

BMO Bank of Montreal is committed to providing complete and concise disclosure to investors interested in purchasing a BMO Progressive GIC.

Summary of Investment Terms and Conditions

Term of Series:	2 years (consisting of 2 Periods)	
Issue Date of Series:	April 9, 2010	
Series Maturity Date:	April 9, 2012	
Guaranteed Rate of Return for the Term:	1.00% (effectively 0.50% per annum, non compounding)	
Max. Rate for each Security, Period 1:	4.00%	
Max. Rate for each Security, Period 2:	4.00%	
Calculation Date, Period 1:	March 28, 2011	
Calculation Date, Period 2:	March 26, 2012	
STIC Rate of Return:	0.20% per annum	
Eligible for CDIC coverage:	Yes	
Reference Portfolio (equally weighted):	Power Corporation of Canada (POW) Barrick Gold Corp. (ABX) Nexen Inc. (NXY) Thomson Reuters (TRI) Fortis Inc. (FTS)	Toronto-Dominion Bank (The) (TD) Rogers Communications Inc., Class B (RCI.B) Brookfield Properties Corp. (BPO) TransCanada Corp. (TRP) Potash Corporation of Saskatchewan Inc. (POT)

1. On the Series Maturity Date, you are guaranteed to receive 100% of the amount you invest in the BMO Return Enhancing GIC plus a Rate of Return for the Term calculated as follows:

$$\text{Rate of Return for the Term} = \text{Guaranteed Rate of Return for the Term} + \text{Additional Variable Rate of Return, Period 1 (if any)} + \text{Additional Variable Rate of Return, Period 2 (if any)}$$

You should note that the Rate of Return for the Term is not an annual rate but is the rate of return over the entire term of the GIC.

- The Additional Variable Rate of Return for a Period is the simple average of returns that are based on the percentage increase or decrease in the prices of each security in the Reference Portfolio (the "price returns") from the second business day after the Issue Date to the Calculation Date, Period 1, or Calculation Date, Period 2, as the case may be.
 - The returns used to calculate the Additional Variable Rate of Return for a Period are determined as follows: If during the Period the price return is positive, the return used for the calculation is the Max. Rate for each Security for that Period. If the price return is zero or negative, the return used for the calculation is the price return.
 - If the Additional Variable Rate of Return for a Period is calculated to be less than zero, it will be set to zero.
 - If market disruptions or other special circumstances affect the calculation of the return, we may estimate the value of a security, replace an existing security with a new security, and/or determine the amount of variable interest, if any, that may be payable in an alternate manner. These are the only circumstances in which we may amend the terms of the GIC.
2. The BMO Return Enhancing GIC may be suitable for you if you want an investment for a term of 2 years with a guaranteed minimum return and you are prepared to accept the risks set out in the accompanying Terms and Conditions, including those summarized below:
- The Rate of Return for the Term on the GIC differs from the return payable on a fixed-rate investment in that (i) it is not based on a fixed rate of interest that is known when the GIC is issued, (ii) it cannot be calculated before the Series Maturity Date because it is based on the performance of the Reference Portfolio over each Period (provided that it will never be less than the Guaranteed Rate of Return for the Term), and (iii) no part of the return on the GIC is paid before the Series Maturity Date.
 - The return on a security in the Reference Portfolio for purposes of calculating the Additional Variable Rate of Return for a Period will never be more than the Max. Rate for each Security in that Period, no matter how well the security performs. However, the return on a security could be -100% in the unlikely event the security loses all of its value. Since the Additional Variable Rate of Return for a Period is the simple average of the returns on each security (determined as set out above), a single poorly performing security can offset strong performances by all other securities in the Reference Portfolio, causing the Additional Variable Rate of Return for a Period to be zero.

- Market prices of securities in the Reference Portfolio are unpredictable and will be influenced by complex interrelated factors that affect markets generally and the specific securities in particular. The historical performance of securities in the Reference Portfolio does not indicate the future performance of those securities or of the Reference Portfolio.
 - Neither you nor we can redeem the GIC before it matures. You cannot transfer your GIC and there will be no market through which you can sell it.
 - The likelihood that you will receive all the payments owing to you under the GIC will depend on the financial health and creditworthiness of Bank of Montreal.
 - No independent calculation agent will be retained to confirm any determinations and any calculations made for the GIC.
3. Bank of Montreal and its affiliates may hold interests in or securities of, extend credit to or enter into other business dealings with one or more of the entities whose securities are included in the Reference Portfolio.
4. There are no fees and expenses applicable to an investment in the GIC.
5. If you deposit funds with us before the Issue Date of Series, those funds will be invested in a Short Term Guaranteed Investment Certificate or "STIC" until the Issue Date of Series. On the Issue Date of Series, the funds in the STIC, plus interest at an annual rate equal to the STIC Rate of Return, accrued daily, will be invested in the GIC. There are no fees and expenses applicable to an investment in the STIC. If you cancel your order to purchase the GIC, we will return the funds you invested together with interest at the STIC Rate of Return from the date of investment to the earlier of the cancellation date and the Issue Date of Series. The STIC cannot otherwise be redeemed or transferred.
6. You can cancel an order to purchase the GIC within 48 hours after receiving the Terms and Conditions of the GIC and a written copy of this summary.
7. This is only a summary of certain terms of the GIC.
- You should carefully read the application form for the GIC and the accompanying Terms and Conditions for further details and a more complete discussion of the risk factors associated with an investment in the GIC.
 - We will send a copy of the Terms and Conditions of the GIC to you at your request. Complete information about the GIC may also be found at www.bmo.com/gic.
 - An indicative rate of return on the GIC, based on the performance of the Reference Portfolio since the Issue Date of Series, will be available at any Bank of Montreal branch or at www.bmo.com/gic. The indicative rate of return is not a guarantee of the Rate of Return for the Term, if any, payable when the GIC matures.

By signing below, you acknowledge that this summary has been read to you, that you have received a written copy of this summary and that you consent to this summary being read to you and provided to you in writing at any time before you enter into a contract to purchase the GIC.

Name: _____ Signature: _____ Date: _____

Name: _____ Signature: _____ Date: _____

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BRANCH COPY

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1. On the Series Maturity Date, you are guaranteed to receive 100% of the amount you invest in the BMO Return Enhancing GIC plus a Rate of Return for the Term calculated as follows:

$$\text{Rate of Return for the Term} = \text{Guaranteed Rate of Return for the Term} + \text{Additional Variable Rate of Return, Period 1 (if any)} + \text{Additional Variable Rate of Return, Period 2 (if any)}$$

You should note that the Rate of Return for the Term is not an annual rate but is the rate of return over the entire term of the GIC.

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 - The returns used to calculate the Additional Variable Rate of Return for a Period are determined as follows: If during the Period the price return is positive, the return used for the calculation is the Max. Rate for each Security for that Period. If the price return is zero or negative, the return used for the calculation is the price return.
 - If the Additional Variable Rate of Return for a Period is calculated to be less than zero, it will be set to zero.
 - If market disruptions or other special circumstances affect the calculation of the return, we may estimate the value of a security, replace an existing security with a new security, and/or determine the amount of variable interest, if any, that may be payable in an alternate manner. These are the only circumstances in which we may amend the terms of the GIC.
2. The BMO Return Enhancing GIC may be suitable for you if you want an investment for a term of 2 years with a guaranteed minimum return and you are prepared to accept the risks set out in the accompanying Terms and Conditions, including those summarized below:
- The Rate of Return for the Term on the GIC differs from the return payable on a fixed-rate investment in that (i) it is not based on a fixed rate of interest that is known when the GIC is issued, (ii) it cannot be calculated before the Series Maturity Date because it is based on the performance of the Reference Portfolio over each Period (provided that it will never be less than the Guaranteed Rate of Return for the Term), and (iii) no part of the return on the GIC is paid before the Series Maturity Date.
 - The return on a security in the Reference Portfolio for purposes of calculating the Additional Variable Rate of Return for a Period will never be more than the Max. Rate for each Security in that Period, no matter how well the security performs. However, the return on a security could be -100% in the unlikely event the security loses all of its value. Since the Additional Variable Rate of Return for a Period is the simple average of the returns on each security (determined as set out above), a single poorly performing security can offset strong performances by all other securities in the Reference Portfolio, causing the Additional Variable Rate of Return for a Period to be zero.

- Market prices of securities in the Reference Portfolio are unpredictable and will be influenced by complex interrelated factors that affect markets generally and the specific securities in particular. The historical performance of securities in the Reference Portfolio does not indicate the future performance of those securities or of the Reference Portfolio.
 - Neither you nor we can redeem the GIC before it matures. You cannot transfer your GIC and there will be no market through which you can sell it.
 - The likelihood that you will receive all the payments owing to you under the GIC will depend on the financial health and creditworthiness of Bank of Montreal.
 - No independent calculation agent will be retained to confirm any determinations and any calculations made for the GIC.
3. Bank of Montreal and its affiliates may hold interests in or securities of, extend credit to or enter into other business dealings with one or more of the entities whose securities are included in the Reference Portfolio.
4. There are no fees and expenses applicable to an investment in the GIC.
5. If you deposit funds with us before the Issue Date of Series, those funds will be invested in a Short Term Guaranteed Investment Certificate or "STIC" until the Issue Date of Series. On the Issue Date of Series, the funds in the STIC, plus interest at an annual rate equal to the STIC Rate of Return, accrued daily, will be invested in the GIC. There are no fees and expenses applicable to an investment in the STIC. If you cancel your order to purchase the GIC, we will return the funds you invested together with interest at the STIC Rate of Return from the date of investment to the earlier of the cancellation date and the Issue Date of Series. The STIC cannot otherwise be redeemed or transferred.
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 - An indicative rate of return on the GIC, based on the performance of the Reference Portfolio since the Issue Date of Series, will be available at any Bank of Montreal branch or at www.bmo.com/gic. The indicative rate of return is not a guarantee of the Rate of Return for the Term, if any, payable when the GIC matures.

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CUSTOMER COPY

BMO Return Enhancing GIC – Investment Terms and Conditions

You have invested in the BMO Return Enhancing Guaranteed Investment Certificate (“**BMO Return Enhancing GIC**”). Between your deposit date and the issue date of the BMO Return Enhancing GIC, your deposit funds will be invested in a BMO Short Term Guaranteed Investment Certificate (“**STIC**”). This document forms part of your application and, together with your application and the Summary of Investment Terms and Conditions (the “**Summary**”), sets out the terms and conditions that apply to your investment. In these terms and conditions, “we” “us” and “our” refer to Bank of Montreal Mortgage Corporation, the issuer of the STIC and the BMO Return Enhancing GIC, “you” and “your” refers to the owner or owners of the investment named on the application form, and “Bank” refers to Bank of Montreal. We are a subsidiary of the Bank. Capitalized terms not otherwise defined herein have the meanings attributed to them in the Summary. A Calculation Agent, being the Bank or other third party appointed by us, will make all calculations and determinations in respect of the investment and all such calculations and determinations will, absent manifest error, be final and binding.

Issuer. Bank of Montreal Mortgage Corporation

Guarantor. Bank of Montreal

Minimum Investment. You must invest a minimum of \$1000.

Issue Date of Series. Your BMO Return Enhancing GIC will be issued to you on the Issue Date of Series set out in the Summary.

Term of Series and Series Maturity Date. Your BMO Return Enhancing GIC has a term that begins on the Issue Date of Series and continues for the period specified as the Term of Series in the Summary. Your BMO Return Enhancing GIC matures on the day on which the Term of Series ends (the “**Series Maturity Date**”). If the Series Maturity Date would fall on a Saturday, Sunday or holiday, it will be extended to the next day that is not a Saturday, Sunday or holiday.

Payment on Series Maturity Date. You will be entitled to receive the initial amount you have deposited with us, plus interest accrued on the STIC at the STIC Rate of Return set out in the Summary (the “**Issue Amount**”), plus the Guaranteed Rate of Return for the Term set out in the Summary. You may also receive a variable rate of return if any, for each period of the deposit, as set out in the Summary, determined by the performance of an underlying portfolio of investments disclosed in the Summary under Reference Portfolio for the Series, as described below.

Fees and Expenses. There are no fees and expenses applicable to the BMO Return Enhancing GIC.

Reference Portfolio for the Series. The performance of the securities comprising the Reference Portfolio for the Series will determine the Rate of Return for the Term (as defined below). The Reference Portfolio for the Series is a notional portfolio, used simply as a reference for the purpose of measuring the return generated by the securities making up the Reference Portfolio for the Series. The Reference Portfolio for the Series will consist of securities as set out in the Summary. The Reference Portfolio will not include any distributions or dividends declared on the securities in the Reference Portfolio.

Rate of Return for the Term. At the Series Maturity Date you will receive:

- your Issue Amount, plus
- a Guaranteed Rate of Return for the Term, as set out in the Summary, regardless of the performance of the Reference Portfolio for the Series, plus
- the sum of the additional variable rates of return (the “**Additional Variable Rates of Return**”), if any, in Period 1 and Period 2 (as defined below) calculated, based on the performance of the securities in the Reference Portfolio for the Series in Period 1 and Period 2, as applicable, in accordance with the section below titled “**Additional Variable Returns Determination**”.

The sum of the Guaranteed Rate of Return for the Series and any Additional Variable Rates of Return is referred to in these terms and conditions as the “**Rate of Return for the Term**”.

Calculation of Interest Payable on Series Maturity Date. The amount of interest you will receive on the Series Maturity Date will be equal to the Rate of Return for the Term, multiplied by the Issue Amount (“**Variable Interest**”).

Additional Variable Returns Determination. The term of the BMO Return Enhancing GIC is divided into two periods for purposes of determining any Additional Variable Rates of Return. The first period (“**Period 1**”) begins two

business days after the Issue Date of Series and ends on the Calculation Date Period 1 set out in the Summary. The second period (“**Period 2**”) begins two days after the Issue Date of Series and ends on the Calculation Date Period 2 set out in the Summary. The Calculation Date Period 1 and the Calculation Date Period 2 are each referred to in these terms and conditions as a “**Calculation Date**”. The Additional Variable Rate of Return for each period is calculated independently and the returns from one period have no effect on the returns for the other period or on the Guaranteed Rate of Return for the Term.

The Additional Variable Rate of Return on a Calculation Date is determined as follows:

- 1) The effective price return for each security in the Reference Portfolio for the Series, in each period, is determined as follows, without reference to any dividends or distributions paid on the security:
 - a) If the price of a security is greater at the Calculation Date than it was 2 business days after the Issue Date of Series, then the effective price return for that security is deemed to be the Max. Rate for each Security Period 1, set out in the Summary, or the Max. Rate for each Security Period 2, set out in the Summary, as the case may be, regardless of the actual security price increase; and
 - b) If the price of a security is the same at the Calculation Date as it was at the start of the Period, then the effective price return for that security is zero.
 - c) If the price of a security is less at the Calculation Date than it was at the start of the Period, then the negative effective price return (expressed as a percentage) for that security is calculated as follows:

$$\frac{\text{Price of Security at Calculation Date} - \text{Price of Security at Issue Date}}{\text{Price of Security at Issue Date}} \times 100$$

- 2) The effective price returns for all securities in the Reference Portfolio for the Series are averaged to determine the Additional Variable Rate of Return, if any, for Period 1 and Period 2, as the case may be, by adding together the effective price returns (positive, zero or negative, as the case may be) for each security, and dividing the resulting sum by the number of securities represented in the Reference Portfolio for the Series. Therefore, the Additional Variable Rate of Return, if any, for Period 1 and Period 2, respectively, will equal the simple average of the effective price returns, as determined above, for all of the securities in the Reference Portfolio for the Series (expressed as a percentage) determined as of the Calculation Date Period 1 and Calculation Date Period 2, respectively. The Additional Variable Rate of Return in Period 1 and Period 2 will not exceed, and may be less than, the Max. Rate for each Security Period 1 and the Max. Rate for each Security Period 2, as the case may be, set out in the Summary.
- 3) If the simple average of the effective price returns, as determined above, in a period is zero or negative, the Additional Variable Rates of Return in respect of the applicable Period will be zero.

If a Calculation Date falls on a weekend, a holiday or any other day on which the security price is not measured or available, the value of the next day on which the security price is available will be used.

The Rate of Return for the Term is not an annual interest rate but represents the total return on the BMO Return Enhancing GIC over the Term of Series.

BMO Return Enhancing Index. An index created by the Calculation Agent (the “**BMO Return Enhancing Index**”) will be provided to you as a tool or proxy to help you track the performance of the Reference Portfolio for the Series. The Opening Index Value for the Series is 100.00 and represents the value of the Reference Portfolio for the Series, as of market close, two business days after the Issue Date of Series. After such date, this value will fluctuate, either increasing or decreasing, depending on the market price of the securities making up the Reference Portfolio for the Series. The value of the BMO Return Enhancing Index at particular dates (the “**Current Index Value for the Series**”) will be disclosed in periodic investment statements, including your maturity notice and will also be available at any branch of the Bank or through the Bank’s Online Banking service. The BMO Return Enhancing Index is only a tool to help you track the performance of the Reference Portfolios for the Series and is not, under any circumstances, a representation of the value of the BMO Return Enhancing GIC at any point in time. The final value of the BMO Return Enhancing GIC can only be determined on the Series Maturity Date.

Market Disruption And Other Special Circumstances. There is always the possibility of a market disruption or other events beyond our or the Bank's reasonable control that may have a material effect on our ability to calculate a rate of return on your investment, to manage the related risk, or otherwise perform our obligations. If a market disruption event occurs on a day on which the value of a security is to be determined, the determination of the value may be delayed. Fluctuations in the value of the security may occur in the interim. In certain unusual circumstances, the Calculation Agent may estimate the value of the security, replace an existing security with a new security, and/or determine the amount of interest, if any, that may be payable in an alternate manner. However, in no event will the Issue Amount or any returns of a BMO Return Enhancing GIC be paid prior to the Series Maturity Date.

We have the right to replace the investments within the Reference Portfolio for the Series with Canadian stock market indices or Canadian securities, which we will exercise in certain circumstances, including if an investment (including an index) within the Reference Portfolio for the Series becomes closed to additional purchases, discontinued or otherwise wound-up or that it will merge into, consolidate with or be combined with any other investment or where there is a suspension or limitation of the sale or redemption of the investments, or where the cost or ability of any dealer to hedge our obligation under your investment is materially adversely affected by circumstances beyond its control.

In the event that a market disruption event materially affects our cost or ability to hedge our obligation under your investment, no further returns will be calculated, determined or earned for the remaining term of the investment. The Issue Amount and any returns earned up to the date of such market disruption event will be paid at, but not prior to, the Series Maturity Date. If such a market disruption event occurs, the possibility of your investment earning any Variable Interest is significantly reduced.

Reinvestment. At the Series Maturity Date, if you have not provided us with the Maturity Instructions (as described below), the Issue Amount and your Variable Interest, will be automatically reinvested in a non-redeemable BMO Guaranteed Investment Certificate issued by us, and fully guaranteed by the Bank, having a one-year term to maturity at the annual interest rate then applicable to the new investment and with interest compounded annually.

Maturity Instructions. If, at the Series Maturity Date you do not wish the Issue Amount and your Variable Interest, to be automatically reinvested as provided for above, you must complete a Maturity Option Change Request, available at the Bank, and deliver the completed Maturity Option Change Request to the Bank at least 20 days prior to the end of the Term of Series. A Maturity Option Change Request is not available through the Bank's Online Banking service.

Confirmation. At the time of issue of the BMO Return Enhancing GIC, we will provide you with written confirmation of the Series #, Issue Amount, Issue Date of Series, Term of Series, Opening Index Value for the Series, Guaranteed Rate of Return for the Term, and any other information we consider to be necessary.

Statements. We will issue statements semi-annually, showing the Issue Amount, Opening Index Value for the Series, Current Index Value for the Series and any other information we consider to be necessary. The value of your investment in the BMO Return Enhancing GIC shown on the statements will not change over the period of your investment until the Series Maturity Date, when the total return on your investment will be known.

Currency. All amounts will be deposited, calculated and paid in Canadian dollars.

Certificate. A certificate representing your investment is not available.

Restrictions on Sale. Your BMO Return Enhancing GIC is only available for sale within Canada and may only be held by Canadian residents. Your BMO Return Enhancing GIC may be subject to further restrictions within any relevant province or territory. Your BMO Return Enhancing GIC has not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered, sold or delivered within the United States or to United States persons (as such expressions are defined in the United States Internal Revenue Code and regulations thereunder).

Transfer. Your investment in the STIC and BMO Return Enhancing GIC is not transferable.

Early Redemption. You may not redeem your investment prior to its Maturity Date or Series Maturity Date. However, we may redeem your investment without penalty prior to the Maturity Date or Series Maturity Date in the event of your death.

Ownership Status. We are not obligated to (i) inquire into your interest in the investment, (ii) advise as to tax considerations or (iii) see to the execution of any trust. For each investment that you purchase (i) on behalf of a minor,

(ii) that is registered other than "in trust", or (iii) as a gift for others, we will require proof of ownership satisfactory to us and you will be required to sign to effect transactions with respect to your investment after purchase of the investment.

CDIC Deposit Insurance. The investment is eligible for deposit insurance from the Canada Deposit Insurance Corporation, subject always to maximum coverage limitations.

STIC Terms & Conditions. Between the date you deposit funds with us (the "Purchase Date", set out in the application form or Confirmation as applicable) and the Issue Date of Series, your deposit funds will be invested in a STIC, a fixed return short-term deposit issued by us. The Purchase Amount of the STIC set out in the application form or Confirmation as applicable, and interest payable on the Purchase Amount is unconditionally guaranteed by the Bank. At the maturity date of the STIC, being the Issue Date of Series set out in the Summary, the Purchase Amount and the interest accrued on the Purchase Amount at the STIC Rate of Return, accrued daily, for the period from the Purchase Date up to the Issue Date of Series, will be the Issue Amount automatically reinvested in the BMO Return Enhancing GIC. There are no fees and expenses applicable to an investment in the STIC. If you cancel your order to purchase the BMO Return Enhancing GIC, we will return the funds you invested together with interest at the STIC Rate of Return from the date of investment to the earlier of the cancellation date and the Issue Date of Series. The STIC cannot otherwise be redeemed or transferred.

Tax considerations. The following is a summary of the principal Canadian federal income tax implications and considerations that generally apply to individuals who purchase a BMO Return Enhancing GIC and who, at all times, for the purposes of the Income Tax Act (Canada) (the "Act") are resident in Canada, hold the BMO Return Enhancing GIC until maturity outside of a registered plan, deal at arm's length and are not affiliated with Bank of Montreal Mortgage Corporation, and hold the BMO Return Enhancing GIC as capital property. **This summary is of a general nature, is not exhaustive of all Canadian federal income tax considerations and does not constitute legal or tax advice to any particular holder. Holders should consult their tax advisors for advice with respect to the income tax consequences of an investment in a BMO Return Enhancing GIC in their particular circumstances.** The information provided below is based on the provisions of the Act and the regulations thereunder ("Regulations") in effect on the date that this summary was drafted, all specific proposed amendments to the Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date on which this summary was drafted, and certain administrative policies and practices of the Canada Revenue Agency. Provincial and foreign tax implications and considerations are not addressed herein.

You will be required to include in your income annually the amount that accrues in respect of the Guaranteed Rate of Return for the Term and the Additional Variable Rates of Return on the BMO Return Enhancing GIC up to and including the anniversary day of the BMO Return Enhancing GIC occurring during the particular year, except to the extent that the amount was included in computing your income for a preceding year. The "prescribed debt obligation" rules in the Act and the Regulations should not apply to require a greater amount to be included in your income at any time. In the year of maturity, you will be required to include in your income the amount you receive from us on the Series Maturity Date less the total of the Issue Amount and amounts in respect of the Guaranteed Rate of Return for the Term and the Additional Variable Rates of Return that have already been included in your income for the year or a preceding year. Interest accrued on your STIC to the Issue Date of Series must be included in your income in the year in which the BMO Return Enhancing GIC is issued.

The return on your BMO Return Enhancing GIC will be treated as interest and will be reported on a Form T5 and Relevé 3 (where applicable) in accordance with the Act and the Regulations and the Taxation Act (Quebec) and the regulations thereunder.

Risk Factors. An investment in the BMO Return Enhancing GIC is subject to certain risk factors that you should carefully consider before acquiring a BMO Return Enhancing GIC, including the following factors:

No Assurance of Additional Variable Rates of Return. Aside from the Guaranteed Rate of Return for the Term, there is no assurance that the Reference Portfolio for the Series will be able to generate positive Additional Variable Rates of Return. Therefore, a BMO Return Enhancing GIC is not a suitable investment for you if you need or expect to receive a return greater than the Guaranteed Rate of Return for the Term on your investment and are not prepared to assume risks with respect to Additional Variable Rates of Return tied to the performance of the Reference Portfolio for the Series.

Non-Conventional Indebtedness. The BMO Return Enhancing GIC has certain characteristics that differ from those of conventional forms of

indebtedness. With the exception of the Guaranteed Rate of Return for the Term, an investment in a BMO Return Enhancing GIC does not provide you with a return or income stream prior to the Series Maturity Date, or a return on the Series Maturity Date, calculated by reference to a fixed or floating rate of interest that is determinable prior to the Series Maturity Date. You will not have an opportunity to reinvest any income generated by the BMO Return Enhancing GIC prior to Series Maturity Date; nor will you be able, prior to the Series Maturity Date, to determine the amount of the return that you will receive on your BMO Return Enhancing GIC on the Series Maturity Date.

No Secondary Market. The BMO Return Enhancing GIC is designed for investors who are prepared to hold their investment to the Series Maturity Date. Your Return Enhancing GIC will not be listed on any exchange and there will be no market through which the BMO Return Enhancing GIC may be sold. Also, the BMO Return Enhancing GIC is not transferable. As a result, you will not be able to redeem or sell your BMO Return Enhancing GIC prior to the Series Maturity Date, and the Issue Amount, the Guaranteed Rate of Return for the Term and the Additional Variable Rates of Return, if any, are payable only at the Series Maturity Date.

Risks Relating to the Reference Portfolios for the Series. The Additional Variable Rates of Return will be based on the market price of the securities comprising the Reference Portfolio for the Series at the relevant date of valuation. Accordingly, certain risk factors applicable to investors who invest directly in these securities are also applicable to an investment in the BMO Return Enhancing GIC to the extent that such risk factors could adversely affect the performance of the securities. The market price of securities is unpredictable and will be influenced by factors that are beyond our control. Market prices of securities will be influenced by both the complex and interrelated political, economic, financial and other factors that can affect markets generally, and by various circumstances that can influence the value of a particular security. Historical prices of the securities comprising the Reference Portfolio for the Series should not be considered any indication of the future performance of the securities and the Reference Portfolio for the Series. This is not a complete description of the risks applicable to the securities comprising the Reference Portfolio for the Series or their issuers. For a description of such risks, an investor may consult documents made publicly available by each issuer at www.sedar.com.

Upper Limit on Additional Variable Rates of Return. Additional Variable Rates of Return on the BMO Return Enhancing GIC in respect of Period 1 and Period 2 are linked to the simple averages of the effective price returns of securities in the Reference Portfolio for the Series during those periods. Your exposure under the BMO Return Enhancing GIC to the Reference Portfolio for the Series is not the same as exposure to a direct investment in the securities in the Reference Portfolio for the Series. This is because for purposes of calculating the Additional Variable Rate of Return for a period, the effective price return for a security in the Reference Portfolio for the Series could be '-100%' (i.e., the security could lose 100% of its value) but will

never exceed the Max. Rate for each Security Period 1 and the Max. Rate for each Security Period 2, as the case may be. As a result, the Additional Variable Rate of Return for a period will never exceed the Additional Return Period 1 and Additional Rate Period 2, as the case may be, regardless of how well the Reference Portfolio for the Series performs over the relevant period. In addition, to achieve the maximum Additional Variable Rate of Return for a period, the actual price return of every security in the Reference Portfolio for the Series must be positive during that period. Also, you will not be entitled to the rights and benefits of a securityholder of the securities in the Reference Portfolio for the Series, including any right to receive distributions or dividends or to vote at or attend meetings of securityholders.

No Independent Calculation. The Calculation Agent will be solely responsible for computing the Rate of Return for the Term based on the performance of the Reference Portfolio for the Series. No independent calculation agent will be retained to confirm any determinations and any calculations made.

No Ownership of Securities in the Reference Portfolio for the Series. Owning the BMO Return Enhancing GICs is different from owning the securities in the Reference Portfolio for the Series. The BMO Return Enhancing GICs do not represent a direct substitute for an investment in those securities and will not entitle you to any direct or indirect ownership of or entitlement to any securities held by the Reference Portfolio for the Series. As such, you will not be entitled to the rights and benefits of a securityholder, including any right to receive distributions or dividends or to vote at or attend meetings of securityholders.

Conflicts of Interest. We, the Bank and our respective affiliates may, from time to time in the course of normal business operations, hold interests in or hold securities of (including under hedging arrangements related to the investment), extend credit to or enter into other business dealings with one or more of the entities whose securities are held in the Reference Portfolio for the Series. Such actions shall be based on normal commercial criteria in the particular circumstances, which may include payment of trailer fees to us, the Bank or our affiliates, and may not take into account the effect, if any, of such actions on the amount of Variable Interest that may be payable on the BMO Return Enhancing GIC.

Credit Risk. Because the obligation to make payments to you under the terms and conditions of the BMO Return Enhancing GIC is an obligation of us and the Bank, the likelihood that you will receive the payments owing to you in connection with the BMO Return Enhancing GIC will be dependent upon the financial health and creditworthiness of us and the Bank.

Right of Rescission for Telephone Sales. If you purchased your BMO Return Enhancing GIC via the telephone, you may cancel it within 48 hours of receiving these Terms and Conditions.