension, absence or limitation of trading in futures or options contracts relating to that index on their respective markets;

(iii) any event that disrupts or impairs, as determined by the Calculation Agent, the ability of market participants to effect transactions in, or obtain market values for, (i) index components constituting 10% or more, by weight, of that index, or (ii) futures or options contracts relating to that index on their respective markets;

(iv) the closure on any day of the primary market for futures or options contracts relating to that index or index components constituting 10% or more, by weight, of that index on a scheduled trading day prior to the scheduled weekday closing time of that market (without regard to after hours or any other trading outside of the regular trading session hours) unless such earlier closing time is announced by the primary market at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such primary market on such scheduled trading day for such primary market and (ii) the submission deadline for orders to be entered into the relevant exchange system for execution at the close of trading on such scheduled trading day for such primary market;

(v) any scheduled trading day on which (i) the primary markets for index components constituting 10% or more, by weight, of that index or (ii) the exchanges or quotation systems, if any, on which futures or options contracts on that index are traded, fails to open for trading during its regular trading session; or

(vi) any other event, if the Calculation Agent determines that the event interferes with the ability of the Bank or any of the Bank's affiliates to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in connection with the Reference Asset or in the cost of realizing, recovering or remitting the proceeds of any such hedge transaction.

"**Exchange**" means (i) in respect of a Reference Asset, the exchange specified in the relevant pricing supplement, and (ii) in respect of an Alternate Security (as defined below), the primary exchange or trading system on which such Alternate Security is listed as determined by the Calculation Agent; provided in each case that if the Calculation Agent, in its sole and absolute discretion acting in good faith, determines that such exchange or trading system is no longer the primary exchange for the trading of the Reference Asset or Alternate Security, the Calculation Agent may designate another exchange or trading system as the Exchange for the Reference Asset or Alternate Security.

"**Exchange Business Day**" means any Business Day which is also an Exchange Day on which each Exchange and each Related Exchange are open for trading.

"**Exchange Day**" means any day on which the Exchange and each Related Exchange for the Reference Asset or any Alternate Security are scheduled to be open for trading during their respective regular trading sessions.

"**Related Exchange**" means, in respect of the Reference Asset or an Alternate Security, any exchange or trading system on which futures or options relating to the Reference Asset or that Alternate Security are listed from time to time.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and an Exchange Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Exchange Day, without regard to after hours or any other trading outside of the regular trading session hours.

Substitution Event

Upon the Calculation Agent becoming aware of the occurrence of a Substitution Event (as defined below) in respect of the Reference Asset, the following will apply in respect of the Reference Asset, effective on a date (the "**Substitution Date**") as determined by the Calculation Agent, in its sole and absolute discretion acting in good faith:

(i) any adjustments set out under "Potential Adjustment Event" below in respect of such Reference Asset will not apply;

(ii) the Calculation Agent may, in its sole and absolute discretion acting in good faith, choose an alternate security (the "**Alternate Security**") as a substitute for such Reference Asset or securities comprising such Reference Asset;

(iii) the Reference Asset will not be used for purposes of determining the Asset Return or the Maturity Payment Amount for the related series of Notes on or after the Substitution Date;

(iv) for the related series of Notes, the Alternate Security will be considered to be the Reference Asset, the issuer of such Alternate Security will be considered to be the issuer of such Reference Asset, and the primary exchange or market quotation system on which such Alternate Security is listed or quoted will be considered the Exchange in respect of such Alternate Security; and

(v) the Calculation Agent, in its sole and absolute discretion acting in good faith, will determine the Initial Level of such Alternate Security by taking into account all relevant market circumstances, including the Initial Level of the Reference Asset and the Closing Level or estimated value on the Substitution Date of the Reference Asset and the Closing Level on the Substitution Date of the Alternate Security, and will make adjustments, if any, to any one or more of the formula for calculating the Asset Return of such Alternate Security, or any other component or variable relevant to the determination of the Maturity Payment Amount as the Calculation Agent, in its sole and absolute discretion acting in good faith, determines appropriate to account for the economic effect on the related series of Notes of the relevant Substitution Event (including adjustments to account for changes in volatility, expected dividends, distributions or other income or amounts, stock loan rate or liquidity relevant to the applicable substitution).

Upon selection of an Alternate Security by the Calculation Agent, the Bank will promptly give details of such substitution and brief details of the Substitution Event to Holders by posting such details at www.bmosp.com. For greater certainty, the Alternate Security chosen by the Calculation Agent may be any security of an issuer that is the continuing entity in respect of a Merger Event (as defined below). The Calculation Agent may decide not to choose an Alternate Security as a substitute for a Reference Asset if the Calculation Agent, in its sole and absolute discretion acting in good faith, determines that there are no appropriate securities of another issuer which offer sufficient liquidity in order for a party to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such security or to realize, recover or remit the proceeds of any such hedge transaction. See "Special Circumstances – Extraordinary Event".

"**Substitution Event**" means, in respect of a Reference Asset, any Nationalization (as defined below), Insolvency (as defined below) or Delisting (as defined below), or any Merger Event that is deemed by the Calculation Agent to be a Substitution Event, in its sole and absolute discretion acting in good faith, any event listed under subsection (A) of the definition of "Extraordinary Event" set out below, or the occurrence and continuation for at least four (4) consecutive applicable Exchange Days of a Market Disruption Event.

"**Nationalization**" means, in respect of a Reference Asset, that all or substantially all of the securities comprising a Reference Asset, or all or substantially all of the assets of the Reference Asset, are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.

"**Insolvency**" means, in respect of a Reference Asset, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Reference Asset, (i) the Reference Asset is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Reference Asset become legally prohibited from transferring it.

"**Delisting**" means, in respect of a Reference Asset, that the Exchange announces that pursuant to the rules of the Exchange, the Reference Asset ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event) and are not immediately re-listed, re-traded or re-quoted on an exchange or marketplace located in the same country as such Exchange.

Merger Event

On or after a Merger Date (as defined below), the Calculation Agent, in its sole and absolute discretion acting in good faith, (i) will (A) make adjustment(s), if any, to any one or more of the Initial Level of the Reference Asset, the formula for calculating the Asset Return of such Reference Asset, or any other component or variable relevant to the determination of the Maturity Payment Amount as the Calculation Agent determines appropriate to account for the economic effect on the Notes of the relevant Merger Event, which may, but need not, be determined by reference to the adjustments made in respect of such Merger Event by an options exchange to options on the Reference Asset traded on such options exchange, and (B) determine the effective date of the adjustments, or (ii) if the Calculation Agent determines that no adjustments that it could make under (i) will produce a commercially reasonable result, may deem the relevant Merger Event to be a Substitution Event subject to the provisions of "Substitution Event" above.

"**Merger Event**" means, in respect of a Reference Asset, any (i) reclassification, reorganization, consolidation or change of the Reference Asset that results in a transfer of or an irrevocable commitment to transfer the Reference Asset outstanding to another entity or person, (ii) statutory arrangement, consolidation, amalgamation, merger or binding security exchange of the Reference Asset with or into another entity or person (other than a statutory arrangement, consolidation, amalgamation, merger or binding security exchange in which the Reference Asset is the continuing entity and which does not result in a reclassification, reorganization, consolidation or change of all the components of the Reference Asset), (iii) takeover bid (within the meaning of applicable securities laws), tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the Reference Asset that results in a transfer of or an irrevocable commitment to transfer all such Reference Asset (other than such Reference Asset owned or controlled by such other entity or person), (iv) statutory arrangement, consolidation, amalgamation, merger or binding security exchange of the Reference Asset with or into another entity in which the Reference Asset is the continuing entity and which does not result in a reclassification, reorganization, consolidation or change of the Reference Asset but results in the outstanding securities of the Reference Asset (other than the securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding securities comprising the Reference Asset immediately following such event (commonly referred to as a "reverse merger"), or (v) sale of all or substantially all assets of the Reference Asset (or any lease, long term supply agreement or other arrangement having the same economic effect as a sale of all or substantially all assets of the Reference Asset) in each case if the Merger Date is on or before the date on which the return on the Reference Asset is determined.

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

Potential Adjustment Event

Following the declaration by a Reference Asset sponsor of a Potential Adjustment Event (as defined below) in respect of the Reference Asset, the Calculation Agent, in its sole and absolute discretion acting in good faith, will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Reference Asset and, if so, will (i) make the corresponding adjustments, if any, to any one or more of the Initial Level of such Reference Asset, the formula for calculating the Asset Return for such Reference Asset, or any other component or variable relevant to the determination of the Maturity Payment Amount as the Calculation Agent, in its sole and absolute discretion acting in good faith, determines appropriate to account for the diluting or concentrative effect and (ii) determine the effective date of the adjustments. The Calculation Agent may, but need not, determine any appropriate adjustments by reference to the adjustments in respect of such Potential Adjustment Event made by an options exchange to options on the Reference Asset traded on such options exchange. Unless expressly provided below, the Calculation Agent will make no adjustment in respect of any distribution of cash.

"**Potential Adjustment Event**" means, in respect of a Reference Asset, the occurrence of any of the following events, as determined by the Calculation Agent, in its sole and absolute discretion acting in good faith:

(i) a subdivision, consolidation or reclassification of securities of the Reference Asset (unless resulting in a Merger Event), or a distribution or dividend of the Reference Asset to existing holders thereof by way of bonus, capitalization or similar issue without consideration;

(ii) a distribution, issue or dividend to existing holders of the Reference Asset of (i) such Reference Asset, or (ii) other share capital or securities granting the right to payment of dividends, distributions and/or the proceeds of liquidation of the Reference Asset equally or proportionately with such payments to holders of the Reference Asset, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Asset as a result of a spin off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend or distribution in respect of the Reference Asset (where the characterization of a dividend or distribution as "extraordinary" will be determined by the Calculation Agent); or

(iv) any other event that the Calculation Agent determines in its sole and absolute discretion acting in good faith may have a diluting or concentrative effect on the theoretical value of the Reference Asset.

Discontinuance or Modification of an Index

If the Reference Asset is (i) not calculated and announced by the Reference Asset sponsor existing on the Issue Date but is calculated and announced by a successor sponsor, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Reference Asset, then the Reference Asset will be deemed to be the index so calculated and announced by the successor sponsor or that successor index, as the case may be, and the Maturity Payment Amount will be calculated by reference to the closing level of the applicable index.

If any of the following occurs in respect of the Reference Asset (each a "**Material Index Change**"):

(i) on or prior to the Final Valuation Date, the sponsor of the Reference Asset announces that it will make a material change in the formula for or the method of calculating the Reference Asset or in any other way materially modifies the Reference Asset (other than a modification prescribed in that formula or method to maintain the Reference Asset in the event of changes in constituent securities and capitalization and other routine events) or permanently cancels the Reference Asset and no successor index exists, or

(ii) on the Final Valuation Date, the failure of the sponsor of the Reference Asset to calculate, announce and/or publish the Closing Level of the Reference Asset (or the information necessary for determining the Closing Level of the Reference Asset), or the temporary or permanent discontinuance or unavailability of the Reference Asset sponsor,

then the Calculation Agent may (A) determine if such Material Index Change has a material effect on the calculation of the Maturity Payment Amount and, if so, shall calculate those payments using, in lieu of a published level for the Reference Asset, the level for the Reference Asset as at the Final Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Reference Asset last in effect prior to the change, failure or cancellation, but using only those constituent securities that comprised the Reference Asset immediately prior to that Material Index Change, or (B) determine if another comparable index exists that (1) is reasonably representative of the market which was represented by the Reference Asset, and (2) may be as efficiently and economically hedged by dealers in such market as the Reference Asset. If the Calculation Agent determines that such other comparable index exists, then the comparable index (the "**Replacement Index**") shall replace the Reference Asset as of the date of such determination. Upon such replacement (a "**Replacement Event**"), the Replacement Index shall be deemed to be the Reference Asset for purposes of determining the Maturity Payment Amount and the Bank shall, as soon as practicable after such Replacement Event, make adjustments to the Initial Level, or any other component or variable relevant to the determination of any amounts payable in respect of the Notes. Adjustments will be made in such a way as the Calculation Agent determines appropriate to account for the price performance of the Reference Asset up to the occurrence of such Replacement Event and the subsequent price performance of the Replacement Index thereafter. Upon any Replacement Event and the making of any adjustments, the Calculation Agent shall promptly give notice to the Holders via its website, www.bmosp.com.

For greater certainty, the Calculation Agent, in its sole and absolute discretion acting in good faith, may determine that no other comparable index exists such that a Replacement Index is not substituted for the Reference Asset. See "Special Circumstances – Extraordinary Event".

Extraordinary Event

If one of the events listed in the definition of "Extraordinary Event" below occurs in respect of a Reference Asset, then the Bank may, upon notice to the Holders of the related series of Notes posted at www.bmosp.com to be given effective on an Exchange Day (the date of such notification being the "**Extraordinary Event Notification Date**"), elect to discharge its obligations in respect of the Maturity Payment Amount for such series of Notes by estimating the present value in consultation with the Calculation Agent ("**Early Payment Amount**"), as of the Extraordinary Event Notification Date, acting reasonably and in good faith, taking into account all relevant market circumstances, of a right to receive the payment that, but for the occurrence of the Extraordinary Event, would have been payable. The Early Payment Amount is subject to a minimum payment amount of $1.00. It is possible that the Early Payment Amount may be substantially less than the Principal Amount or may not reflect the Asset Return up to the Extraordinary Event Notification Date. Upon such election, the following consequences will arise as of the Extraordinary Event Notification Date:

(i) any payment on the Notes of that series that may otherwise be payable by the Bank will not be calculated in accordance with the provisions set out in "Key Features of Enhanced Return Notes";

(ii) the Early Payment Amount will be determined as of the Extraordinary Event Notification Date, whether or not any Extraordinary Event is continuing on such date; and

(iii) the Bank shall be discharged of all of its obligations in respect of any further payments on the Notes of that series.

Payment of the Early Payment Amount will be made on the tenth (10^{th}) Business Day after the Extraordinary Event Notification Date (the "**Early Payment Date**"). Upon such payment, the Holder's right to receive any further payments on the Notes will be extinguished.

It should be noted that the Early Payment Amount will reflect a return on the Notes that may be less than the amount of return that a Holder may have received absent the occurrence of the relevant Extraordinary Event and the election by the Bank to pay the Early Payment Amount.

"**Extraordinary Event**" means, in respect of a series of Notes or the related Reference Asset,

(A) any of the following events that occur after the Issue Date and prior to Maturity where the Calculation Agent, acting in its sole and absolute discretion, has determined in good faith that such event constitutes an "**Extraordinary Event**":

(i) the winding-up, dissolution or liquidation of the Reference Asset or other cessation of trading of the Reference Asset;

(ii) the Reference Asset sponsor or any affiliate of such sponsor ceases to act as the manager of the Reference Asset;

(iii) the investment objectives, investment restrictions or investment policies of the Reference Asset are modified (except where such modification is of a formal, minor or technical nature);

(iv) a material modification (other than any modifications referred to in (iii) above) of the terms and conditions relating to the Reference Asset (including, but not limited to, a material modification of the constating documents of the Reference Asset) or the occurrence of any event or change having a material adverse effect on the Reference Asset (including, in respect of the Reference Asset, but not limited to, the interruption, breakdown or suspension for a significant period of time of the calculation or publication of the net asset value of the Reference Asset);

(v) the non-execution or partial-execution by the Reference Asset of a subscription, redemption or exchange order given by an investor in the Reference Asset or a refusal to transfer the Reference Asset to an eligible transferee except where such non-execution, partial execution or refusal is the result of circumstances beyond the control of the Reference Asset;

(vi) any mandatory redemption or other reduction (actual or potential as determined by the Calculation Agent in its sole discretion) of the Reference Asset held by any holder of such Reference Asset for any reason beyond the control of such holder;

(vii) any failure by the Reference Asset sponsor to calculate or publish the daily official net asset value of the Reference Asset within five (5) Business Days after the relevant valuation date except as provided in the case of a suspension of the determination of the net asset value of the Reference Asset in accordance with the provisions set out in the constating documents of the Reference Asset;

(viii) the manager of the Reference Asset imposes in whole or in part any restriction, charge or fee in respect of a redemption, exchange or subscription by any holder thereof (other than any fee applicable to a holder of the Reference Asset as at the Issue Date), including, without limitation, a short-term trading fee imposed by the manager of the Reference Asset and paid to such Reference Asset that is different from the short-term trading fees charged by the manager of the Reference Asset generally as of the date hereof or that is applied differently than it would be applied as of the date hereof;

(ix) any relevant activities of or in relation to the Reference Asset, the Reference Asset sponsor or its portfolio advisor are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof;

(x) a relevant authorization or licence is revoked or is under review by a competent authority in respect of the Reference Asset or the Reference Asset sponsor;

(xi) any change in or in the official interpretation or administration of any laws or regulation relating to taxation that has or is likely to have a material adverse effect on any holder of the Reference Asset or in respect of any hedge established in connection with the Offering;

(xii) a party is unable to effectively acquire, establish, re-establish, substitute, maintain or unwind or dispose of any hedge transaction in connection with the Offering or to realize, recover or remit the proceeds of any such hedge transaction;

(xiii) an increase in the cost of acquiring, establishing, re-establishing, substituting, maintaining or unwinding or disposing of any hedge transaction or in the cost of realizing, recovering or remitting the proceeds of any such hedge transaction in connection with the Offering;

(xiv) as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, or issuance of any directive or promulgation, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body, of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event, (1) it would become unlawful for any holder of the Reference Asset to hold, purchase, exchange, redeem or sell the Reference Asset, (2) the cost of investing in the Reference Asset would materially increase, other than ordinary course increases in the market value of the Reference Asset, or (3) a holder of the Reference Asset would be subject to a material loss as a result of holding the Reference Asset; or

(xv) any change or proposed change in applicable law (or the interpretation or administration thereof) that, in the opinion of the Calculation Agent, acting reasonably, would have a significant adverse effect on the market price, value, marketability or return payable with respect to the Notes; or

(B) the Calculation Agent determines in its sole and absolute discretion acting in good faith that a Market Disruption Event has occurred and has continued for at least ten (10) consecutive applicable Exchange Days, or that any other Substitution Event has occurred, and the Calculation Agent has decided not to choose an Alternate Security as a substitute for the Reference Asset on the grounds the Calculation Agent has determined that there are no appropriate securities which offer sufficient liquidity in order for the Calculation Agent to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such securities or to realize, recover or remit the proceeds of any hedge transaction.

SECONDARY MARKET

Sale Prior to Maturity

BMO Capital Markets will (unless specified otherwise in the relevant pricing supplement) use reasonable efforts under normal market conditions to provide for a daily secondary market for the sale of Enhanced Return Notes through the order entry system operated by FundSERV Inc. ("**FundSERV**") , but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders.

A sale of Enhanced Return Notes in such daily secondary market will occur at a price (the "**Bid Price**") determined by BMO Capital Markets in its sole discretion. The Bid Price may be at a discount from the Maturity Payment Amount that might otherwise be payable if the Notes were maturing on such date. The Bid Price will be based upon one or more of the factors described below and could be less than the Principal Amount.

The Bid Price for a Note at any time will be dependent upon, among other things, (i) the price performance of the applicable Reference Asset(s) since the Issue Date, and (ii) a number of other interrelated factors, including, without limitation, the volatility of the applicable Reference Asset(s), the prevailing level of interest rates, market expectations of the future levels of interest rates, the time remaining to the Maturity Date, the dividend yields of the constituent securities of the indices that are implicated by the applicable Reference Asset(s), the recognition over time by the Bank of its estimated revenue from the Notes (which may or may not be realized), net of the Bank's cost of hedging the Notes, the amortization by the Bank of the upfront costs incurred by the Bank in creating, distributing and issuing the Notes, the creditworthiness of the Bank and the market supply and demand for the Notes. See "Additional Risk Factors Specific to Enhanced Return Notes". The relationship among these factors is complex and may also be influenced by various political, economic, regulatory and other factors that can affect the Bid Price for a Note. In particular, Holders should understand that the Bid Price (i) might have a non-linear sensitivity to rises and falls in the price performance of the Reference Asset(s) (i.e., the trading price of a Note might increase and decrease at a different rate compared to the percentage increases and decreases in the Reference Asset(s)), and (ii) may be substantially affected by changes in the level of interest rates independent of the price performance of the applicable Reference Asset.

A Holder should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell the Notes or hold the Notes until the Maturity Date and in order to understand the timing and other procedural requirements and limitations of selling the Notes prior to Maturity. For information about selling the Notes through the FundSERV system, see "Description of the Notes — FundSERV" in the Base

Shelf Prospectus. A Holder should also consult his or her tax advisor as to the tax consequences arising from a sale of a Note prior to the Maturity Date as compared to holding the Note until the Maturity Date. See "Certain Canadian Federal Income Tax Considerations".

The Notes are not redeemable at the option of a Holder. A Holder will not be able to sell a Note prior to Maturity other than through the secondary market, if any, provided by BMO Capital Markets. BMO Capital Markets may suspend the secondary market at any time in its sole discretion. There can be no assurance that a secondary market will be available or that such market will be liquid or sustainable. Holders choosing to sell their Notes prior to the Maturity Date will receive an amount which (i) may be substantially less than the Principal Amount, and (ii) may not necessarily reflect the appreciation of the related Reference Asset up to the date of such sale. See "Additional Risk Factors Specific to Enhanced Return Notes — Risks Relating to Principal At Risk Notes Generally — Secondary Trading of the Notes".

BMO Capital Markets or the Bank, or any of their respective affiliates, may at any time, subject to applicable laws, purchase or sell Notes at any price in the open market or by private agreement.

Early Trading Charge

A sale of a Note to BMO Capital Markets prior to Maturity may be subject to an early trading charge ("**Early Trading Charge**"). Any Early Trading Charge that may apply to any particular series of Notes will be set forth in the relevant pricing supplement and will be expressed as a percentage of the Principal Amount.

A Holder should be aware that any valuation price for the Notes appearing in his or her periodic investment account statements may not be equal to what a Holder would receive on disposition if there is an Early Trading Charge. Any price quoted to the Holder to sell his or her Notes will be before the application of any applicable Early Trading Charge as set out in the relevant pricing supplement. A Holder wishing to sell a Note prior to Maturity should consult his or her investment advisor on whether a sale of the Note will be subject to an Early Trading Charge and, if so, the amount of the Early Trading Charge.

Temporary Suspension of Calculation of the Bid Price

The Calculation Agent may suspend the determination of the Bid Price during the existence of any state of affairs that makes the determination of the Bid Price impossible, impractical or prejudicial to Holders.

Consequences of Suspension of Calculation of the Bid Price

If the Calculation Agent suspends the calculation of the Bid Price, BMO Capital Markets will not be able to fairly and accurately determine the price of the Notes in order to facilitate a secondary market. BMO Capital Markets may suspend the secondary market for the Notes, if any, if the Calculation Agent suspends the calculation of the Bid Price.

CALCULATION AGENT

BMO Capital Markets or a person appointed by BMO Capital Markets will act as "Calculation Agent" for the Notes. Except in circumstances described in "Appointment of Independent Calculation Experts", all calculations and determinations to be made in connection with the Notes will be made by the Calculation Agent and will be made at the sole and absolute discretion of the Calculation Agent. All calculations and determinations in respect of the Notes made by the Calculation Agent will, absent manifest error, be final and binding on the Holders and will be made in the Calculation Agent's sole and absolute discretion. In certain circumstances, if a calculation or valuation contemplated to be made by the Calculation Agent in respect of the Notes involves the application of material discretion and is not based on information or calculation methodologies compiled or utilized by, or derived from, independent third party sources, the Bank will appoint one or more independent calculation experts to confirm such calculation or valuation. The Calculation Agent will not be responsible for its errors or omissions if made in good faith. See "Appointment of Independent Calculation Experts".

Whenever the Calculation Agent is required to act, it will do so in good faith using its reasonable judgment and its determinations will be binding in the absence of manifest error. The Calculation Agent does not warrant the accuracy, reliability or completeness of information made available with respect to a Reference Asset or any calculations made by it in connection with the Notes.

The Calculation Agent receives no fees for acting in such capacity. Conflicts that may arise as a result of BMO Capital Markets or an affiliate of the Bank acting as the Calculation Agent are disclosed in "Additional Risk Factors Specific to Enhanced Return Notes — Risks Relating to Principal At Risk Notes Generally — Conflicts of Interest".

APPOINTMENT OF INDEPENDENT CALCULATION EXPERTS

If a calculation or valuation described in "Special Circumstances" contemplated to be made by the Calculation Agent in respect of a series of Notes involves the application of material discretion and is not based on information or calculation methodologies compiled or utilized by, or derived from, independent third party sources, the Bank will appoint one or more calculation experts to confirm such calculation or valuation. Such calculation experts will be independent from the Bank and active participants in the financial markets in Canada. Calculation experts will not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or the Bank. Holders will be entitled to rely on any valuations or calculations made by such calculation experts and such valuations or calculations will (except in the case of manifest error) be final and binding on the Bank, the Calculation Agent and the Holders. Calculation experts will not be responsible for good faith errors or omissions in the making of any such valuations or calculations. Calculation experts may, with the consent of the Bank, delegate any of their obligations and functions to a third party as they deem appropriate, but acting honestly and reasonably at all times. The valuations and calculations of calculation experts will be made available to a Holder at the principal executive offices of the Bank.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Bank, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of the Notes by a Holder (an "**Initial Holder**") who purchases the Notes only at the time of their issuance. This summary is applicable only to an Initial Holder who is an individual (other than a trust) and, for the purposes of the Tax Act, is, or is deemed to be, a resident of Canada, deals at arm's length with and is not affiliated with the Bank and holds the Notes as capital property. The Notes will generally be considered to be capital property to an Initial Holder unless: (i) the Initial Holder holds the Notes in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Holder acquired the Notes as an adventure in the nature of trade. Certain Initial Holders resident in Canada whose Notes might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Notes as capital property may be entitled to make an irrevocable election to have the Notes and all of the Initial Holder's other "Canadian securities" (as defined in the Tax Act) deemed to be capital property pursuant to subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act as in force on the date hereof, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("CRA") and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. No assurance can be given that any proposal to amend the Tax Act will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or in the CRA's administrative policies or assessing practices, whether by legislative, governmental or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Notes and does not take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not intended to be, nor should it be relied upon or construed as, legal or tax advice to any particular Holder. To the extent that any Canadian federal income tax considerations described in a pricing supplement for a particular series of Notes are inconsistent with those described herein, the tax considerations in the relevant pricing supplement shall supersede the tax

considerations in this summary. Holders should consult their own tax advisors for advice with respect to the income tax consequences of an investment in the Notes, based on their particular circumstances.

Currency Conversion

For the purposes of the Tax Act, all U.S. dollar amounts relating to the acquisition, holding or disposition of a Note must generally be expressed in Canadian dollars using the daily noon rate as quoted by the Bank of Canada for the relevant day or such other rate of exchange that is acceptable to the CRA. As a result, where a Note is denominated in U.S. dollars, an Initial Holder may realize income, capital gains or capital losses by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar.

Payment at Maturity or Early Payment Date

A Note is a "prescribed debt obligation" within the meaning of the Tax Act. The rules (the "prescribed debt obligations rules") in the Tax Act applicable to a prescribed debt obligation generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium receivable on the obligation. Based in part on counsel's understanding of the CRA's administrative practice with regard to "prescribed debt obligations", there should be no deemed accrual of any amount in respect of the Notes under the prescribed debt obligation rules prior to the Final Valuation Date unless an Extraordinary Event Notification Date has arisen. However, counsel understands that the CRA is currently reviewing its administrative practice in relation to the relevance of a secondary market for debt obligations such as the Notes in determining whether there is a deemed accrual of interest on such debt obligations. See "Additional Risk Factors Specific to Enhanced Return Notes — Risks Relating to Principal At Risk Notes Generally — Legislative, Regulatory and Administrative Changes".

An Initial Holder who holds a Note at the Maturity Date (or an Early Payment Date) will be required to include in his or her income for the taxation year which includes the Maturity Date (or the Early Payment Date), the amount, if any, by which the Maturity Payment Amount (or the Early Payment Amount) exceeds the Principal Amount, except to the extent otherwise included in income for the taxation year or a preceding taxation year. The Bank will file an information return with the CRA in respect of any such amount to be included in an Initial Holder's income as and when required by law and will provide the Initial Holder with a copy of such return.

Generally, at Maturity (or an Early Payment Date) an Initial Holder will also be considered to have disposed of the Note and may realize a capital loss to the extent that the Maturity Payment Amount (or the Early Payment Amount) is less than the Initial Holder's adjusted cost base of the Note.

Disposition of Notes Prior to October 1, 2016

In certain circumstances, where an investor assigns or otherwise transfers a debt obligation prior to its maturity, the amount of interest accrued on the debt obligation to that time, but unpaid, will be excluded from the proceeds of disposition of the obligation and will be required to be included as interest in computing the investor's income for the taxation year in which the transfer occurs, except to the extent that it has been otherwise included in income for the taxation year or a preceding taxation year. As described in more detail above, there should be no amount that will be treated as accrued interest on an assignment or transfer of a Note prior to October 1, 2016 unless an Extraordinary Event Notification Date has arisen.

Provided an Extraordinary Event Notification Date has not arisen and while the matter is not free from doubt, a disposition or deemed disposition of a Note by an Initial Holder, other than to the Bank, prior to October 1, 2016 should give rise to a capital gain (or capital loss) to the extent that the Initial Holder's proceeds of disposition, excluding accrued and unpaid interest, if any, exceed (or are less than) the aggregate of the Initial Holder's adjusted cost base of the Note and any reasonable costs of disposition. An Initial Holder who disposes of a Note prior to October 1, 2016 should consult his or her tax advisor with respect to his or her particular circumstances.

One-half of a capital gain (a "taxable capital gain") realized by an Initial Holder must be included in the income of the Initial Holder. One-half of a capital loss (an "allowable capital loss") realized by an Initial Holder is deductible against taxable capital gains realized in the taxation year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted against net taxable capital gains realized in the three preceding taxation years or carried forward and deducted against net realized taxable capital gains in subsequent taxation years, subject to the rules in the Tax Act.

Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

Disposition of Notes After September 30, 2016

The federal Budget released on March 22, 2016 proposes to amend the Tax Act to change the federal income tax consequences described above where an Initial Holder transfers or assigns a Note (other than to the Bank) after September 30, 2016. Pursuant to the proposed amendments, if enacted as currently proposed, on a transfer or assignment by an Initial Holder of a Note after September 30, 2016, the Initial Holder will be required to include in income as accrued interest the amount, if any, by which the price for which the Note was transferred or assigned (converted into Canadian dollars using the applicable exchange rate on the date of assignment or transfer where the Note is denominated in U.S. dollars) exceeds the Principal Amount (converted into Canadian dollars using the applicable exchange rate on the date of assignment or transfer where the Note is denominated in U.S. dollars). On such assignment or transfer, an Initial Holder may realize a capital loss or, where a Note is denominated in U.S. dollars, may realize, because of foreign currency fluctuations, a capital gain. See "Disposition of Notes Prior to October 1, 2016", with respect to the computation and tax treatment of any such gain or loss. An Initial Holder who disposes of a Note after September 30, 2016 should consult the Initial Holder's tax advisor with respect to his or her particular circumstances.

ADDITIONAL RISK FACTORS SPECIFIC TO ENHANCED RETURN NOTES

An investment in the Enhanced Return Notes is subject to certain risk factors that prospective purchasers should carefully consider before acquiring the Notes, including but not limited to the risks described below. In addition to the risks described herein and in the Base Shelf Prospectus, reference is made to the disclosure relating to risk factors on pages 30 and 86 to 117 of the Bank's Management's Discussion and Analysis for the year ended October 31, 2015 (as amended or superseded from time to time), which disclosure is incorporated herein by reference. The information in the Base Shelf Prospectus is supplemented by, and to the extent inconsistent therewith replaced and superseded by, the information in this Product Supplement and the relevant pricing supplement. This section describes the most significant risks relating to the terms of the Notes. The Bank urges prospective purchasers to read the following information about these risks, together with the other information in the Base Shelf Prospectus, this Product Supplement and the relevant pricing supplement, before investing in the Notes.

General Risks Relating to Principal At Risk Notes

Suitability of Notes for Investment

A prospective purchaser should decide to invest in the Enhanced Return Notes only after carefully considering, with an advisor, whether the Notes are a suitable investment in light of the information set out in this Product Supplement and the relevant pricing supplement. Neither the Bank nor BMO Capital Markets makes any recommendation as to whether the Notes are a suitable investment for any person.

An investment in the Notes, unlike many traditional debt obligations of Canadian chartered banks, is uncertain in that it could produce no return on the Holder's principal investment and not repay the Principal Amount at or prior to Maturity, other than the Minimum Payment Amount. Therefore, an investment in the Notes is only suitable for investors with a medium- to long-term investment horizon and who are prepared to assume risk with an investment whose return and repayment of principal is dependent upon the price performance of the applicable Reference Asset on the Final Valuation Date and risk with respect to a loss of principal.

The Notes are not conventional notes or debt securities in that they do not provide Holders with a guaranteed return or income stream prior to Maturity and the return at Maturity is not calculated by reference to a fixed or floating rate of interest that is determinable prior to Maturity, nor do they provide Holders with any assurance that the Principal Amount of the Notes will be paid at or prior to Maturity (other than the Minimum Payment Amount).

The return a Holder receives on his or her principal investment could be less than the return that could be earned on other investments, including a direct investment in the applicable Reference Asset. The Notes are not a suitable investment for a prospective purchaser who requires a guaranteed return or who cannot withstand a substantial loss of his or her principal investment.

Secondary Trading of the Notes

There is currently no market through which Notes may be sold. The Bank does not intend to apply to have the Notes listed on any securities exchange or marketplace. Holders are not entitled to redeem their Notes prior to Maturity and there is no guarantee that any secondary market which may develop will be liquid or sustainable. Consequently, the Notes should not be viewed as trading instruments.

BMO Capital Markets will use reasonable efforts under normal market conditions to provide for a daily secondary market (unless specified otherwise in the relevant pricing supplement) for the sale of the Notes through FundSERV, but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders and may earn a profit in connection with the acquisition or subsequent disposition of the Notes acting as principal. The Calculation Agent may suspend the determination of the Bid Price during the existence of any state of affairs that makes such determination impossible, impractical or prejudicial to Holders. If the Calculation Agent suspends these calculations, BMO Capital Markets will not be able to fairly and accurately determine the price for the Notes in order to facilitate a secondary market and, consequently, may suspend the secondary market for the Notes.

A Holder who sells the Notes in the secondary market, if any, prior to the Maturity Date may receive a price less than the Principal Amount. The price at which a Holder will be able to sell the Notes prior to the Maturity Date may be at a discount, which could be substantial, from the Maturity Payment Amount that might otherwise be payable if the Notes were maturing on such day. The value of the Notes in the secondary market will be affected by a number of complex and interrelated factors, which are described in "Secondary Market — Sale Prior to Maturity". A Holder should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell or to hold his or her Notes until Maturity.

Special Circumstances

If a Market Disruption Event occurs on the Final Valuation Date, the determination of the Closing Level of the Reference Asset (and possibly any subsequent payment of the Maturity Payment Amount) may be accelerated or postponed. Fluctuations in the value of the Reference Asset may occur in the interim. In certain circumstances, such as a Substitution Event or Merger Event, the Nationalization or Insolvency of a Reference Asset or any event affecting a related index, the Calculation Agent may replace the units or securities comprising a Reference Asset with the units or securities of another Reference Asset as chosen by the Calculation Agent. In other circumstances, the Calculation Agent may adjust the Closing Level of a Reference Asset at the Issue Date, the formula for calculating the Asset Return, or any other component or variable relevant to the determination of the Asset Return to account for those circumstances. Adjustments made to a component or variable relevant to the determination of the amount of the Asset Return may have a negative effect on the Asset Return or on the Maturity Payment Amount payable. In addition, if an Extraordinary Event has occurred, the Bank may elect to pay an Early Payment Amount to Holders of the affected Notes to discharge its obligations in respect of the Maturity Payment Amount. In that case, a Holder would not be entitled to benefit from the future appreciation, if any, in the Reference Asset to the Maturity Date or the applicable Early Payment Date. See "Special Circumstances".

Conflicts of Interest

Each of the Bank and BMO Capital Markets, whether in its capacity as Dealer, Calculation Agent or otherwise, and any of their respective affiliates, may from time to time, in the course of its normal business operations, hold interests in or linked to a Reference Asset, including securities that are included in the indices underlying the Notes or replicated by a Reference Asset, extend credit to or enter into other business dealing with a fund or index sponsor, a Reference Asset or one or more of the issuers whose securities are included in the indices underlying the Notes or replicated by a Reference Asset, including under hedging arrangements relating to the Notes. Conflicts may also arise because the Bank and/or its affiliates expect to engage in trading activities related to the Reference Assets or the issuers whose securities comprise the Reference Assets 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 Notes and the interests of 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 Assets, could be adverse to the interests of the Holders. Moreover, subsidiaries of the Bank (including BMO Capital Markets) and the Dealers have published, and in the future expect to publish, research reports with respect to the Reference Assets. This research is modified from time to time and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Each of the Bank and BMO Capital Markets has agreed that all such actions taken by it or its affiliates shall be taken based on normal commercial criteria in the particular circumstances, which may include payment of trailer fees. The foregoing actions by any of the Bank, BMO Capital Markets and their respective affiliates may not take into account the effect, if any, of such actions on the amount payable at Maturity of the Notes.

BMO Capital Markets, an indirect subsidiary of the Bank, is the Calculation Agent and is responsible for, among other things, calculating the Bid Price, Maturity Payment Amount and Early Payment Amount, and facilitating purchases and sales of Notes, as described under "Secondary Market", and may enter into derivative transactions or other arrangements with the Bank in respect of the Bank's investment of the net proceeds of the Offering. BMO Capital Markets may have economic interests adverse to those of Holders, including with respect to certain determinations that the Calculation Agent must make with respect to the Notes. Any of these activities by the Bank and/or other affiliates thereof may affect a Reference Asset or the market price of constituent securities of the indices that they replicate and, therefore, the market value of the Notes.

No Independent Calculation

As part of its responsibilities, the Calculation Agent will be solely responsible for computing the Bid Price and for making a number of calculations, valuations and determinations with respect to the Notes. Unless otherwise stated, no independent Calculation Agent will be retained to make or confirm the calculations, valuations and determinations made by the Calculation Agent.

Credit Rating

The Notes have not been, and will not be, rated by any credit rating organization. There can be no assurance that, if the Notes were rated, they would be assigned the same rating as the other unsubordinated indebtedness of the Bank. Additional information concerning these ratings is included in the Base Shelf Prospectus and the Bank's continuous disclosure filings that are incorporated by reference in the Base Shelf Prospectus. 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.

Credit Risk

Because the obligation to make payments to Holders is an obligation of the Bank, the likelihood that such Holders will receive the payments owing to them in connection with the Notes will be dependent upon the financial health and creditworthiness of the Bank.

Rank; No Deposit Insurance

The Notes will constitute direct, unconditional obligations of the Bank to the extent the Bank is obligated to make payments to Holders under the Notes. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations of the Bank (except as otherwise prescribed by law), and will be payable ratably without any preference or priority. The Notes will not constitute deposits that are 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. Therefore, a Holder will not be entitled to Canada Deposit Insurance Corporation protection.

Legislative, Regulatory and Administrative Changes

Changes in laws, regulations or administrative practices could have an impact on Holders, including changes, if any, as a result of a current review by the CRA of its administrative practices in relation to the relevance of a secondary market for debt obligations such as the Notes in determining whether there is a deemed annual accrual of interest on such debt obligations.

Risks Relating Specifically to Enhanced Return Notes

Risk of Loss of Principal Investment

The Notes and the Bank do not guarantee the repayment of the Principal Amount at Maturity, other than the Minimum Payment Amount. At Maturity, each Holder will receive a Maturity Payment Amount that will depend on the price performance of the Reference Asset on the Final Valuation Date, which will be affected by a number of factors beyond the control of the Bank. If the return of the Reference Asset is negative, or falls below any applicable Barrier Level or Protection Buffer, if applicable to a particular series of Notes, then Holders will receive less than the Principal Amount they invested in the Notes.

Uncertain Return Until Maturity

The return, if any, on the Notes will be uncertain until Maturity. Whether there is a return on the Notes will depend on the price performance of the applicable Reference Asset. There can be no assurance that the Notes will generate a positive return or that the objectives of the Holders will be achieved. Depending on the price performance of the applicable Reference Asset, Holders may not be repaid the Principal Amount they invested in the Notes (other than the Minimum Payment Amount). Conversely, a Cap Level for a series of Notes may limit a Holder’s participation in some appreciation of the Reference Asset by establishing an upper limit on the Maturity Payment Amount for a series of Notes.

Partial or No Principal Protection

A Holder will receive the Principal Amount of his or her investment in a series of Notes at Maturity where the Final Level is lower than the Initial Level only if (i) in the case of Notes with a Buffer, the Final Level is greater than or equal to the Buffer Level and (ii) in the case of Notes with a Barrier, a Barrier Event has not occurred. If the Final Level is less than the Buffer Level or a Barrier Event has occurred, as applicable, a Holder will lose some or substantially all of the Principal Amount invested in the Notes.

No Interest Payments

There will be no regular or periodic interest or coupon payments on the Notes as there would be on a conventional fixed-rate or floating-rate debt security having the same maturity. The return that a Holder will receive on the Notes, which could be negative, may be less than the return he or she could earn on other investments. Even if a Holder’s return is positive, his or her return may be less than the return that might be earned on a conventional senior interest bearing debt security of the Bank with the same term to maturity or a direct investment in the Reference Asset.

Positive Return May Be Limited

If the Maturity Payment Amount is subject to a Cap Level or if the Upside Participation is less than 100% of the positive price performance of the Reference Asset, a Holder may not fully participate in the appreciation of the Reference Asset because the payment at Maturity will not exceed the Maximum Payment Amount or the Notes will not participate in the full positive price performance of the Reference Asset. Accordingly, a Holder's return on the Notes may be less than the return on an investment in a security linked to the positive price performance of the Reference Asset that is not subject to a limitation on participation in such performance.

Owning the Notes Is Not the Same as Owning the Reference Asset Directly

The return on the Notes will not reflect the return that may be realized by owning the Reference Asset directly because the return calculations for the Notes may be subject to different Upside Participations, Cap Levels, downside protection and other features described in the relevant pricing supplement. In addition, a Holder of Notes will not have the same rights and benefits as a direct holder of securities, including the rights to vote and receive dividends, distributions or other income or amounts in respect of the applicable Reference Asset or the constituent securities comprising the Reference Asset. Unless otherwise specified in the relevant pricing supplement, the return on the Notes will be calculated based on the price return of the applicable Reference Asset or the constituent securities comprising the Reference Asset, which will not reflect the value of any dividends, distributions or other income or amounts in respect of the Reference Asset(s) or the constituent securities comprising the Reference Asset(s). Unless specified otherwise in the relevant pricing supplement, Holders will not be entitled to receive any such dividends, distributions or other income or amounts in respect of a Reference Asset(s) or the constituent securities comprising the Reference Asset(s).

The Notes may trade quite differently from the Reference Asset. Changes in the Closing Level of the Reference Asset may not result in comparable changes in the market value of the Notes. Even if the Closing Level of the Reference Asset increases during the term of the Notes, the market value of the Notes prior to Maturity may not increase to the same extent. It is also possible for the market value of the Notes prior to Maturity to decrease while the Closing Level of the Reference Asset increases.

The Maturity Payment May Not Be Affected by All Developments Relating to the Reference Asset

Changes in the Closing Level of the Reference Asset during the term of the Notes before the relevant Final Valuation Date may not be reflected in the calculation of the Maturity Payment Amount due to the impact of various features incorporated into the Note structure. The Calculation Agent will calculate the value of the Notes by comparing the Final Level to the Initial Level and by comparing the Closing Level of the Reference Asset on any day against the trigger levels for the various features included in the Notes. No other levels of the Reference Asset will be taken into account. As a result, a Holder may receive less than the Principal Amount of the Notes, even if the Closing Level of the Reference Asset has increased at certain times during the term of the Notes before decreasing to a Closing Level below the Initial Level and/or trigger level as of the relevant dates.

Risks Relating to the Reference Assets

Future Results

Historical price performance of the Reference Assets should not be taken as an indication of their future price performance. The value of the applicable Reference Asset(s) at any time will fluctuate and it is impossible to predict with certainty whether the value of such assets will increase or decrease. The trading values of a Reference Asset will be influenced by both the complex and interrelated political, economic, financial and other factors that can affect the capital markets generally and the equity trading markets in the particular regions on which the Reference Assets are focused.

Equity and Market Risks

An investment in the Notes offers exposure to the price performance of the applicable Reference Asset(s), which will be focused on the particular equity or other markets in the regions represented by the particular Reference Asset. The value of the Reference Asset will be affected by changes in the market price of these investments. Corporate and/or geopolitical developments, changes in interest rates, changes in the level of inflation, general economic, industry and market trends and other various circumstances can influence the values of the securities in a specific market segment or a particular type of security. These changes, which are beyond the control of the Bank and the Dealers, can affect the price of equity securities which can move up or down, without any predictability. Accordingly, certain risk factors applicable to investors who invest directly in the constituent equity securities comprising the Reference Asset(s) are also applicable to an investment in the Notes to the extent that such risk factors could adversely affect the price performance of the Reference Asset. In addition, Reference Assets whose performance is linked to emerging and international equity markets may involve risks that differ from those associated with equity investments in North America.

No Ownership of the Reference Asset or Constituent Securities

A Holder will not have, and the Notes will not represent, any direct or indirect ownership or other interest (including, without limitation, voting rights or rights to receive any dividends, distributions or other income or amounts) in the applicable Reference Asset(s) or the constituent securities comprising the Reference Asset(s). A Holder will only have a right against the Bank to be paid any amounts due under the Notes.

Independent Investigation Required

The Bank and the Dealers have not performed any due diligence investigation or review of any of the Reference Assets or the related indices. Any information relating to a Reference Asset is derived from and based solely upon publicly available sources and its accuracy cannot be guaranteed. None of the Bank, the Dealers, or any of their respective affiliates or associates has any obligation or responsibility for the provision of future information in respect of a Reference Asset, the Reference Asset sponsor, any of the constituent securities comprising the Reference Asset or any issuers of such constituent securities. Investors shall have no recourse against the Bank, the Dealers or any of their respective affiliates or associates in connection with any information relating to a Reference Asset, the Reference Asset sponsor, any of the constituent securities comprising the Reference Asset or any issuers of such constituent securities that is not contained in a pricing supplement. No sponsor of any Reference Asset or component thereof has participated in the preparation of this Product Supplement or, unless otherwise specified, in the relevant pricing supplement, and the Notes are not in any way sponsored, endorsed, sold or promoted by any such sponsor. Prospective purchasers should independently investigate the Reference Asset(s) to determine whether an investment in the Notes is suitable for them.

Sponsors Have no Obligations Relating to the Notes or the Holders

Sponsors of the Reference Assets have no obligations relating to the Notes or amounts to be paid to Holders, and no obligation to take the interests of Holders into consideration for any reason. Unless otherwise specified in the relevant pricing supplement, these sponsors will not receive any of the proceeds of any Offerings and are not responsible for, and will not participate in, such Offerings and are not responsible for, and will not participate in, the determination or calculation of the amount receivable by Holders.

Such sponsors are under no obligation to continue the calculation and dissemination of any indices used as a Reference Asset for any Notes. The Notes are not sponsored, endorsed, sold or promoted by these sponsors. No inference should be drawn from the information contained in this Product Supplement or the relevant pricing supplement that any sponsor made any representation or warranty, implied or express, to the Bank, the Holders or any member of the public regarding the advisability of investing in securities generally or in the Notes in particular or the ability of any index or exchange traded fund to track general stock market performance in their particular markets.

Changes Affecting a Reference Asset Could Impact the Notes

The policies of an index sponsor in respect of an index that is used as a Reference Asset for the Notes, and its calculation, additions, deletions or substitutions of the constituents of the index and the manner in which changes affecting the constituents of the index, such as stock dividends, reorganizations or mergers, are reflected in the index, could affect the value of the Reference Asset and, therefore, could affect the amounts payable on the Notes at Maturity, and the Bid Price of the Notes prior to Maturity.

Potential Modification of a Reference Asset

On the occurrence of a Substitution Event, a Reference Asset may be replaced with a successor index, investment fund, security or other similar asset, as applicable, referred to as the Alternate Security. Although the Calculation Agent may make certain determinations to ensure that the Alternate Security is designated, certain information regarding the Alternate Security may not be readily available to Holders, which may adversely affect the secondary market for trading in the Notes. Moreover, the return on the Notes generated from such Alternate Security may not be as favourable as the return that would have been generated by the replaced Reference Asset if it had not been replaced.

Other Risks Relating to the Specific Reference Assets

The relevant pricing supplement may set forth additional risk factors specific to the Reference Asset that prospective purchasers should review prior to purchasing the Notes.

LEGAL MATTERS

Legal matters in connection with the Offering will be passed upon on behalf of the Bank by Torys LLP and on behalf of the Dealers by Stikeman Elliott LLP. As of May 16, 2016, the partners and associates of Torys LLP and Stikeman Elliott LLP beneficially owned, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Bank and its affiliates and associates. Robert Prichard, the non-executive chair of Torys LLP, is the non-executive chairman of the board of directors of the Bank.

INDEX OF DEFINED TERMS

"**$**" or "**dollars**" means Canadian dollars, unless specified otherwise.