

# BMO 401(k) Savings Plan

Summary Plan Description (SPD)

# **BMO 401(k) Savings Plan**

## **Summary Plan Description**

Updated August 15, 2025

This document constitutes part of a prospectus covering securities that have been registered under the U.S. Securities Act of 1933.

Employees are advised that certain documents filed with the Securities and Exchange Commission (SEC), including Bank of Montreal's annual report and quarterly reports, are incorporated by reference herein and in the registration statement that has been filed pursuant to the U.S. Securities Act of 1993, which covers the plan. Such documents are available, without charge, upon oral or written request to the Plan Administrator, at the address and phone number listed in this document.

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## About this summary

This document is the summary plan description (SPD) for the BMO 401(k) Savings Plan (the “401(k) Savings Plan” or the “plan”) sponsored by BMO Financial Corp. (the “Company”) for eligible employees of participating BMO Financial Group\* U.S. subsidiaries and affiliates (“BMO U.S.”). Please read this SPD to help you understand and manage your benefits and keep it for future reference.

Prior to May 1, 2023, the plan name was the Employees’ 401(k) Savings Plan of Bank of Montreal/Harris. Prior to January 1, 2002, the plan name was the Employees’ Savings and Profit Sharing Plan of Bank of Montreal/Harris.

If you have questions about the plan or would like to request a complete copy of the plan document, contact the Human Resources Centre (HRC) at 888-927-7700.

### Important notice

The information in this summary plan description is based on the plan as of August 15, 2025. While this summary describes the major provisions of the 401(k) Savings Plan, it does not provide every plan detail. The official plan document contains the full plan details. If the SPD or any written or oral representation differs from the plan document, the plan document prevails.

\* Bank of Montreal (BMO) brands the organization’s member companies as BMO Financial Group.

## 401(k) Savings Plan

BMO Financial Group is committed to helping you build financial security for your retirement years. That is why we offer a competitive retirement program through the BMO 401(k) Savings Plan (the “401(k) Savings Plan” or the “plan”). The plan offers a systematic way for you to save regularly through payroll deductions and many features to help you achieve your financial goals in retirement. You are encouraged to take some time to get better acquainted with all the plan has to offer.

The information that follows, including your rights under the Employee Retirement Income Security Act of 1974 (ERISA) and any future supplements, constitutes a prospectus covering securities that have been registered under the Securities Act of 1933. This prospectus sets forth, among other things, the information a prospective investor should know before investing in the BMO Stock Fund; and applies to Bank of Montreal Common Shares that may be purchased, offered, and sold under the 401(k) Savings Plan. An unlimited number of Bank of Montreal Common Shares may be offered pursuant to the plan.

### Effective date

The plan was established as of January 1, 1916. The plan has been amended and restated effective January 1, 2024. The plan has since been amended. The plan may continue to be modified, amended, or terminated by the Company at any time in accordance with the provisions of the plan.

### Statements


You will be provided a complete statement of your quarterly account activity after the end of each calendar quarter. You may also access your statements or run an on-demand statement online at any time. You will receive a statement notification to your email address on file with the plan, or you may request to receive your statement by mail to your home address. Your communication preferences can be updated at any time.

Use Empower online to view your 401(k) Savings Plan account statement or update your communication preferences at any time (see [How to access your 401\(k\) Savings Plan account](#)).

### Keeping your records up to date

Since account information, legal notices and payments may be mailed to your home address and/or your primary email address on file, it is important to keep these records up to date. Current employees can enter an address change in Workday. Participants with an account balance who are not currently working at BMO can contact the Human Resources Center (HRC) to report a change of address to BMO and you can make updates to your Empower account directly. (see [How to access your 401\(k\) Savings Plan account](#)).

## How to access your 401(k) Savings Plan account

<b>Workday</b>  Current U.S. employees on the BMO network – no password required	<ol style="list-style-type: none"> <li>1. In <a href="#">Workday</a>, select the Pay application</li> <li>2. Under External Links, select <a href="#">401(k) (On BMO Network)</a></li> </ol>
<b>HR Intranet</b>  Current U.S. employees off the BMO network, employees using the Workday app, or for those employees who have relocated to another country after working in the U.S. - no password required	<ol style="list-style-type: none"> <li>1. In <a href="#">Workday</a>, select the More Tools application (located in Dashboards on the App), then select HR Intranet</li> <li>2. In the <a href="#">HR Intranet</a>, under the Benefits tab, select Retirement, then select U.S. Retirement Savings Program (make sure you are viewing the BMO U.S. tab)</li> <li>3. Select Login to 401(k) from the menu on the right-hand side</li> </ol>
<b>Any internet-enabled device</b>  Accessing your account from a personal device or after your employment ends	<ol style="list-style-type: none"> <li>1. Visit <a href="#">Empower</a> online: <a href="https://empower.com/BMO401k">empower.com/BMO401k</a></li> <li>2. Log in with your Empower Username and Password</li> </ol>
<p>Note: You should use a <b>personal email address</b>, and not your BMO email address, to register your account. You can easily reset a forgotten Username or Password immediately, but only if you can receive your reset email – which you cannot do once your employment ends. You can enter a new personal Login Recovery Email in your Empower online profile at any time.</p>	
<b>Empower App</b>    Accountholders who prefer to access their account from a mobile device	<ol style="list-style-type: none"> <li>1. Download the Empower app from <a href="#">App Store</a> or <a href="#">Google Play</a></li> <li>2. Follow the prompts</li> </ol> <p>Note: You must be registered on Empower online and know your Username and Password to complete the initial registration on the app.</p>
<b>Human Resources Center (HRC)</b>  Anyone needing personal assistance	<ol style="list-style-type: none"> <li>1. <b>888-927-7700</b> Weekdays from 8 a.m. to 5 p.m.</li> <li>2. Follow the prompts to speak with a representative</li> </ol>
<b>Empower</b>  Anyone needing to speak with a 401(k) representative	<ol style="list-style-type: none"> <li>1. <b>844-SAV-401K (844-728-4015)</b> Weekdays from 7 a.m. to 9 p.m. Central Time and Saturday 8 a.m. to 4:30 p.m. Central Time</li> </ol>
<p>If you have forgotten your phone PIN, you can follow the prompts in the phone menu to request your PIN to be called or text to your phone number on file. Additionally, you can press “0” to be transferred to a customer service representative.</p>	



## Highlights

Here is a summary of the plan’s features:

<b>Eligibility</b>	Immediate eligibility for all regular full-time and part-time employees of BMO U.S. who meet the eligibility requirements.
<b>Enrollment</b>	<p>A 401(k) Plan account will be established for you and information will be mailed to your home address.</p> <p><b>Auto-Enrollment for new hires:</b></p> <ul style="list-style-type: none"> <li>• You are automatically enrolled in the Plan with a 5% before-tax contribution through payroll deductions that become effective in one to two pay periods following 30 days of employment.</li> <li>• Following your one-year anniversary, your before-tax contribution rate will continue to increase by 1% each January, until you reach a 10% savings rate.</li> <li>• If you do not want to participate in Auto-Enrollment and make contributions to the Plan, you must decline enrollment within the first 30 days of employment. Your contributions cannot be refunded if you opt out later.</li> </ul>
<b>Company core contributions</b>	<p>BMO will credit your account with a Core Contribution equal to 2% of your eligible pay each pay period, whether or not you contribute. You are fully vested in the Company’s core contributions when you complete three years of service (or earlier if you attain age 65, are approved for long-term disability while employed with BMO Financial Group; or your employment ends due to death, divestiture, or a reduction-in-force). If you terminate employment for any other reason before you are vested, you forfeit these contributions.</p>
<b>Your contributions</b>	<p>Choose before-tax 401(k) contributions, Roth after-tax contributions or any combination of both.</p> <ul style="list-style-type: none"> <li>• You may contribute from 1% to 75% of your eligible pay, subject to IRS annual limits. The IRS limit is \$23,500 for 2025.</li> <li>• You can make additional, “catch-up” contributions starting January 1<sup>st</sup> of the year you reach age 50. The IRS catch-up limit is \$7,500 for 2025, unless you will be age 60 to 63. If you will be age 60 to 63 in 2025, the IRS will allow you to save up to \$11,250 in catch-up contributions.</li> </ul> <p>You do not have to wait for the auto enrollment feature to begin contributing to the plan. You can change your contributions at any time. Changes take effect with the next possible pay period, based on the BMO U.S. payroll processing schedule.</p>

<b>Company matching contributions</b>	The Company will match your 401(k) contributions dollar-for-dollar up to the first 5% of your annual eligible pay you contribute. You're immediately eligible to receive this match, which is made each pay period. You are always fully vested in the matching contributions.
<b>Investment options</b>	<ul style="list-style-type: none"> <li>• Contributions will be automatically invested in the Plan's Qualified Default Investment Alternative (QDIA), an age-appropriate target-date retirement fund.</li> <li>• At any time, you may change how your plan account is invested by choosing from a full suite of professionally managed investment options. *</li> </ul>
<b>Loans and withdrawals</b>	While working at BMO, you may have limited access to your account through loans and certain types of withdrawals, subject to Plan provisions and IRS rules and limits.
<b>When you leave BMO Financial Group</b>	<ul style="list-style-type: none"> <li>• You can request a distribution at any time following retirement or termination of employment. <ul style="list-style-type: none"> <li>• Lump sum – cash or rollover</li> <li>• Partial withdrawals</li> <li>• Monthly, quarterly, semi-annual, or annual installments</li> </ul> </li> <li>• If you take no action, and the value of your account is less than \$7,000 when your employment ends, your account will automatically be rolled over to an IRA after 90 days.</li> <li>• You must start taking RMDs effective April 1 of the year after you turn 73 (72 if you were born on or after July 1, 1949, but before January 1, 1951; 70½ if you were born before July 1, 1949). You may request your RMD at any time. If you do not submit a request, your RMD will be automatically processed each year.</li> </ul>
<b>Designating a beneficiary</b>	All participants are asked to name a beneficiary. This will determine who receives your account balance if you die. You can update your beneficiary election online at any time.

\* **Note:** If you have been identified as a trading window restricted employee, before executing any transactions in the BMO Stock Fund, you must check to ensure the trading window is open. This can be verified on BMO Central by accessing the BMO Corporate Compliance page – <https://bmo.sharepoint.com/sites/LRC/SitePages/LRCGroups/Compliance/Employee-Personal-Trading.aspx>

## Eligibility and enrollment

### Eligibility

You are eligible to participate in the 401(k) Savings Plan if you are a regular full-time or part-time employee of a participating BMO Financial Group U.S. subsidiary or affiliate (“BMO U.S.”) who is either a citizen or resident of the United States or a non-resident alien designated by BMO Financial Group. The following persons are excluded from participating in the plan:

- reserve force employees
- work-study employees
- leased employees
- persons who provide services to BMO Financial Group pursuant to a contract, agreement or arrangement that designates the person as an independent contractor or consultant, or otherwise excludes the individual from participation
- persons providing services to BMO Financial Group pursuant to a contract, agreement, or arrangement between BMO Financial Group and a third party
- persons compensated, directly or indirectly, by BMO Financial Group whose compensation at the time of payment is treated as not subject to BMO Financial Group’s tax withholding obligations under the Internal Revenue Code
- an employee who is eligible to participate in another qualified defined contribution plan sponsored by an employer or controlled group member
- an employee who is paid through the ADP payroll system.

If you are hired by BMO U.S. as a regular employee, you will become eligible to participate on your hire date.

Employees covered by a collective bargaining agreement are not eligible to participate in the plan unless the plan has been extended to such group of employees pursuant to the collective bargaining agreement.

Employees who elect, pursuant to a written agreement with BMO Financial Group, to permanently waive eligibility under the plan prior to commencing participation are excluded.

### Transfers

If you are a Bank of Montreal non-U.S. employee who transfers to work for a participating BMO U.S. employer, you will be eligible to participate in the plan on your date of transfer and will be automatically enrolled in the plan, similar to a new hire (refer to [Auto-Enrollment Contributions](#) section).

### If you leave BMO Financial Group and are later rehired

If you terminate employment and are later rehired, you will be eligible to participate in the plan if you are rehired as a regular full-time or part-time eligible employee of BMO U.S. and meet all the eligibility requirements of the plan at that time. If you were not vested in your Company core contributions when you left, you may be eligible to have those contributions reinstated depending on how long you were gone (refer to [Break-in-service rules](#) section.)

## Enrolling

### When participation begins

If you satisfy the eligibility requirements, you are immediately eligible to participate in the plan. A 401(k) Savings Plan account will be established for you shortly after your date of hire or date of transfer to a participating BMO U.S. employer. You can access your account online or by phone.

If you are hired, rehired or transfer to BMO U.S. on or after April 1, 2016, and you satisfy the eligibility requirements, you are automatically enrolled in the plan (see [Auto-Enrollment contributions](#) below.) Different enrollment provisions may apply if you were employed by a company acquired by BMO.

### Auto-Enrollment contributions

The 401(k) Savings Plan has an Auto-Enrollment feature that automatically enrolls you in the Plan with a 5% before-tax contribution through convenient payroll deduction. Your Auto-Enrollment contributions will become effective in one to two pay periods following 30 days of employment. You can review, change, or delete your automatic enrollment transaction on Empower online during your first 30 days of employment.

Your contributions, and any company contributions, will be invested in the Plan's Qualified Default Investment Alternative (QDIA), an age-appropriate target-date retirement fund. You can change how contributions are invested at any time. More information regarding the Plan's QDIA and other investment funds can be found on Empower online.

Following your one-year anniversary from your hire, rehire or transfer to BMO U.S. date, your before-tax contribution rate will continue to increase by 1% each January, until you reach a savings rate of 10%.



Note: if you do not want to participate in Auto-Enrollment and make contributions to the Plan, you must decline enrollment within the first **30 days** of employment. Your contributions **cannot** be refunded if you opt out later.

Remember to take into consideration any before-tax or Roth after-tax contributions made to your former employer's plan this year. There is an annual IRS contribution limit that applies to all before-tax and Roth after-tax contributions made to any qualified plans in one year. If you contributed to another employer's plan during the year before being hired by BMO Financial Group, you are responsible for limiting your contribution to the 401(k) Savings Plan so as not to exceed the annual limits. Please refer to "[Annual IRS pay and contribution limits for 401\(k\) plans](#)" for more details.

### Joining later

You do not have to make contributions to the plan. You can choose to start, modify, or stop contributions to the plan at any time. Changes to your contribution type and rate can take from one to two pay periods to become effective based on the timing of when you submit your request and the BMO U.S. payroll processing schedule.

### How to enroll

If you are hired, rehired or transfer to BMO U.S., you are automatically enrolled in the 401(k) Savings Plan with a before-tax contribution equal to 5% of eligible pay, unless you opt out. You will receive an enrollment guide, automatic enrollment notice and welcome guide to either your email on file or home address. You will also receive instructions about how to opt out of automatic enrollment if you do not want to make personal contributions to the plan.

**Empower online:** You will need to “Register” the first time you access your 401(k) Savings Plan account online and create a unique Username and secure Password. You may use the Single Sign-on link in Workday or your Username and Password to log into Empower online to ensure that only you can access and transact in your account.

**Empower interactive phone system:** When you first use your temporary phone PIN, you will be required to select a new, personalized PIN. You will use your selected PIN along with your Social Security Number each time you call Empower to ensure that only you can access and transact in your account.

### Naming a beneficiary

Making beneficiary designations are a necessary part of planning for the future. Beyond providing the security of having your assets go where you desire, beneficiary designations make available certain tax advantages for your heirs as well.

All participants are asked to name a beneficiary. This will determine who receives your account balance if you die. (See [“If you die before receiving your entire vested account balance.”](#)) If you are married at the time of your death, your account balance will be paid to your surviving spouse unless you have designated another beneficiary, and your spouse has also consented to this designation in writing. Your spouse’s consent must be witnessed by a notary public.

The simplest way to ensure the accuracy of your 401(k) Savings Plan beneficiary designation is to add or update your information in your account profile on Empower online.



Note: The first time you enter your 401(k) Savings Plan beneficiary online, you will NOT be able to view or validate any prior designations made via paper form. If you previously designated a 401(k) beneficiary by submitting a paper form to the HRC, that designation remains in-force until you enter a new designation online.

If you need to request verification of your 401(k) beneficiary designation previously submitted via paper form, you may:

- call the HRC **888-927-7700** (menu: retirement & savings > retirement questions)
- open an eService ticket in [Workday](#)
- send an email request to [bmohr@alight.com](mailto:bmohr@alight.com)

## Plan contributions

With the 401(k) Savings Plan, you can decide how much you would like to contribute, the type of contribution (before-tax or Roth after-tax) and the type of investment options in which to invest your contributions.

### How your account is funded

Your account is funded with your before-tax and/or Roth after-tax contributions (made through payroll deductions) and Company contributions made on your behalf. Your account may also include after-tax contributions and profit-sharing contributions made prior to 2002, or rollover deposits. Whatever money you contribute is invested in the plan's Qualified Default Investment Alternative (see "[Notice of Qualified Default Investment Alternative \(QDIA\)](#)") or other plan investment fund options you specifically select. Company contributions are invested in the same funds as your contributions. Funds contributed under the plan are held and invested, until distribution, by a trustee appointed by the Benefits Administration Committee in accordance with the terms of a trust agreement which implements and forms a part of the plan.

### Your "eligible pay" for plan purposes

Where the plan is concerned, your eligible pay is your base pay, overtime, shift differential and any variable pay that is related to work performance that you receive while an "active" eligible plan participant.

Variable pay includes:

- Team-based plans (based on company, corporate, department or unit performance, including production and productivity plans)
- Managerial Plan
- Sales, Incentive and Commission-based plans
- Business Referral plans
- Ad hoc cash awards related to performance

The plan considers these kinds of pay your "eligible pay," and uses this pay in determining your contribution amounts to the plan. Any contributions you make are deducted from your eligible pay. The Company's contributions are also determined using your eligible pay, up to IRS limits. See "[Annual IRS and 401\(k\) Plan Limits](#)" below for information on how the limits may affect your contribution amounts.

In addition, there are certain types of pay not included in your eligible pay. The plan does not include mid- and long-term incentive pay, severance pay, signing bonuses, employee referral bonuses, moving expenses or, if you leave BMO Financial Group, any eligible pay paid more than 30 days after your termination date.

For benefit calculation purposes, eligible pay paid in the form of foreign currency will be converted to U.S. dollars.

## Company core contributions

The money you will have to use in retirement is a reflection of the partnership between BMO and you. The Company automatically provides a non-elective contribution, called a “core contribution,” equal to 2% of your annual eligible pay (capped at  $\$350,000 \times 2\% = \$7,000$ , per IRS pay limit for 2025). This is effective as of your date of hire for BMO employees hired or rehired on or after April 1, 2016; and effective on March 1, 2017, for BMO employees hired prior to April 1, 2016. A different effective date may apply if you were employed by a company acquired by BMO. The core contribution will be added to your account each pay period. You are vested in the Company core contributions when you have completed three years (36 months) of service with BMO Financial Group (or, earlier if, you attain age 65 or are approved for long-term disability while employed with BMO Financial Group; or your employment ends due to death, divestiture, or a reduction-in-force).

For purposes of vesting, you begin earning service on your first day of work as a regular employee for BMO Financial Group. Whether you are full-time or part-time, you earn one full month of service for each month you work for BMO Financial Group regardless of the number of days you work in a month. Your termination of employment with one member company will not interrupt your accrual of vesting service if, concurrently with or immediately after such termination, you are employed by another member company of BMO Financial Group. A period of unpaid leave of absence will be counted towards your vesting service unless you fail to return to active employment at the end of the leave period, in which case you will be considered as having resigned from employment on the first anniversary of the date your leave began (or if earlier, the date your leave of absence ended).

If you leave BMO Financial Group before you are vested, your core contributions will be forfeited (but may be restored if you are later rehired – (refer to the [“Rehires”](#) section).

## Company matching contributions

The Company will match your 401(k) contributions (both before-tax and Roth after-tax) dollar-for-dollar, up to the first 5% of annual eligible pay (capped at  $\$350,000 \times 5\% = \$17,500$ , per IRS pay limit for 2025). The Company’s matching contributions are added to your account each pay period. Matching contributions are always 100% vested. Note: You must elect to contribute at least 5% for the *entire year* to ensure you receive the full 5% maximum match.

## Your employee contributions

The plan offers you an easy, tax-deferred way to save for the future. You can save from 1% to 75% of your eligible pay, subject to annual IRS pay and contribution limits. The money you contribute comes out of your regular paycheck and any variable pay that you receive.

If you are automatically enrolled in the plan, your before-tax contributions are set to 5% of your eligible pay so you receive the full Company match. Then, your savings will be set to increase by 1% of eligible pay each year until you reach 10%, unless you opt out of this Auto-Enrollment feature.

### Types of employee contributions

Your contributions to the 401(k) Savings Plan can be made as 401(k) before-tax deferrals, Roth after-tax contributions, or a combination of the two.

- **Before-tax contributions:** When you contribute on a before-tax basis, your contributions are deposited in your 401(k) Savings Plan account before federal and most state income taxes are taken out of your paycheck. Since the IRS currently does not count these contributions as income, your annual taxable income is lowered by this same amount. Under current tax law you are not taxed on this money or any earnings until you take a distribution from the plan.
- **Roth after-tax contributions:** The Roth after-tax feature allows you to save money in the 401(k) Savings Plan through payroll deductions on an after-tax basis. Your Roth after-tax contributions grow tax-free and, if certain criteria are met, contributions and investment earnings can eventually be distributed tax-free as well. You can make Roth after-tax contributions even if you are already making before-tax contributions. However, the combination of both Roth after-tax contributions and before-tax contributions cannot exceed the annual IRS contribution limit. See “[Important Tax Information](#)” for more details.

### Before-tax vs. Roth after-tax savings

Both choices offer a great way to save for retirement but with different tax advantages.

What’s different?	401(k) before-tax	Roth after-tax
Contributions	Deducted from pay before taxes	Deducted from pay after taxes
Withdrawals	Subject to tax	Not subject to tax*

\*To be exempt from tax on Roth after-tax withdrawals, you must make a “qualified” withdrawal.

What’s the same?	Both 401(k) before tax and Roth after-tax
Company core & matching contributions	Earned on a before-tax basis with both types of contributions
Investment elections	Can be changed at any time
Catch-up contributions	Can be made beginning January 1 of the year you reach age 50



### Annual IRS pay and contribution limits for 401(k) plans

The 401(k) Savings Plan must meet certain criteria under the Internal Revenue Code for plan contributions to qualify for favorable tax treatment. The IRS sets a maximum limit on eligible pay that can be used to calculate your Company core and matching contributions. The IRS pay limit is \$350,000 for 2025.

Employee contributions are subject to annual IRS contribution limits. For 2025, the IRS limit is \$23,500 on all before-tax and/or Roth after-tax contributions you make. If you will be age 50 or older during the calendar year the additional catch-up contribution limit is \$7,500, or a total of \$31,000, unless you are age 60 to 63, then the catch-up limit is \$11,250, or a total of \$34,750. This is an aggregate limit that applies across all 401(k) plans you participate in during the year. The limits are subject to change annually, and you will be advised of the new limits each year.



**Excess contributions:** If you contributed to another employer's plan during the year before being hired by BMO Financial Group, you are responsible for limiting your contributions to the 401(k) Savings Plan so as not to exceed the annual limits. Any amount that exceeds the IRS contribution limit, known as "excess contributions" must be removed from the plan and reported as ordinary income on your tax return. Your Company matching contribution may also be reduced, as applicable. If you need to request a refund of excess contributions, please contact the HRC as soon as possible and no later than April 1<sup>st</sup> following the tax year that requires the refund. You will need to furnish proof of the amount contributed to your prior 401(k) plan(s) to document the request before it will be processed (such as a tax form W2 from your prior employer.) No refund will be processed after April 15 of the year following the excess contribution.

The IRS sets a maximum on how much can be contributed in a single year to all your accounts in the plan (including your elective contributions, Company matching and Company core contributions). That maximum for 2025 is the lesser of \$70,000 or 100% of your compensation (as defined by applicable IRS rules).

### Catch-up contributions

The plan allows "catch-up" contributions as permitted under federal law. If you are at least age 50 or will reach age 50 during a given calendar year, you have the option to make catch-up contributions to the plan from 1% to 75% of eligible pay starting January 1 of that year. You can enroll in catch-up contributions by making a separate election in your plan account. Catch-up contributions are deducted in addition to your regular plan contributions. Your catch-up contributions can be designated as 401(k) before-tax, Roth after-tax or a combination of both options.

For 2025, the catch-up contribution limit is \$7,500. If you are age 60 to 63, the catch-up limit is \$11,250.

### Company matching and core contribution examples

The following three examples show how Company matching and core contributions are added to your plan account each pay period. Currently, BMO U.S. employees are paid on a bi-weekly basis (generally 26 pay periods per year.) Employees who receive an annual short-term incentive award, which is plan eligible pay, receive an additional bonus paycheck in either December or January. There may be other types of plan eligible pay that is paid outside the normal pay schedule and your plan contribution will be deducted based on your election on file at the time of the payment. The examples are for illustrative purposes only.

**Example 1: Bi-weekly match and core contributions**

Tom's annual eligible pay is \$52,000 (\$2,000 per bi-weekly paycheck). He automatically received his 2% Company core contribution each pay period. He also contributes 5% of his eligible pay to the plan and receives the 5% Company matching contribution.

Pay Period	Eligible Pay	Employee Before-tax	Company Match	Company Core
1 – Jan	\$2,000	\$100	\$100	\$40
2 – Jan	\$2,000	\$100	\$100	\$40
3 – Feb	\$2,000	\$100	\$100	\$40
4 – Feb	\$2,000	\$100	\$100	\$40
5 – Mar	\$2,000	\$100	\$100	\$40
6 – Mar	\$2,000	\$100	\$100	\$40
7 – Apr	\$2,000	\$100	\$100	\$40
8 – Apr	\$2,000	\$100	\$100	\$40
9 – May	\$2,000	\$100	\$100	\$40
10 – May	\$2,000	\$100	\$100	\$40
11 – May	\$2,000	\$100	\$100	\$40
12 – Jun	\$2,000	\$100	\$100	\$40
13 – Jun	\$2,000	\$100	\$100	\$40
14 – Jul	\$2,000	\$100	\$100	\$40
15 – Jul	\$2,000	\$100	\$100	\$40
16 – Aug	\$2,000	\$100	\$100	\$40
17 – Aug	\$2,000	\$100	\$100	\$40
18 – Sep	\$2,000	\$100	\$100	\$40
19 – Sep	\$2,000	\$100	\$100	\$40
20 – Oct	\$2,000	\$100	\$100	\$40
21 – Oct	\$2,000	\$100	\$100	\$40
22 – Nov	\$2,000	\$100	\$100	\$40
23 – Nov	\$2,000	\$100	\$100	\$40
24 – Nov	\$2,000	\$100	\$100	\$40
25 – Dec	\$2,000	\$100	\$100	\$40
26 – Dec	\$2,000	\$100	\$100	\$40
<b>Total</b>	<b>\$52,000</b>	<b>\$2,600</b>	<b>\$2,600</b>	<b>\$1,040</b>

**Example 2: Match true-up**

Javier's total annual pay is a base annual salary of \$130,000 (\$5,000 per bi-weekly paycheck). He receives his Company core contribution each pay period, even though he is not contributing to the plan. Javier begins contributing 10% to the plan in August and also begins to receive the 5% Company matching contribution. His match eligible pay on his first August paycheck is his bi-weekly pay of \$5,000 x 16 pay periods, or \$80,000. Since  $5\% \times \$80,000 = \$4,000$  and is greater than his \$500 before-tax contribution, Javier is eligible to receive the Company match on the total amount of his contributions. The matching "true-up" will continue until the Company matching contribution equals a dollar-for-dollar match up to 5% of annual eligible pay.

Pay Period	Eligible Pay	Employee Before-tax	Company Match	Company Core
1 – Jan	\$5,000	\$0	\$0	\$100
2 – Jan	\$5,000	\$0	\$0	\$100
3 – Feb	\$5,000	\$0	\$0	\$100
4 – Feb	\$5,000	\$0	\$0	\$100
5 – Mar	\$5,000	\$0	\$0	\$100
6 – Mar	\$5,000	\$0	\$0	\$100
7 – Apr	\$5,000	\$0	\$0	\$100
8 – Apr	\$5,000	\$0	\$0	\$100
9 – May	\$5,000	\$0	\$0	\$100
10 – May	\$5,000	\$0	\$0	\$100
11 – May	\$5,000	\$0	\$0	\$100
12 – Jun	\$5,000	\$0	\$0	\$100
13 – Jun	\$5,000	\$0	\$0	\$100
14 – Jul	\$5,000	\$0	\$0	\$100
15 – Jul	\$5,000	\$0	\$0	\$100
16 – Aug	\$5,000	\$500	\$500	\$100
17 – Aug	\$5,000	\$500	\$500	\$100
18 – Sep	\$5,000	\$500	\$500	\$100
19 – Sep	\$5,000	\$500	\$500	\$100
20 – Oct	\$5,000	\$500	\$500	\$100
21 – Oct	\$5,000	\$500	\$500	\$100
22 – Nov	\$5,000	\$500	\$500	\$100
23 – Nov	\$5,000	\$500	\$500	\$100
24 – Nov	\$5,000	\$500	\$500	\$100
25 – Dec	\$5,000	\$500	\$500	\$100
26 – Dec	\$5,000	\$500	\$500	\$100
<b>Total</b>	<b>\$130,000</b>	<b>\$5,500</b>	<b>\$5,500*</b>	<b>\$2,600</b>

\* Note that Javier missed out on maximizing his Company matching contributions by not contributing to the plan earlier in the year. Remember, the Company will match your 401(k) contributions dollar-for-dollar, up to 5% of annual eligible pay (capped at the IRS limits). Javier's annual pay of \$130,000.00 x 5% = \$6,500 of available matching contributions. Because he only contributed \$5,500 to the plan (i.e., less than 5% of his annual eligible pay), his Company matching contribution was limited to \$5,500.

**Example 3: IRS contribution and pay limits**

Susan's total annual eligible pay is \$358,000: base salary of \$208,000 (\$8,000 per bi-weekly paycheck) plus a \$150,000 bonus she receives in mid-January. She's contributing 20% to the plan. Susan reaches the IRS before-tax contribution limit of \$22,500 in January, so her contributions stop automatically. However, as long as she works for BMO U.S., she continues to receive the 5% Company matching contribution and the 2% Company core contribution each pay period on eligible pay up to the annual IRS pay limit of \$345,000.

Pay Period	Eligible Pay	Employee Before-tax	Company Match	Company Core
1 - Jan	\$8,000	\$1,600	\$400	\$160
Bonus	\$150,000	\$21,400 IRS contribution limit reached	\$7,500	\$3,000
2 – Jan	\$8,000	\$0	\$400	\$160
3 – Feb	\$8,000	\$0	\$400	\$160
4 – Feb	\$8,000	\$0	\$400	\$160
5 – Mar	\$8,000	\$0	\$400	\$160
6 – Mar	\$8,000	\$0	\$400	\$160
7 – Apr	\$8,000	\$0	\$400	\$160
8 – Apr	\$8,000	\$0	\$400	\$160
9 – May	\$8,000	\$0	\$400	\$160
10 – May	\$8,000	\$0	\$400	\$160
11 – May	\$8,000	\$0	\$400	\$160
12 – Jun	\$8,000	\$0	\$400	\$160
13 – Jun	\$8,000	\$0	\$400	\$160
14 – Jul	\$8,000	\$0	\$400	\$160
15 – Jul	\$8,000	\$0	\$400	\$160
16 – Aug	\$8,000	\$0	\$400	\$160
17 – Aug	\$8,000	\$0	\$400	\$160
18 – Sep	\$8,000	\$0	\$400	\$160
19 – Sep	\$8,000	\$0	\$400	\$160
20 – Oct	\$8,000	\$0	\$400	\$160
21 – Oct	\$8,000	\$0	\$400	\$160
22 – Nov	\$8,000	\$0	\$400	\$160
23 – Nov	\$8,000	\$0	\$400	\$160
24 – Nov	\$8,000	\$0	\$400	\$160
25 – Dec	\$8,000	\$0	\$150 IRS pay limit reached	\$60 IRS pay limit reached*
26 - Dec	\$8,000	\$0	\$0	\$0
<b>Total</b>	<b>\$358,000</b>	<b>\$23,000</b>	<b>\$17,250</b>	<b>\$6,900</b>

\* Note that employees whose pay reaches the annual IRS maximum pay limit will begin to receive the Company core contributions in the Non-Qualified Savings Plan and may be invited to join the plan during the annual enrollment period. Information about the Non-Qualified Saving Plan can be found on [www.BMOUSBenefits.com](http://www.BMOUSBenefits.com).

### Pre-2002 profit-sharing and after-tax contributions

Prior to January 1, 2002, the Company made annual profit-sharing contributions to the plan. Effective January 1, 2002, profit-sharing contributions were discontinued, with the final contribution for 2001 made in March 2002. Any profit-sharing contributions made to your plan account remain in your account until they are distributed in accordance with the plan terms.

In addition, prior to January 1, 2002, participants were permitted to make after-tax contributions to the plan. This feature was discontinued as of January 1, 2002. Any after-tax money contributed before that date remains in your account until distributed in accordance with the plan terms. You are free to leave the money in your account, elect a withdrawal, or elect a direct rollover of your after-tax contributions to an IRA or qualified employer plan that accepts after-tax money.

### In-Plan Roth Conversion

You may be eligible to convert all or a portion of your non-Roth dollars in your account into Roth after-tax dollars. You pay taxes on the amount you convert at the time you request the conversion, but you can receive the earnings on Roth dollars tax-free when you have a qualified distribution in the future. The in-plan Roth conversion is treated as a distribution for tax purposes and a rollover back into your account, even though your money never leaves the Plan. An in-plan Roth conversion can create a significant tax liability and the rules governing the tax implications of in-plan Roth conversions are complex. You should consult with your tax advisor about the tax implications prior to requesting a conversion.

To request an in-plan Roth conversion, you need to print and complete the *In-Plan Roth Rollover/Transfer Request Form*, which is available to download on Empower online. You can also contact Empower for more information regarding this option.

### Rollovers from other plans

The plan accepts direct rollovers (excluding shares of stock) from other U.S. tax-qualified plans under Internal Revenue Code Sections 401(a), 402(c) and 408(d)(3). Some examples include 401(k) plans, pension plans, money purchase plans, 403(a), 403(b) and 457 plans. The plan does not accept rollovers from stock purchase plans or stock option plans, as these are not qualified plans. Effective August 6, 2025, the BMO U.S. Pension Plan was amended to allow certain eligible participants over age 59 ½ the ability to request an in-service distribution of their account-based pension benefit, even if still employed by BMO. These pension distributions are eligible for rollover to the plan. Only current, eligible employees may elect a direct rollover into the plan. If you participated in a previous employer's qualified retirement plan, you can rollover to your account any amount that is eligible for rollover distribution from that plan. The distribution must be by check, payable to the BMO 401(k) Savings Plan. You must also complete a *Rollover Contribution Request Form*, available for download online, and submit that with your rollover check as indicated on the form. Rollover deposits are processed as they are received. To get assistance with your rollover, please call Empower (see [How to access your 401\(k\) Savings Plan account](#)).

Rollover contributions received into your account receive the same tax treatment at the time of distribution as other contributions in your account depending on their original tax status, either before-tax or Roth after-tax, which is tracked by the Plan. Rollover contributions are also available for loans and withdrawals.

### **Investment of rollover deposits**

Your rollover contribution will be deposited into your account based on your investment election submitted on the *Rollover Contribution Request Form*. If you do not make an investment election, your rollover amount will be invested in the BlackRock LifePath fund based on the year you were born. You can change your investment election at any time through Empower.

### **How to change or discontinue contributions**

You can elect to change or stop all types of contributions (other than Company core contributions) at any time by contacting Empower (see [How to access your 401\(k\) Savings Plan account.](#)) It may take one to two pay periods before your rate change becomes effective on your paycheck. Both your regular and catch-up contribution rates (if applicable) remain in effect until you discontinue them. Your payroll deductions for these contributions will automatically stop when you reach the annual contribution limits.

## Investment Information

You decide how your plan account is invested by choosing among the investment options made available under the plan. The plan investment offerings include a variety of investment funds, each with a different investment objective and risk. You may invest your entire account in one of these funds or divide your account among two or more funds. For information on the investment funds and their performance, please visit Empower online or refer to the [Investment Options](#) chart on BMOUSBenefits.com and/or the Fund Fact Sheets on the [Investment Information](#) page on Empower online.

### The value of your account

You are always 100% vested in your contributions (including rollovers) and the Company's matching contributions. You are fully vested in the Company's core contributions once you complete three years of service with BMO Financial Group. The value of your account varies depending on investments and their performance (gains and losses). Changes in the value of your investment options will increase or decrease the value of your account. A valuation date is any business day where the U.S. securities exchanges are open for trading. Your account is valued and updated at the end of each valuation date and its current value is available by calling Empower or going online (see [How to access your 401\(k\) Savings Plan account](#)).

### Investment options

The plan's various investment options each represent a different type of investment and has its own degree of risk and return. Carefully consider a fund's investment objectives, risks, charges, and expenses before investing. You can obtain the fund fact sheets, prospectuses, other disclosures, and recent performance results for the fund options on Empower online. You should read the prospectus and other disclosures carefully before you invest.

The Company's Benefit Investment Committee periodically reviews the performance of the investment funds offered under the plan, and in its discretion, may at any time add, change, or remove investment funds. You will be notified in advance of any changes in the investment fund line-up.

### Investing your contributions

The contributions you and the Company make to the plan are credited to your account. You decide how to invest your balance in your account among the various investment funds offered in the plan. Company contributions will be proportionately invested in the same investment options you select for your own savings contributions. You can invest in as many of the investment options as you want, as long as you allocate your investments in whole percentages that add up to 100%. The BMO Stock Fund has an investment allocation cap of 25%.

As described further below under [Qualified Default Investment Alternative \(QDIA\)](#), if you do not make an investment election, your entire account balance will be invested in the BlackRock LifePath Fund, a target retirement date fund closest to the year in which you will reach age 65.

### **Plan participants with a current account balance**

If you have an account balance under the 401(k) Savings Plan, your account and any future contributions to your account will be invested in accordance with the investment elections on file with the plan. Your investment elections appear on the quarterly statements you receive from the plan. You can also determine your current investment elections by contacting Empower (see [How to access your 401\(k\) Savings Plan account](#)). Empower can also provide information on plan investment options and the method for changing your investment elections.

### **Plan participants without a current account balance**

If you currently do not have an account balance under the 401(k) Savings Plan, future contributions to your account will be invested in accordance with your investment elections under the plan. If you do not make an investment election, and have no prior investment election on file, contributions to your account will be automatically invested in the Qualified Default Investment Alternative (QDIA) under the plan. Empower provides information on plan investment options and the method for changing your investment elections.

## **Notice of Qualified Default Investment Alternative (QDIA)**

If you do not submit an investment election, all of your contributions to the plan will be invested in the plan's default fund. The default fund or "qualified default investment alternative (QDIA) for your plan account is the BlackRock LifePath Target Date Fund based on the year you were born. This fund satisfies the requirements of a "qualified default investment alternative" under ERISA, as set forth in regulations issued by the Department of Labor (DOL). You will be notified if the plan's QDIA changes. The plan's Notice of Qualified Investment Alternative is sent to you from Empower either electronically or mail, and is housed on your 401(k) account under Statements and documents and categorized as a Notice.

You may transfer, at any time without financial penalty, all, or any portion of your 401(k) account balance from the QDIA to any other investment options available under the plan. Such a transfer will not be subject to any restrictions, fees, or expenses, including surrender charges, liquidation or exchange fees, and redemption fees, except that transfers to the BMO Stock Fund will be subject to the investment allocation cap of 25%. If you remain in the QDIA, your investment in the QDIA will be subject to certain fees and expenses that are charged on an ongoing basis for the operation of the BlackRock LifePath Target Date Funds, such as investment management fees.

You may request additional financial information regarding the plan's funds such as a list of the assets held in each fund, information on the operating expenses of the funds, copies of prospectuses and other financial reports provided to the plan, information on the value of your interest in each fund, and past and current performance of each fund by contacting Empower (see "[How to access your 401\(k\) Savings Plan account](#)").



## Investment changes

You are not locked into your contribution choices or your investment strategy. You can change your contribution percentage or type (pre-tax or Roth), stop contributing, change the investment allocation of future contributions, and/or transfer existing account balances. You have the flexibility to make changes in your account on any business day subject to the restrictions described below or in a fund's prospectus. To transfer or reallocate your funds, visit the Actions section on Empower online (see "[How to access your 401\(k\) Savings Plan account](#)"). You must specify a percentage of your balance to invest among the available funds. The percentages must be in whole increments (e.g., 5%, not 5.5%) and must total 100%.

The daily cutoff for all changes is normally 4 p.m. ET. If a request is received before 4 p.m. ET, the request will be processed at that day's closing net asset value. After 4 p.m. ET, the request will be processed the next business day. Should the market close early, the closing time will be the last opportunity for the trade to occur that day. You will receive a confirmation statement with the details of your new elections.

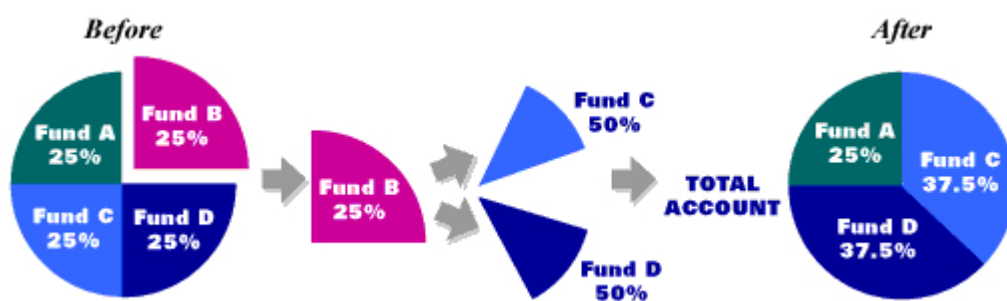
### Change existing account investment elections (fund transfer and account rebalance)

You can change how your existing account balance is invested by submitting a one-time request to trade specific fund(s) or rebalance your entire account investment portfolio.

A **fund transfer** is a specific transaction in which you specify fund(s) from which you wish to move your balance and indicate where you wish to invest that portion of your account. It works like this:

- You decide what percentage of a particular fund or funds you would like to move.
- You select the fund(s) you want to transfer that money into from the plan's available investment options, and what percentage of the amount moved goes to each fund.

**In the example below, 100% of the balance in Fund B is moved out of the fund. Of that amount, 50% is invested in Fund C and 50% is invested in Fund D.**



An **account rebalance** is a total redistribution of your existing balances among the plan's investment funds. A rebalance differs from other kinds of fund transfers because, in a rebalance, your entire account balance is automatically redistributed in accordance with your chosen allocation. Therefore, unlike the fund transfer in the above example, you do not need to select a "Before" fund from which funds will be taken to achieve the reallocation.

A fund transfer or rebalance does not affect the way your future contributions (and future loan repayments, if any) are invested. If you want to change how your future contributions (and future loan repayments, if any) are invested in the available funds, you also need to change your future investment options.

- If a fund in the plan is not open for new investments, you may transfer out of that fund, but you may not transfer into the fund.
- If a fund in the plan is subject to an invest allocation cap, you may transfer out of that fund, but you may not transfer an amount greater than the cap into the fund.
- Redemption fees may apply to the disposition of certain plan funds (see “[Redemption Fees](#),”). There is no standard for redemption fee calculations. Each fund family has a different definition of how long investments in the fund must be held before they can be sold without incurring a fee, and the fee that will be charged when a sale occurs before the end of that time period.

#### **Frequency restrictions on fund transfers and reallocations**

There may be a 30-day transfer/reallocation frequency restriction in place for some of the plan’s investment funds under which the fund's manager prohibits you from selling and then buying shares within a rolling 30-day period. This means that if you transfer or reallocate amounts out of a fund with a frequency limit, you will be restricted from transferring or reallocating back into that fund for 30 calendar days, based on your last transfer-out date. Please refer to each fund’s prospectus and other disclosures for trading frequency restrictions and refer to “[BMO’s trading window restrictions](#)” in this SPD for information regarding additional trading restrictions.

#### **Redemption fees**

A redemption fee is a fee imposed by the investment fund for removing assets from the fund. Please refer to each fund’s prospectus and other disclosures carefully for redemption fee requirements. It is important to understand the following information as you make decisions regarding your account transactions:

<p><b>How is a redemption fee generally assessed?</b></p>	<p>The redemption fee is a percentage of the value of the investments sold in connection with your transfer in a specified fund that has been held for a specified time from the time of purchase. The oldest holdings or transfers are considered redeemed first, and the newest holdings are treated as redeemed last. This method is known as the “First In, First Out” (“FIFO”) method. In the specified funds within the 401(k) Savings Plan, only acquisitions of fund shares made in connection with a fund transfer or rollover are subject to the redemption fee calculation.</p>
<p><b>How will I know if my transfer or reallocation request will cause a redemption fee?</b></p>	<p>Empower cannot tell in advance whether your transaction will cause a redemption fee. Whether or not your transaction triggers a redemption fee will depend on the circumstances of your account at the time your transfer is processed. That determination is based on whether:</p> <ul style="list-style-type: none"> <li>• your transaction affects a fund that charges a redemption fee</li> <li>• you transferred money or deposited a rollover into the fund</li> <li>• your holdings (transferred money or rollover deposit) have been invested in the fund for less than the specified time</li> <li>• those holdings (transferred money or rollover deposit) are needed to satisfy your fund transfer request</li> </ul>
<p><b>How and when are redemption fees deducted?</b></p>	<p>The redemption fee is charged to your account at the same time your transaction is requested. It will reduce the total amount of money that is moved from one fund to another in connection with your transfer.</p> <p>If you elect a fund transfer or reallocation, Empower will remind you that your transaction may cause a redemption fee. Once your account has been updated and your transfer has been processed, you will be able to see the amount of the fee on Empower online by viewing your Account Activity. Here is an example of how the fees are calculated:</p> <ul style="list-style-type: none"> <li>• Fund A charges a 2% redemption fee on any money that has been invested 90 days or less.</li> <li>• On June 1, you transfer \$100 into Fund A and purchase 100 shares at \$1.00 per share.</li> <li>• On June 15, the share price is still \$1.00 per share, and you elect to transfer your entire investment from Fund A to Fund B.</li> <li>• Because your money has been in Fund A less than 90 days, you will be charged a 2% redemption fee on the entire sale.</li> <li>• In connection with your transfer request, you will have a redemption fee of \$2.00 (\$100.00 x 2%).</li> <li>• The remaining \$98.00 (\$100.00 - \$2.00) will be transferred to Fund B.</li> </ul>

For more details, refer to the prospectus for the applicable investment fund available at Empower.

## Investment earnings

Interest, dividends, and capital gains are re-invested in the investment option in which they are earned. Investment earnings, if any, are tax-deferred until you receive a distribution from the plan. Dividends and capital gains are posted to your account as soon as administratively possible, generally within one week of the payable date. To find the payable dates for dividends and capital gains, refer to the fund fact sheet or prospectus information available on Empower online.

**Interest** is earned on the monies you have invested for those investment options in which interest is earned and is credited to your account daily.

**Dividends** are earned on the underlying securities in an investment option. For fixed-income investment options, dividends are distributed to accounts daily. For equity investment options, dividends are distributed to accounts quarterly, semi-annually, or annually. You may have *capital gains* from the sale of securities in an investment option that has increased in price. These gains are distributed to accounts either annually or semi-annually.

The **ex-date** is the date on which each investment option's share of its earned dividend or capital gain is determined and deducted from the investment option's net asset value. Your account balance may decrease on this date. However, on the *payable date*, which is the date when the investment option pays the dividend or capital gain to your account, the decrease that was reflected on the ex-date will be offset by the increase posted on the payable date.

If you change investment options or engage in other transactions on or near the ex-dates and payable dates, your account may lose value because you must be invested in the investment option on those dates to receive the dividends and capital gains.

## Additional information related to investment options

The 401(k) Savings Plan is intended to qualify as a participant-directed account plan under Section 404(c) of ERISA, which means you are responsible for your investment decisions under the plan. Under Section 404(c) of ERISA, BMO Financial Group, and any plan fiduciaries, including the Benefits Administration Committee, the Benefit Investment Committee (the "BIC"), and the trustee are relieved of liability for any losses which result from you exercising your investment decisions.

An investment option's yield and return will vary. An investment option's value will also vary, and your account may have a gain or loss when you transfer between investment options. Past performance does not guarantee future results.

BMO Financial Group makes absolutely no guarantees or assurances regarding the performance of any investment option. The value of your plan account will be determined by the investment results of the investment option or options in which your account has been invested. The value of your account is not protected against loss. No employee, officer or agent of BMO Financial Group has authority to make any statement or give any assurances inconsistent with this notice.

The BIC may place restrictions on your investment elections to prevent harm to other participants, to prevent abusive trading practices, or to comply with the terms relating to any investments (including but not limited to prospectuses). The BIC may establish rules pursuant to which additional fees may be imposed upon you due to your trading activity in an investment fund and may have the fees paid to a service provider, an investment fund, or the Plan. You will be notified whenever the BIC establishes such rules, which apply prospectively.

In particular, it is the policy of the BIC to discourage and, when possible, to eliminate market timing in any mutual fund investments available as options of the 401(k) Savings Plan. The Plan Administrator and the BIC may monitor the trading activity of plan participants to ensure that the prospectus requirements against those engaging in improper frequent trading are enforced. Engaging in any frequent trading activity that violates prospectus requirements is prohibited. Failure to comply with this requirement will be reported to senior management and will be subject to appropriate corrective action, up to and including termination. The BIC has further authority to impose restrictions on trading by plan participants. Specifically, if the BIC (or any two members) determines that any participant has engaged in improper frequent trading, it may impose any restriction it deems appropriate, including a prohibition on trading, for a period the BIC deems appropriate to each case. If the issuer of shares of any mutual fund that is an investment option under the plan determines that frequent trading has occurred, the BIC will impose trading restrictions on that participant's account. Although, the BIC is not obligated to do so, it may, prior to imposing trading restrictions, escalate for clarification the issuer's determination.

The BIC's determination of what constitutes frequent trading will not be subject to "hard-and-fast" rules. As it makes such determinations, it intends to communicate periodically to participants' information about patterns it has identified as objectionable. However, you should be aware that even if a fund's prospectus sets forth trading rules which impose a redemption fee on short-term trades, *this does not constitute a license to trade frequently in the plan*, even if the fund assesses and you pay a redemption fee. The plan is intended for long-term investment, not for the execution of short- or medium-term trading strategy.

## Important information about the BMO Stock Fund

The BMO Stock Fund allows you to invest in Bank of Montreal Common Shares. Whenever you direct contributions or transfer existing balances to the BMO Stock Fund – your contributions, the Company contributions, and your rollover deposits – these monies are used *by the fund* to buy stock on the New York Stock Exchange (NYSE), as discussed in further detail below.

As an investor in the Fund, individual participants have certain rights, such as the right to receive proxy materials and vote on the shares of BMO stock allocated to your account; and also receive distribution of your investment in the Fund paid in shares of BMO stock. Every investment carries with it an element of risk. The BMO Stock Fund is no exception. The BMO Stock Fund is not diversified and invests in only one company. The rate of return on your investment in this option will fluctuate with changes in the market value of Bank of Montreal Common Shares. How this fund has performed in the past is no guarantee of future performance.

To obtain print copies of the Bank of Montreal annual report, the annual 5000 report relating to the plan, the Form 11-K as filed with the SEC, or any of the other documents filed or to be filed with the SEC or with the U.S. Department of Labor that are or will be incorporated by reference into the Registration Statement on Form S-8 relating to the plan, without charge, contact [corp.secretary@bmo.com](mailto:corp.secretary@bmo.com) or call 416-867-6785.

### Description of the BMO Stock Fund

In the 401(k) Savings Plan, your investment in the common stock of Bank of Montreal (NYSE: BMO) is represented by units in the BMO Stock Fund (Fund). The Fund is a unitized fund and operates similar to a mutual fund, but it is not available to the public. The Fund is only available as an investment option for participants in the 401(k) Savings Plan. The Fund invests primarily in Bank of Montreal Common Shares with approximately 1.5% to 2.5% held in the EB Temporary Investment Fund to cover the cash needs of the Fund, such as participant investment transfers and benefit distributions.

The value of a Fund unit is calculated by dividing the total market value of the Fund by the total number of outstanding units issued by the Fund to individual investors in the 401(k) Savings Plan. Each unit of the Fund represents an equal portion of the Fund's underlying investments and a proportionate interest of all outstanding units issued by the Fund. The Fund is priced each day that the security markets are open based on the closing prices of the Fund's underlying investments (BMO common stock, cash, and cash equivalents).

The number of units a participant holds in the Fund and the value of those units may change due to the value of BMO common stock, investment election changes, contributions, distributions, and dividends reinvested in the Fund. Any common stock dividend declared is payable to the BMO Stock Fund. Dividends are reinvested in the Fund, increase the total market value of the Fund, and proportionately increase the unit value of the units issued to participants invested in the Fund.

A unit of the Fund does not equal a share of BMO stock, and consequently does not equal the price of a share of BMO stock. The performance of the BMO Stock Fund will differ from that of BMO common stock due to, among other things, the amount of cash or cash equivalents in the Fund and any transaction costs associated with purchases and/or sales of BMO common stock that are paid from the Fund.

### BMO Stock Fund Investment Allocation Cap

Effective May 1, 2023, the maximum amount of future contributions that you can invest in the BMO Stock Fund is 25%.

Participant-directed investments in the BMO Stock Fund will be affected as follows:

- You may direct up to 25% of all new contributions to the Plan to be invested in the BMO Stock Fund.
- You may transfer up to 25% of your total accumulated account balances into the BMO Stock Fund.
- If your account balance in the BMO Stock Fund is greater than 25%, you may retain the amount in excess of 25% in the BMO Stock Fund and may continue to invest up to 25% of new contributions into the BMO Stock Fund.
  - If you choose a **total account rebalance**: the 25% limit to the BMO Stock Fund will apply. Any account balance in the BMO Stock Fund in excess of 25% will be rebalanced according to the investments you choose. You will not be able to reinvest your account balance into the BMO Stock Fund in an amount greater than 25% in the future.
  - If you choose an **inter-fund transfer**: the 25% limit to the BMO Stock Fund will not apply to transfers out, but will apply to transfers in. See examples below:
    - Example 1: You have 50% of your account balance invested in the BMO Stock Fund. You may transfer out 10% and retain 40% of your balance in the fund. You will not be able to transfer additional funds into the BMO Stock Fund if your current balance is greater than 25%.
    - Example 2: You have 30% of your account balance invested in the BMO Stock Fund. You may transfer out 10% and retain 20% of your balance in the fund. You will only be able to transfer additional funds into the BMO Stock Fund up to the 25% limit in the future.

### BMO Common Share dividends

Any dividends from Bank of Montreal Common Shares held in the BMO Stock Fund stay in the plan and are automatically reinvested in the BMO Stock Fund. Dividends are tax deferred until you receive a distribution from the plan.

A U.S. citizen or resident holding Canadian stock is normally subject to Canadian withholding tax of 15% on all dividend payments. However, since the option is an investment option of the 401(k) Savings Plan, it has received a special tax exemption from Revenue Canada and is exempt from the 15% withholding on dividends paid and reinvested in the option. This exemption will no longer apply should your employment end and you request a distribution of Bank of Montreal Common Shares. If you keep the Bank of Montreal Common Shares, this automatic 15% tax will be withheld whenever a dividend is subsequently paid.

### **Voting your shares**

As a participant, you are a named fiduciary under Section 403(a)(1) of the Employee Retirement Income Security Act of 1974 (ERISA) with respect to voting of common shares. This means you are entitled to instruct the trustee on how to vote the Bank of Montreal Common Shares in your account. Before each shareholders meeting, you will receive materials explaining any issues that are under consideration on which the shareholders must vote. You will also receive a proxy card and voting instructions. You can direct the trustee of the plan how to vote for you by filling out and returning the proxy card by the specified date. The way you vote is kept confidential and may not be disclosed by the trustee. The trustee will vote shares held for your account according to your instructions. The trustee will also vote shares held for participants' accounts for which no instructions are received and shares not yet allocated to participants' accounts, in the same proportion as it votes for those shares for which participants provide instructions.

### **Tender offers**

In general, tender or exchange offers are requests to purchase your stock in an acquisition or merger. In the event of a tender offer, you are entitled to direct the trustee on how to respond to a requested tender or exchange for the Bank of Montreal Common Shares allocated to your account. The trustee will not tender shares in any account for which no instructions are received or for which the participant instructs the trustee not to tender. The trustee will tender unallocated shares only in a proportion that reflects the overall number of shares directed to be tendered in relation to the total of a) all shares for which instructions are received, and b) shares for which no instructions are received.

### **Certain safeguards apply**

If you request account transactions that involve Bank of Montreal Common Shares, such as changes to your contribution amount(s), investment of future contributions and/or transfer of your existing account balances, it is important to first make sure that you are not in possession of material information about the Bank of Montreal that has not been made publicly available. If you are uncertain whether you have such information, or do not know the trading window requirements, contact BMO Corporate Compliance at 312-461-4517 or via email at [BMOCMComplianceUSDisclosures@bmo.com](mailto:BMOCMComplianceUSDisclosures@bmo.com).

### **BMO's trading window restrictions**

As a publicly traded company, certain restrictions apply to trading by certain individuals in securities of Bank of Montreal. The timing of these restrictions apply before and after the date BMO Financial Group releases each of its quarterly earnings reports and in connection with other corporate events. "Trading" includes increasing or decreasing your contributions, changing the investment of future contributions, or making a fund transfer that would include the BMO Stock Fund. Under U.S. law, such restrictions are considered "blackout periods" and, therefore, consistent with BMO Financial Group's trading window restrictions, your ability to trade in Bank of Montreal Common Shares under the 401(k) Savings Plan during such periods imposed before and after the date BMO releases each of its quarterly earnings report, or other events, will be prohibited.

If you have been identified as a trading window restricted employee, before executing any dispositions, you must check to ensure the trading window is open.



As a reminder, regardless of whether the blackout period applies to you, all employees cannot trade in securities of Bank of Montreal while they are in possession or have material nonpublic information. “Material non-public information” is information that has not been effectively disseminated to the general public and that would:

- likely be viewed by a reasonable investor as important in deciding whether to purchase, sell or hold a Bank of Montreal security; or
- reasonably be expected to significantly affect the market price or value of Bank of Montreal securities if it were generally known.

Insider trading is a serious matter. It is important that you not trade at any time that you are in possession of material nonpublic information about BMO, including its subsidiaries and affiliates, that has not been made publicly available. If you question whether you have such information or do not know the trading window requirements, please review the information on the BMO Corporate Compliance website –

<https://bmo.sharepoint.com/sites/LRC/SitePages/LRCGroups/Compliance/Employee-Personal-Trading.aspx>

This disclosure is provided pursuant to Section 101(i)(7)(B)(ii) of the Employee Retirement Income Security Act of 1974, and Reg. Sec. 2520.101-3(d)(1)(ii)(B).

### **Risk and return of owning BMO shares**

Contributions to the BMO Stock Fund are an investment. As with any investment, you hope to make more money than you invest. This is referred to as your return. However, there is a chance that the value of your original investment may decrease. This is referred to as risk.

Investors earn value from their shares through a combination of increases in share price and the dividends a company may pay. Dividends are amounts paid to shareholders based on the earnings of the company. Dividends are not guaranteed and are subject to change from time to time.

Even if a company does not pay dividends, you can earn a return by purchasing shares at a price and then later selling them at a higher price. For example, if you purchase a share of stock at \$20, and five years later sell it at \$40, then you have doubled your original investment of \$20 during those five years. There is also a risk that the stock’s value could decrease below the \$20 you paid for it.

Because the BMO Stock Fund is primarily invested in Bank of Montreal Common Shares (there is a small percentage held in cash for fund liquidity purposes), it has a higher potential for risk and reward than a fund offering diversified investments (investments in different stocks). Stock prices go up and down. The reasons for the changes in price vary, but often are the result of general economic conditions that can affect the whole market, or specific situations that might affect a particular company or type of business.

Keep in mind that the more you invest in the BMO Stock Fund, the more risk you take. Only you can decide how much risk you are willing to accept.

## Access to your account balance during employment

The 401(k) Savings Plan is a long-term savings plan designed to encourage you to put away something for retirement, but you may have access to your account while you are still working through loans and withdrawals. However, to ensure that your account will be used primarily for retirement, the Internal Revenue Service has established rules regarding both loans and withdrawals. The rules affect how much you can borrow or withdraw from your account, the repayment of borrowed funds, and the amount of tax you must pay on withdrawals.

### Loans

If you are considering using the money in your account while you are still working at BMO Financial Group, taking out a loan may have more advantages than withdrawing money. This is because you are borrowing your own money and, therefore, the interest you pay is to yourself. Also, a loan preserves the tax-deferred status of your money, while withdrawals are taxed as ordinary income and may be subject to penalty taxes. Here is a summary of what you need to know about taking out a loan.

<b>Who may borrow?</b>	Active participants including employees on authorized leave of absence and those on long-term disability.
<b>How do I request a loan?</b>	Call Empower at 844-SAV-401k (844-728-4015) or connect online (see <a href="#">“How to access your 401(k) Savings Plan account”</a> ) to get information on how much you have available to borrow or to model a loan. See “Requesting or Modeling a Loan.”
<b>When will I receive my loan?</b>	When you request a loan, your payment is made via direct deposit (ACH) or check, per your direction, and is generally processed in 2-3 days. You should allow 7 to 10 days for mail delivery.
<b>How much can I borrow?</b>	<p>You can borrow up to the lesser of (i) 50% of your account balance, or (ii) \$50,000, reduced by the highest outstanding balance of your plan loans during the previous 12 months. This means that you may be restricted from taking a loan even after you have repaid all prior loans.</p> <p>For example, assume your account balance is \$150,000 on January 1, 2024. You requested and received a loan on March 15, 2023 for \$40,000. On January 1, 2024, you request a new loan, when the outstanding balance of your first loan is \$15,000. The maximum amount of your second loan is \$10,000, determined as follows: the lesser of (i) \$75,000, or (ii) \$50,000 minus \$40,000 (i.e., the highest outstanding balance of your plan loans during the previous 12 months), which is \$10,000.</p> <p>The minimum loan amount is \$1,000. Note: A loan processing fee is deducted from your loan check.</p>

<b>What money sources can I borrow from my account?</b>	You may borrow money from your 401(k) before-tax and after-tax contributions, Roth after-tax contributions, Company matching contributions, rollover contributions and profit-sharing contributions – plus any investment earnings on these contributions.
<b>Will I pay interest on the loan?</b>	Yes. New loans are made at the prime rate, as published in The Wall Street Journal on the last business day of each month. The interest rate is locked in at the time of the loan request and remains fixed over the loan term.
<b>Where do my loan repayments go?</b>	Principal and interest repayments are credited to your account according to your current investment elections. Repayments are made through after-tax payroll deductions in equal installments. You can pay your full outstanding loan balance or make a partial payment at any time by direct debit or certified check
<b>How long do I have to repay the loan?</b>	You choose the loan repayment schedule, which can be from 12 to 60 months. (Loan repayments are spread over whole months only.)
<b>How many loans can I have at one time?</b>	You can have up to two loans outstanding at any given time.
<b>What if I leave BMO before paying back my loan?</b>	If you terminate employment and have an outstanding loan, you may continue to make loan payments in a manner other than payroll deduction. If you do not make arrangements to continue payments, the outstanding balance will be reported to the IRS as taxable income. To repay your loan in full or set up monthly payments, you can contact Empower online to establish ACH or print a loan payoff form; if you prefer to mail a check or call Empower for assistance (see <a href="#">“How to access your 401(k) Savings Plan account”</a> ).
<b>What if I default on my loan?</b>	<p>If you are actively employed and not on a leave of absence or long-term disability, your loan will be considered in default at the end of the calendar quarter following the end of a calendar quarter in which you failed to make any required loan payments. If you are on a leave of absence or long-term disability, you will be considered in default on the next January 1, April 1, July 1, or October 1 following a 12-month period during which you have not made any required loan payments.</p> <p>If you cannot repay your loan and it goes into default, the outstanding balance will be reported to the IRS as taxable income. You will not be able to request another loan from the plan unless you repay your loan in full, including all accrued interest.</p>

<b>Can I pay-off my loan after it goes into default?</b>	Yes. If you pay off your loan after it goes into default, the taxable event cannot be reversed. Interest on a defaulted loan continues to accrue until the loan balance is fully repaid. To repay your defaulted loan in full, you can request a payoff on Empower online via direct debit or print a loan payoff form if you prefer to mail a check or call Empower for assistance (see “ <a href="#">How to access your 401(k) Savings Plan account</a> ”).
If you need a loan or are considering one, you can find out how much you have available to borrow by going online or calling Empower (see “ <a href="#">How to access your 401(k) Savings Plan account</a> ”). The loan modeling option lets you determine in advance what your repayment amounts will be. Just enter the amount you want to borrow and for how long.	

## In-service withdrawals

The IRS has rules that govern in-service withdrawals and how they are taxed. In general, the amount you can withdraw from your account while employed depends on the type of contributions and your age. The rules that govern each type of withdrawal are described below. If you have an outstanding loan at the time of withdrawal, that portion of any after-tax and/or before-tax contributions used to fund the loan will not be available for withdrawal. Former employees and beneficiaries with an account balance can also request withdrawals from the plan.

Certain IRS rules and limits apply to in-service withdrawals. Also, any monies not already taxed, such as investment earnings, rollover deposits, 401(k) before-tax contributions, Company matching contributions and profit-sharing contributions, are subject to income taxes. In-service withdrawals may also be subject to an additional 10% early-withdrawal penalty imposed by the IRS unless you roll them over to an Individual Retirement Account (IRA) or another qualified plan.

## Timing of loans, withdrawals and final distributions

The cutoff to request a loan, withdrawal or final distribution is 4 p.m. (ET) daily. Your check or direct deposit will generally be processed in 2-3 business days. You should allow 7-10 days for mail delivery. You may also request overnight check delivery for an additional fee. In addition, you may request a direct deposit (ACH) of any cash amount paid directly to you. You can input your direct deposit account information at any time, but there is a mandatory 14-day waiting period before your direct deposit authorization becomes effective.

### Order of loans and withdrawals

When you take out a loan or a withdrawal, it will be deducted from your account pro rata from each, eligible, vested money type, and investment option. Loan repayments are credited back pro rata across all money types from which the loan was funded and invested based on your election on file for future contributions.

<b>Withdrawal of after-tax contributions made before January 1, 2002</b>	<p>After-tax contributions were discontinued effective as of January 1, 2002. Any after-tax money contributed before that date remains in your account.</p> <p>You can request a withdrawal of your after-tax contributions at any time. When you withdraw any portion of your after-tax contributions made after December 31, 1986, you must also withdraw a portion of the investment earnings on those contributions. Income taxes and an additional 10% penalty tax may apply to your withdrawal unless it is rolled over. You may roll over your after-tax contributions to an IRA or another qualified plan that accepts this type of rollover.</p>
<b>Regular withdrawals</b>	<p>Your after-tax and rollover contributions (plus earnings) are available for withdrawal at any time.</p> <p>Your pre-2002 Company matching contributions, QNEC contributions, and Company profit-sharing contributions plus the earnings thereon are eligible for withdrawal during employment after these contributions have been in your account for two years. Income taxes and an additional 10% penalty tax may apply. Company matching contributions may not be withdrawn until you are age 59½ or, if earlier, you terminate employment. Company core contributions may not be withdrawn until you terminate employment, even if you are age 59½.</p> <p>If you are age 59½ or older, you can withdraw your entire account balance (other than Company core contributions) for any reason. Except for any after-tax contributions, these withdrawals are taxed as ordinary income (unless you roll over the taxable portion), though the 10% early-withdrawal penalty tax does not apply.</p>
<b>Roth distributions</b>	<p>The same rules and limitations that apply to withdrawing your 401(k) before-tax contributions also apply to withdrawing your Roth 401(k) contributions. For the tax effects of withdrawing your Roth 401(k) contributions, see the section Tax Information.</p>
<b>Qualified reservist distributions</b>	<p>If you are, by reason of being a member of a reserve component of a United States military service, ordered or called to active duty for an indefinite period or a period of 180 days or more, you may be eligible for a withdrawal of all or a portion of your 401(k) contribution account during such period. If you have questions about your rights under the plan in connection with your military service, call the Human Resources Centre (HRC) at 888-927-7700.</p>
<b>Qualified birth or adoption distributions (QBADs)</b>	<p>In connection with the birth or adoption of a child, you may elect a withdrawal from your vested 401(k) account balance, excluding Company core contributions, of up to \$5,000 (per eligible child or adoptee) during the 1-year period beginning on the date your child is born or legally adopted. You can request a QBAD on Empower online or by phone. A QBAD is subject to federal income taxes, and state income tax, if applicable, though the 10% early-withdrawal penalty tax does not apply. A QBAD cannot be rolled over to an IRA or another qualified plan. The minimum withdrawal amount is \$1,000.</p> <p>You may repay a QBAD as a rollover contribution to the plan within three years if you wish, provided you are otherwise eligible to make a rollover contribution to the plan.</p>

<p><b>Hardship withdrawals</b></p>	<p>If you have not attained age 59½, you may be eligible to withdraw from certain sources of your 401(k) account balance (excluding Company core and matching contributions), but only if you have exhausted all other available withdrawals and loans and the Plan Administrator determines that such withdrawal is necessary to meet an immediate and heavy financial need.</p> <p>You may not withdraw an amount greater than necessary to satisfy the immediate financial need, plus any income taxes or penalties that may result from the withdrawal. An immediate and heavy financial need means one of the following hardships:</p> <ul style="list-style-type: none"> <li>• significant medical expenses incurred by you, your spouse, your dependents, or your designated primary beneficiary under the plan that are not covered by insurance;</li> <li>• the purchase of your principal residence (excluding mortgage payments);</li> <li>• tuition and related education-related fees for the next 12 months of post-secondary education for you, your spouse, your children, your dependents, or your designated primary beneficiary under the plan;</li> <li>• the need to prevent your eviction from or foreclosure on your principal place of residence;</li> <li>• burial or funeral expenses for your parent, spouse, children, dependents, or your designated primary beneficiary under the plan;</li> <li>• payments to repair damage to your principal residence that would qualify for a casualty loss deduction; and</li> <li>• payment of expenses and losses incurred by the participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA), provided that the participant’s principal residence or principal place of employment at the time of the disaster was located in the designated FEMA assistance area.</li> </ul> <p>You can request a hardship withdrawal on Empower online or by phone. You will be asked to self-certify that an immediate and heavy financial need exists; and that you cannot reasonably obtain the funds by one of the following: (i) reimbursement or compensation by insurance, (ii) reasonable liquidation of your assets (unless the liquidation would create a hardship), (iii) cessation of your 401(k) contributions, (iv) other plan distributions or loans, or (v) loans from commercial resources on reasonable terms. You may be required to submit additional documentation of the hardship if you request more than 2 hardship withdrawals in a year. Hardship withdrawals are subject to a \$1,000 minimum per request.</p> <p>Your hardship withdrawal is subject to federal income taxes, and state income tax, if applicable. If you are under age 59½, the amount you take out of the plan as a hardship distribution may be subject to an additional 10% penalty tax. A hardship withdrawal cannot be rolled over to an IRA or another qualified plan.</p>
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## If you leave BMO Financial Group

You are eligible for payment of the full value of the vested portion of your account when you terminate employment with BMO Financial Group for any reason.

If your account balance is...	Default actions for the total vested value of your account at termination of employment
<b>\$7,000 or less</b>	<p>If you do not request a distribution within 90 days following the end of your employment, your account will be automatically distributed as a direct rollover to an Individual Retirement Account (IRA) at Inspira Financial who will establish and maintain an IRA on your behalf and will contact you directly once your new IRA has been activated.</p> <p>If you would like more information on accounts and services from Inspira Financial, please call 1-877-682-4727.</p>
<b>More than \$7,000</b>	<p>You may leave your savings in the plan until April 1 of the year after the year you reach age 73 (72 if you were born on or after July 1, 1949, but before January 1, 1951; 70½ if you were born before July 1, 1949) and your account will continue to be credited with investment gains or losses based on your investment elections for your account. You can modify your investment elections at any time. Partial withdrawals are allowed (\$1,000 minimum per request). 401(k) loans are not available. If you still have an account balance in the year that you will turn 73 (72 if you were born on or after July 1, 1949, but before January 1, 1951; 70½ if you were born before July 1, 1949), you will receive a reminder notice to elect the minimum required distribution or a final distribution.</p>

## Your payment options

The payment options available to you depend on your age and the reason your employment ends. Keep in mind, the choices you make will affect the amount of tax you owe (see “[Important Tax Information](#)”).

### Lump sum

You may choose this form of payment regardless of your age when your employment with BMO Financial Group ends. Distribution of your vested account balance will be made as a single, lump-sum payment. Your beneficiary can also choose a lump sum payment.

### Installments

You may elect this form of payment after you terminate employment. Installment payments are available in monthly, quarterly, semi-annual, or annual options. Your beneficiary may also have the option to continue installment payments in certain circumstances (subject to RMD rules).

### **Partial withdrawals**

Once your employment with BMO Financial Group ends, you have the option of taking a partial withdrawal from your account. The minimum withdrawal amount is \$1,000 per request. Your beneficiary can also choose a partial withdrawal. In addition, in connection with the birth or adoption of a child, you may elect a QBAD of up to \$5,000 (see “[Qualified birth or adoption distributions \(QBADs\)](#)” for more details).

### **Required Minimum Distributions (RMDs)**

Required minimum distributions (RMDs) are mandatory, minimum, annual withdrawals required by the U.S. Internal Revenue Service (IRS). If you terminate employment and the value of your account is more than \$7,000, you may leave your savings in the plan until (1) April 1 of the year after the year you reach age 73 (72 if you were born on or after July 1, 1949, but before January 1, 1951; 70½ if you were born before July 1, 1949); or (2) your death. RMDs will begin April 1 of the year after the year you reach age 73.

### **BMO Stock Fund**

If you are invested in the BMO Stock Fund, you may request that distributions from this fund be paid to you in either cash or Bank of Montreal Common Shares. Fractional shares will be paid in cash. Please see the “[BMO Stock Fund – distribution options and tax consequences](#)” section of this SPD for further details.

### **Outstanding loans**

If you terminate employment and have an outstanding loan, you may continue to make loan payments in a manner other than payroll deduction. If you do not make arrangements to continue payments, the outstanding balance will be reported to the IRS as taxable income. To repay your loan in full or set up monthly payments, you can contact Empower online to establish ACH or print a loan payoff form; if you prefer to mail a check or call Empower for assistance (see “[How to access your 401\(k\) Savings Plan account](#)”).



## If you die before receiving your entire vested account balance

If you die before receiving your entire vested account balance, your entire vested account balance will be transferred to your beneficiary. If you are married, your account balance will be transferred to your spouse, unless you have designated another beneficiary, and your spouse has consented in writing to this designation. (See “[Naming Your Beneficiary](#).”) Your spouse or beneficiary is eligible for payment of the full value of your account. If you do not designate a beneficiary, payment will be made to your spouse or, if you are unmarried, to your estate.

If you die and have an outstanding loan, Empower will offset your loan. If Empower is not notified about your death, your outstanding loan will default in accordance with the procedures outlined below. At the time a claim for benefits deemed to be in good order is made by your beneficiary, the outstanding loan principal and accrued interest shall be treated as an offset distribution from the plan. Unless the delinquent loan has not already been reported as a deemed distribution on an IRS Form 1099-R, the entire amount of the outstanding loan balance (plus accrued interest) will be reported as a loan offset distribution and as taxable income to the participant on IRS Form 1099-R in the year the offset occurs. A deceased participant’s loan may not be transferred or assumed by the participant’s beneficiary(ies).

Payments to your beneficiary are subject to IRS required minimum distribution rules, as implemented by the plan. Generally, if your beneficiary is your surviving spouse, distributions must begin by December 31 of the year in which you would have reached age 73 (72 if you were born on or after July 1, 1949, but before January 1, 1951; 70½ if you were born before July 1, 1949). Non-spousal beneficiaries are generally required to take a full distribution within ten years of your death. A non-spouse beneficiary who is disabled, not more than ten years younger than you, chronically ill, or your minor child may have additional time to receive distributions. “Non-designated beneficiaries,” determined under IRS rules, such as your estate and certain trusts, are generally required take a full distribution within five years of your death.

## Important Tax Information

Before you receive a distribution from the plan, you should understand which tax rules apply to your payment. When you request a withdrawal or a final distribution from the plan, you will receive a document entitled “Special Tax Notice.” You are required to read and acknowledge this notice prior to receiving your distribution from or withdrawal from the plan. The choices you make will affect the amount of tax you owe.

Following is a summary of tax information regarding distributions. However, tax laws are complex and subject to change. The tax treatment of payments also can vary from person to person, depending on the reason for payment and the recipient's age. We strongly recommend you consult a tax expert before making a withdrawal or receiving a distribution from the plan.

### Taxes upon distribution

You have two choices for a lump sum distribution. You may elect to have your account balance:

- Directly rolled over to an IRA or another employer's qualified plan, 457, 403(a) or 403(b) plan; or
- Paid to you.

#### If you choose a direct rollover

You or your beneficiary (spouse or non-spouse) may roll over all or part of the taxable portion or non-taxable portion of your distribution directly to a traditional IRA, Roth IRA (if you qualify), or another employer's qualified plan, a 457, 403(a) or 403(b) plan -- in which case you continue to defer paying taxes on the taxable portion you roll over. Your payment will be taxed when you withdraw it from the subsequent plan or IRA. Please note that your non-spouse beneficiary may only roll over his or her account balance to an “inherited” IRA that has special distribution rules. An Estate cannot rollover the balance to an inherited or estate IRA but can request 0% tax withholding on a direct payment to the Estate of a deceased participant.

#### If you choose to have plan benefits paid directly to you

The plan is required to withhold mandatory 20% federal income tax from the taxable amount and send it to the IRS to be credited against your federal taxes. In addition, state income tax withholding may also be withheld from the taxable amount, if applicable.

A distribution paid directly to you will be taxed in the year you receive it unless you roll it over within 60 days after you receive it. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive payment before age 59½, an additional 10% penalty tax may be applicable.

If you want to roll over 100% of your benefit to an IRA or qualified employer plan after you receive it, you must provide other money to replace the 20% that was withheld. If you roll over only the 80% received, you will be taxed on the 20% that was not rolled over.

Installment distributions over a period of at least 10 years are not eligible to be rolled over to an IRA, employer plan, 457, 403(a) or 403(b) plan, but they are not subject to the mandatory 20% federal income tax withholding.

### **Special rules for Roth after-tax contributions**

Roth after-tax contributions grow tax-free and, if certain criteria are met, contributions and investment earnings can eventually be distributed tax-free. This tax-free treatment generally applies if you take a distribution of your Roth after-tax contributions no less than five years after January 1 of the first year you made a Roth contribution into the plan. If you made a rollover contribution from another plan's Roth account, this tax treatment applies if you take a distribution of your Roth contributions no less than five years after January 1 of the first year you made a Roth contribution under the other plan, if earlier. In addition, the distribution cannot be taken before you reach age 59½ (or if earlier, you die or become disabled).

### **BMO Stock Fund – distribution options and tax consequences**

There are special rules that apply to payments that include Bank of Montreal Common Shares. When you terminate employment, you can receive a distribution from the BMO Stock Fund either in cash or in Bank of Montreal Common Shares as described below. You may want to consult a tax expert or financial advisor on your payment options and tax consequences before receiving a distribution.

#### **If you receive a cash distribution**

The cash value of your investment in the BMO Stock Fund will be determined as of a plan valuation date. The distribution will be taxed in the manner described in the "Taxes Upon Distribution" section.

#### **If you roll over a distribution in the form of whole shares of Bank of Montreal Common Shares**

If you elect to receive a distribution of whole Bank of Montreal Common Shares (the value of any fractional share will be distributed in cash) and directly roll it over to an IRA or other employer's qualified plan, your distribution will not be taxed to you until you take it out of the IRA or other qualified plan. However, you may lose the special tax treatment for employer stock described below. It is your responsibility to ensure that the rollover institution will accept a rollover of Bank of Montreal Common Shares.

#### **If you keep a distribution in the form of Bank of Montreal Common Shares**

If you receive a distribution of Bank of Montreal Common Shares and retain the shares (that is, you do not directly roll over the shares to an IRA or qualified plan), you will be taxed only on the "cost basis" of those shares to the plan, and not on their current value. When you subsequently sell the shares, the difference between the sales proceeds and this cost basis will be taxed to you as a capital gain. If you are under age 55 (or 59½ in some cases), the 10% early distribution penalty tax may also apply. The mandatory 20% federal income tax withholding rules apply to a distribution of Bank of Montreal Common Shares. However, this amount may only be withheld from any cash distribution that you directly receive from the plan.

### **Surviving spouses, alternate payees and other beneficiaries**

The rollover rules apply to payments to a surviving spouse or former spouse who is an "alternate payee" as a result of a Qualified Domestic Relations Order. Surviving spouses and spouses who are alternate payees, are eligible to roll over their distributions to an IRA, other qualified plan, 457, 403(a) or 403(b) plan. Non-spouse beneficiaries are only eligible to roll over their payments to an eligible "inherited" IRA. The elective withholding rules apply to distributions to other beneficiaries. An Estate cannot rollover the balance but may request 0% tax withholding on a direct payment to the Estate of a deceased participant.

## Other plan provisions

### Administration fees

The expenses incurred to administer the plan are paid by the plan in accordance with the guidelines established by the Department of Labor. Plan administration fees are periodically deducted directly from participants' accounts, unless the plan sponsor elects to pay some or all of the plan administrative expenses directly. To the extent these expenses are not paid by the plan sponsor, the total amount of the fees will be divided equally among all participants with an account balance. Plan administrative fees deducted from your accounts will be reflected and separately displayed on your quarterly statement.

The current administration fee is \$7.50 per quarter, deducted from your account at the end of each quarter.

### Missing participants or beneficiaries

If the plan administrator notifies you or your beneficiary that you are entitled to payment, and you or your beneficiary (as applicable) fail to claim the payment or to make your whereabouts known to the plan administrator, then the payments will be disposed of in accordance with the terms of the plan.

### Uncashed Checks

At the end of each calendar year, any distribution checks that are not cashed will be used to offset plan expenses. However, even if this offset occurs, a participant may later claim payment at any time and receive the full distribution (without interest).

### Break-in-service rules

The plan's break-in-service rules have changed in the past and are subject to change in the future. The break-in-service rules that apply in any given case are the rules in effect at the time you leave BMO Financial Group.

### Leaves of absence

If you are on a leave of absence, you will not be considered to have a break in service if the leave of absence is not otherwise treated as a termination of employment by BMO Financial Group.

### Rehires

Once your employment ends, you stop earning vesting service. If you have not accrued three years of vesting service before you terminate employment, your Company core contribution account balance is forfeited. However, if you are later rehired by BMO Financial Group, you may be able to keep your prior vesting service, depending on how long you are gone, as described below. These provisions are known as "break-in-service" rules.

**If you are gone less than one year**

If you leave and are rehired within one year, you will retain your prior vesting service, and the period of separation will count toward vesting service once you return. If you did not receive a distribution of the entire vested portion of your account (a “total distribution”) before your return, your Company core contribution account will automatically be restored to you on your return. If you received a total distribution before your return, your Company core contribution account will be restored if, within 5 years of your return, you repay the total distribution to the plan.

**If you are gone between one to five years**

If you leave and are rehired within one to five years, you will retain your prior vesting service once you return. The period of separation, however, will not count for any service purposes. If you did not receive a total distribution before your return, your Company core contribution account will automatically be restored to you on your return. If you received a total distribution before your return, your Company core contribution account will be restored if, within 5 years of your return, you repay the total distribution to the plan.

**If you are gone longer than five years**

If you leave and are not rehired until after five consecutive years, and you were not vested when your employment terminated, none of your prior service will count toward your vesting service when you return, and your prior Company core contribution account will be permanently forfeited. For vesting service purposes, your service will “start over” on the date you are rehired.

## **Military service**

If you are performing military service, you will be eligible to make contributions of any “differential wage payments” paid to you by BMO U.S. during your period of military service. You may also be eligible to receive a distribution of your plan account balance while you are on military service.

If you are later rehired within a certain period following completion of “qualified military service,” or you die or become disabled while performing qualified military service, your prior service and period of separation will count toward your vesting service once you return, and you will receive Company core contributions for the period during which you were on qualified military service.

In addition, you will have the opportunity to make “military make up” contributions to the plan for the period of your qualified military service, and you will receive matching contributions on these “make up” contributions as if you had contributed them during your qualified military service.

The plan is intended to comply with the provisions of Internal Revenue Code Section 414(u) and the Heroes Earnings Assistance and Relief Tax Act of 2008. If you have questions about your rights under the plan in connection with your military service, or if you would like to submit a request to make military make-up contributions, call the Human Resources Centre (HRC) at 888-927-7700.

## Payments to minors and incapacitated individuals

When a person entitled to benefits under the plan is under a legal disability, is a minor, or is incapacitated so as to be unable to manage his or her financial affairs, such person's benefits may be paid to the person's legal guardian or other person who possesses a power of attorney over the person's financial matters. Any such payment shall be a full and complete discharge of any liability for such payment under the plan.

## Top-Heavy requirements

Tax laws require the plan to include provisions that will take effect if it becomes "top heavy." A plan may be considered top heavy if 60% or more of the value of all plan benefits are payable to a small group of key employees. A more detailed explanation of these provisions will be provided, if necessary.

## Qualified Domestic Relations Orders (QDROs) and alternate payees

A Qualified Domestic Relations Order (QDRO) is a court order, judgment or decree made in accordance with domestic relations law in connection with alimony, marital property rights or child support requirements that requires the plan administrator to pay all or a portion of your plan benefit to an *alternate payee* (spouse, former spouse, child or other dependent.) Except for an assignment pursuant to a QDRO, your benefit from the plan generally cannot be assigned to anyone else.

If a QDRO is entered with respect to your plan benefit, which complies with the Retirement Equity Act of 1984 and other provisions under federal law, the Company will recognize the QDRO and make payments directly to the alternate payee as specified in the QDRO. The amount of your plan benefit will be reduced for the amount payable to the alternate payee.

The plan administrator uses a third-party expert to review domestic relations orders (DROs) and advise if they meet the requirements of a QDRO. If you have questions or requests related to the review or determination of a QDRO, please contact QDRO Consultants (QC) at:

QDRO Consultants Company LLC  
3071 Pearl Road  
Medina, OH 44256  
[www.qdros.com/contact](http://www.qdros.com/contact)

When you have prepared a DRO and you would like the Plan to enforce it, you must submit the DRO to QC for review. To ensure timely receipt, DROs should be securely submitted at <https://qdros.com/submit>.

If you need a Participant's benefit statement, Plan documents, or if you have other questions or requests related to the Plan or a Participant, please contact the Plan Recordkeeper at:

Empower Retirement  
P.O. Box 173764  
Denver, CO 80217-3764

Phone: 800-338-4015  
Fax: 866-633-5212

## Administrative Information

The Summary Plan Description (SPD) explains major features of the BMO 401(k) Savings Plan in everyday language but may not contain all the details. Benefits are determined based on the official plan documents, which you can see upon request to Human Resources as described under Access to Information.

### Your rights and protections under ERISA

As a participant in the BMO 401(k) Savings Plan, you are guaranteed certain rights and protections under ERISA. Your rights are presented here as required by law. Also included is certain information you should know about the plan and its administration.

#### Access to information

You are entitled to receive information about your plan and benefits. You may examine all plan documents, including the official plan documents, trust agreements and annual financial reports (Form 5500 Series) that are filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. You will automatically receive summaries of the plan's annual financial reports.

You may examine any of the above-mentioned plan documents, without charge, at the office of the plan administrator. If you would like a copy of any of them for yourself, you may obtain one by writing to the plan administrator. The plan administrator may make a reasonable charge for the copies.

#### Statements

You will be kept up to date through quarterly statements of your 401(k) Savings Plan balance and activity. Your quarterly statement is available to view online. You will receive an email when your statement is ready to view online each quarter, unless you opt-out of e-delivery and choose to receive a paper statement mailed to your home address. In addition, you have access to your account balance and activity at any time through Empower (see [“How to access your 401\(k\) Savings Plan account”](#)).

#### Lifetime Income Disclosure

The Lifetime Income Disclosure (a disclosure required by the U.S. Department of Labor) periodically included with your account statement is intended to provide you with information about how much monthly income you could collect at retirement based on your current account balance. The estimated monthly payments in this disclosure are for illustrative purposes only and are not a guarantee of benefits or retirement income.

#### Fiduciaries

Under ERISA, you have the right to expect that the persons who operate and manage your plan, called fiduciaries, act prudently and solely in the interest of you and other plan participants and beneficiaries.

### **Exercising your rights**

Under ERISA, you can take action to enforce your rights. You cannot be fired or otherwise discriminated against to prevent you from obtaining a benefit or exercising your rights under ERISA.

For example, if you request documents which you are entitled to receive and the plan administrator does not comply within 30 days, you may file suit in a federal court. The court may require the plan administrator to provide the requested materials and pay up to \$110 a day for each day's delay unless the delay was beyond the plan administrator's control.

If you file a written claim for benefits under the plan and the claim is denied, you will receive a written explanation of the reason for the denial and, within 60 days thereafter, you may make a written request to the plan administrator to review and reconsider your claim. If your claim is ignored, or if it is denied and you are dissatisfied with the plan administrator's decision on review, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. For more information about the plan's procedures when you file a written claim, see [Claims Procedures](#) below.

If you believe that a plan fiduciary has misused the plan's assets or if you are discriminated against for asserting your ERISA rights, you may file suit in a federal court or seek help from the U.S. Department of Labor. If you file suit and are successful, the court may decide to require the person you have sued to pay your court costs and legal fees. However, if the court decides your claim is frivolous, you may have to pay those costs and fees yourself.

If any judicial proceeding is undertaken to appeal the denial of a claim or bring any other action under Section 502 of ERISA other than a breach of fiduciary duty claim, the evidence presented will be strictly limited to the evidence timely presented to the Benefits Administration Committee. In addition, any such judicial procedure must be filed in a court of law no later than the earliest of: 90 days after the plan administrator's final decision regarding the claim; three years after the date payment of the benefit at issue commenced; or the applicable statutory deadline for filing a claim.

If you have any questions about the plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you can contact the nearest office of Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication's hotline at 866-444-3272.



## Plan administration

The Company's Benefits Administration Committee (the "BAC") administers the plan. As plan administrator, the BAC formulates and carries out all rules necessary to operate the plan. The BAC makes decisions regarding the interpretation or application of plan provisions and determines all questions as to the rights, benefits, and eligibility of employees, participants, and beneficiaries. The BAC has full authority to act in its discretion when carrying out the provisions of the plan. Any decision made by the BAC in good faith is final and binding on all parties.

## Claims procedures

If you or your beneficiary files a claim for benefits under a plan, such a claim must be in writing and filed with the plan administrator. If a claim is denied, the plan administrator, within 90 days after it receives the claim, will furnish the claimant with written notice of its decision, setting forth the specific reasons for the denial, references to the plan provisions on which the denial is based, additional information necessary to perfect the claim, if any, and a description of the procedure for review of the denial, including the claimant's right to bring suit under Section 502(a) of ERISA following an adverse benefit determination on review. If special circumstances require an extension of time for processing the claim, the initial 90-day period may be extended for up to 90 additional days.

A claimant (or his or her duly authorized representative) may request a review of the denial of a claim for benefits by filing a written application with the plan administrator within 60 days after he receives such notice of the denial. Such a claimant is entitled to review pertinent plan documents and submit written issues and comments to the plan administrator. The plan administrator, within 60 days (or in special circumstances, 120 days) after it receives a request for review, will furnish the claimant with written notice of its decision, setting forth the specific reasons for the decision and references to the pertinent plan provision on which the decision is based, a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to documents and information relevant to the claim, and a statement of the claimant's right to bring suit under Section 502(a) of ERISA.

The plan administrator's decision on all claims and appeals is final and binding, and benefits will be paid only if the plan administrator determines, in its discretion, that a participant or beneficiary is entitled to them. *You may not file a lawsuit in a court or any other forum to enforce your rights under the plan until you have exercised, and exhausted, all administrative claim and appeal rights described in the plan and this Summary Plan Description, and then, further legal action, if any, must be filed in a court of law no later than the earliest of 90 days after the plan administrator's final decision regarding the claim; three years after the date payment of the benefit at issue commenced; or the applicable statutory deadline for filing a claim under Illinois law.*

### **Benefits not insured**

Benefits under the 401(k) Savings Plan are not insured by the Pension Benefit Guaranty Corporation (PBGC) because the PBGC does not insure defined contribution plans.

### **Miscellaneous**

Your benefits under the plans are not assignable (except pursuant to a Qualified Domestic Relations Order), nor can you pledge your benefits as security for a loan. No persons may create a lien on your account.

The Company expects and intends that the plan will continue indefinitely. However, the Company has reserved the right to amend or terminate the plan at any time.

The previous sections summarize the key features of the BMO 401(k) Savings Plan. This summary has been written in everyday language, but the plan is governed by an official plan document and trust agreement. This Summary Plan Description does not supersede or modify the plan or trust in any way. Should there be any inconsistency between this summary and the plan or trust, the terms of the plan document and trust agreement must govern, and no benefits shall exist under this plan summary unless such benefits exist under the terms of the plan and trust.

## Administrative facts

The Department of Labor requires that the following plan facts be provided:

**Plan Name**

BMO 401(k) Savings Plan

*(prior to May 1, 2023, the plan was named the Employees' 401(k) Savings Plan of Bank of Montreal/Harris)*

**Plan Number**

001

**Type of Plan**

Defined contribution

**Administration**

Trust

**Funding**

Employee and employer contributions

**Employer Identification/Number of Plan Sponsor**

51-0275712

**Plan Year**

The 12-month period beginning January 1 and ending the following December 31.

**Effect on Employment**

Participation in the plan does not affect the terms and conditions of your employment.

**Future of the Plans**

The Company has the right to change, amend, suspend, withdraw, or terminate the plan at any time and for any or no reason.

## Employer/Plan Sponsor, Plan Administrator and Agent for service of legal process

The plans are administered by the Benefits Administration Committee pursuant to the provisions of the plans. The members of the Committee are approved by the BMO Financial Corp. Human Resources Committee and may be changed from time to time at the Board's discretion. The Plan Administrator is the agent for legal process against the plan. Legal process may also be served upon the Plan trustee.

The plan sponsor and plan administrator can be contacted at:

BMO Financial Corp.  
Benefits Administration Committee  
Retirement & Savings Plans  
320 South Canal Street, 7W  
Chicago, IL 60606

Human Resources Centre (HRC): 888-927-7700

A complete list of participating employers may be obtained by written request to the plan administrator and is available for examination by participants and beneficiaries.

**Trustee**

Empower Trust Company is the Trustee appointed to oversee the plans' assets, and may be reached as follows:

Empower Trust Company  
8515 E. Orchard Road  
Greenwood Village, CO 80111  
(303) 737-3000

**Recordkeeper**

Empower is the Recordkeeper hired to administer the plans' operations, may be reached as follows:

Empower  
8515 E. Orchard Road  
Greenwood Village, CO 80111  
(303) 737-3000

**How to get more information**

If you need additional information or have any questions about your plan benefits or your rights under the law, call the Human Resources Centre at 888-927-7700.

While this Summary Plan Description summarizes the major provisions of this plan, it does not provide you with every plan detail. The legal plan document governs this plan and provides full details. If there are any discrepancies between this Summary Plan Description and the plan document, the plan document governs.

## Appendix A – Merged Plans

401(k) plans that were merged into the BMO 401(k) Savings Plan because of an acquisition may be subject to additional plan provisions that are different than those described in the BMO 401(k) Savings Plan SPD. These merged plan provisions are described below.

### Bank of the West 401(k) Savings Plan (“BOTW Plan”)

On February 1, 2023, BMO Financial Corp. acquired BancWest Holding, Inc. and Bank of the West (“BOTW”) and effective on August 6, 2023 (the “Merger Date”), the BOTW Plan was merged with and into the BMO 401(k) Savings Plan. On or about the Merger Date, all account balances of BOTW Plan participants (“BOTW Participants”) maintained under the BOTW Plan immediately prior to the Merger Date were transferred to the plan.

#### Vesting of Transferred Accounts

A BOTW Participant who was actively employed by BOTW on or after January 1, 2019 is fully vested in all matching contributions made under the BOTW Plan and transferred to the plan.

Matching contributions made under the BOTW Plan on behalf of any BOTW Participant who terminated employment prior to January 1, 2019 vest in accordance with the following schedule:

<b>Years of Vesting Service</b>	<b>Vested Percentage</b>
Less than 1	0%
At least 1, but less than 2	25%
At least 2, but less than 3	50%
At least 3, but less than 4	75%
4 or more	100%

Profit-sharing contributions held under the BOTW Plan on behalf of any BOTW Participant that were previously merged into the BancWest Corporation 401(k) Savings Plan sponsored by First Hawaiian, Inc. (the “FHI Plan”) from the Union Safe Deposit Bank Profit Sharing Retirement Plan vest in accordance with the following schedule:

<b>Years of Vesting Service</b>	<b>Vested Percentage</b>
Less than 1	0%
At least 1, but less than 2	20%
At least 2, but less than 3	40%
At least 3, but less than 4	60%
At least 4, but less than 5	80%
5 or more	100%

All other account balances under the BOTW Plan transferred to the plan are fully vested.

### **Loan Repayments**

If a BOTW Participant had an outstanding loan balance under the BOTW Plan immediately prior to the Merger Date, such loan obligation was transferred to the plan on or about the Merger Date.

### **Prior Service**

A BOTW Participant's period of prior service with BOTW is included in determining his or her service under the plan.

### **Special Rules for Former FHI Plan Participants**

A BOTW Participant who was previously a participant in the FHI Plan may have additional distribution rights. Please call the Human Resources Centre (HRC) at 1-888-927-7700 if you believe additional distribution rights may apply to your BOTW benefit, or if you have any related questions.