

## **BANK OF MONTREAL**

### **MINUTES OF ANNUAL MEETING OF SHAREHOLDERS**

**Tuesday, March 31, 2020**

The Annual Meeting of Shareholders of Bank of Montreal (the “Bank”) was held by electronic means on Tuesday, March 31, 2020 commencing at 9:30 a.m. (Eastern Time).

In accordance with the By-laws of the Bank, J. Robert S. Prichard, the Bank’s Chairman of the Board, acted as Chair of the meeting, and Barbara Muir, the Bank’s Corporate Secretary, acted as Secretary of the meeting.

The Chair welcomed shareholders and guests and remarked that this was the Bank’s first annual meeting to be conducted virtually. Mr. Prichard explained that the electronic format of the meeting was in response to the current pandemic novel coronavirus and the pressing need to mitigate the spread and risk of transmission of the virus. He then introduced: Mr. Darryl White, Chief Executive Officer (CEO); Mr. Simon Fish, General Counsel; Mr. Tom Flynn, Chief Financial Officer; and Ms. Muir. The Chair noted that the meeting was conducted as an online webcast and over a telephone conference line in both official languages.

The Chair welcomed members of the Board of Directors of Bank of Montreal and the Bank’s senior management team who joined via teleconference or webcast. The Chair then advised that notice of the meeting had been duly given and a quorum of shareholders was present. He declared the meeting properly constituted for the transaction of business.

The Chair appointed Ms. Amanda Castellano and Mr. Matthew Gemmel, representatives of Computershare Trust Company of Canada, as Scrutineers for the meeting. The Chair also noted that the following representatives of the shareholders’ auditors, KPMG LLP, were in attendance by teleconference: Mr. Elio Luongo (CEO of KPMG), Mr. Jim Newton (Lead Partner), and Mr. Abhi Verma.

#### **PROCEDURES**

The Chair outlined certain procedures to be followed in the conduct of the meeting. The Chair also advised that closed captioning was provided on the webcast. He then provided instructions on the means by which shareholders could vote during the meeting and thanked the thousands of shareholders who had voted prior to the meeting. He outlined the agenda for the meeting and made comments in respect of forward-looking statements and non-GAAP financial measures. He noted that questions could be submitted online, and would be answered during and after the meeting.

#### **CHAIRMAN’S GENERAL COMMENTS**

The Chair spoke about the current pandemic environment and he praised the Bank’s employees for showing strength, commitment and resilience in continuing to serve the Bank’s customers.

The Chair took note of the retirements of Phil Orsino and Don Wilson III and he thanked them for their service. The Chair also addressed his own retirement, expressing his appreciation for the opportunity to serve as the Bank’s Board Chair. He welcomed George Cope as the next Chair of the Board of Directors, assuming the role at the end of the meeting.

#### **CHIEF EXECUTIVE OFFICER REMARKS**

In his shareholder address, Mr. White stated that, while the Bank’s Annual Meeting has been webcast for many years, this was the first time that it was being held entirely virtually. He then commented on: (i) how the Bank is supporting its customers, employees and communities in the face of the COVID-19 challenge; (ii)

how the strength and stability of the Bank will see it through this difficult time; and (iii) the confidence that Management has in the future. He then gave the Bank's financial highlights for fiscal 2019 and on the current economic environment. Mr. White concluded his presentation by thanking Rob Prichard for his dedication and service as Chair of the Board and he welcomed George Cope as the new Board Chair.

### **ADDITIONAL PROCEDURES**

The Chair reviewed additional procedures for the meeting. He then noted that the Bank's Transfer Agent, Computershare, had informed him that over 305,100,000 votes had been cast or received by proxy from both registered and beneficial shareholders in respect of the matters of business before the meeting, which represented just over 47 per cent of the total outstanding shares eligible to be voted.

### **2019 ANNUAL FINANCIAL STATEMENTS AND AUDITORS' REPORT TO SHAREHOLDERS**

The Chair referred to the Annual Report for the financial year ended October 31, 2019, which was forwarded to shareholders in advance of the meeting. He noted that the Annual Financial Statements were included in the Annual Report. The Chair advised that the Auditors' Report contained in the Bank's 2019 Annual Report would be taken as read.

He then asked Ms. Muir whether questions had been received online or in advance of the meeting, and there being none, he proceeded to the next items of business.

### **ELECTION OF THE BOARD OF DIRECTORS**

The Chair introduced the twelve nominees standing for re-election as Directors. He thanked the continuing directors for their service to the Bank, and noted the contributions of the four Committee Chairs over the past year: Jan Babiak, Christine Edwards, Ron Farmer, and Don Wilson III.

The following twelve persons were then nominated (with such nominations seconded) to be elected as Directors of the Bank individually until the next succeeding Annual Meeting of Shareholders of the Bank, or until their successors are elected or appointed:

Janice M. Babiak	Ronald H. Farmer
Sophie Brochu	David Harquail
Craig Broderick	Linda S. Huber
George A. Cope	Eric La Flèche
Christine Edwards	Lorraine Mitchelmore
Martin S. Eichenbaum	Darryl White

The Chair confirmed with Ms. Muir that no questions had been received on this matter and then proceeded with voting.

### **APPOINTMENT OF THE SHAREHOLDERS' AUDITORS**

The following motion (duly made and seconded) was presented to the meeting:

**THAT** the firm of KPMG LLP be appointed as auditors of the Bank for the ensuing year.

The Chair confirmed with Ms. Muir that no questions had been received on this matter and then proceeded with voting.

## **ADVISORY RESOLUTION ON THE BANK'S APPROACH TO EXECUTIVE COMPENSATION**

The Chair introduced the next item of business which was the approval of an advisory resolution on the Bank's approach to executive compensation, details of which were set out on page 6 of the management proxy circular for the meeting.

The following motion (duly made and seconded) was presented to the meeting:

**THAT** the advisory resolution on the Bank's approach to executive compensation, be approved.

The Chair asked Ms. Muir if questions had been received online or via teleconference on the motion, and there being none, the Chair asked the shareholders and proxyholders to cast their votes.

## **AMENDMENT TO THE BANK OF MONTREAL AMENDED AND RESTATED STOCK OPTION PLAN**

The Chair introduced the next item of business which was the approval of an amendment to the Bank's Amended and Restated Stock Option Plan details of which were set out on pages 7 & 8 of the management proxy circular for the meeting.

The following motion (duly made and seconded) was presented to the meeting:

**THAT** the Bank of Montreal Amended and Restated Stock Option Plan (the "Plan") be amended to provide that the number of Common Shares of Bank of Montreal issuable pursuant to the exercise of options under the Plan be increased by an additional 12,000,000 Common Shares, such that the reserve will be 84,200,000, be approved.

The Chair asked Ms. Muir if questions or comments had been received and there being none, he asked the shareholders and proxyholders to cast their votes.

## **SHAREHOLDER PROPOSALS**

The Chair introduced the next order of business which was to consider each of the three shareholder proposals set out on pages 52 – 56 of the management proxy circular. The Chair reminded shareholders that the Board's position and recommendation on each of the three proposals was set forth in the management proxy circular.

The following motions on two proposals, submitted by Le MÉDAC, were presented by Ms. Muir together with a statement, on behalf of Mr. Willie Gagnon from Le MÉDAC:

### **Shareholder Proposal No. 1**

**THAT** the Board of Directors inform shareholders of the investments that the Bank intends to make over the next five years to upgrade its computer systems in order to increase its competitiveness while ensuring greater protection of personal information.

### **Shareholder Proposal No. 2**

**THAT** the Bank set a target of more than 40% of Board members for the next five years.

The following motion on the third proposal, submitted by Harrington Investments, was presented by Ms. Muir together with a statement, on behalf of Ms. Brianna Harrington of Harrington Investments:

### **Shareholder Proposal No. 3**

**THAT** the Board of Directors assess the incongruities of our bank's lending history and financing criteria

regarding fossil fuel loans and public statements regarding sustainability and climate change and make recommendations to shareholders on how to bring the company's policies, practices and statements into better alignment.

Following the presentation of each motion, the Chair asked Ms. Muir whether questions had been received regarding the proposals online or in advance. Ms. Muir reported that no comments or questions were received on the first two proposals, and that with respect to the third proposal, Mr. Willie Gagnon expressed Le MÉDAC's support for it. Following each proposal the Chair asked the shareholders and proxyholders to cast their votes.

### **COLLECTION AND TABULATION OF BALLOTS**

The Chair declared the polls closed with respect to all items of business and instructed the scrutineers to tabulate the votes.

During the tabulation period, the Chair referred to a fourth shareholder proposal, submitted by the B.C. Government and Service Employees' Union General Fund and B.C. Government and Service Employees' Union Defence Fund, with respect to targets and disclosures related to financed emissions, which proposal was withdrawn based on discussions with the Bank regarding its practices and the Bank's agreement to take certain actions, all as described in the management proxy circular.

### **VOTING RESULTS**

Following collection and tabulation of the votes cast, the Chair called upon the scrutineers to report on the results of the voting. Ms. Castellano announced the preliminary results of the voting, a final copy of which is appended to and forms part of these minutes as Appendix A.

The Chair declared that: the twelve nominees proposed for election as Directors of the Bank were elected; the audit firm of KPMG LLP was appointed as the shareholders' auditors of the Bank for the ensuing year; the advisory resolution on the Bank's approach to executive compensation was approved; the amendment to the Bank's Amended and Restated Stock Option Plan was approved and shareholder proposals one, two and three were not approved.

### **SHAREHOLDERS' QUESTIONS**

The Chair then declared the meeting open for shareholder questions. Comments and questions were received from various shareholders or proxyholders in advance and via webcast and were addressed by the CEO with respect to: the electronic meeting; mortgage relief in the economic climate; ongoing dividend payments; the Bank's actions to support customers impacted by covid19 and the Bank's role as a leader during this time; the intrinsic value of BMO; the Bank's support for the Canadian oil and gas industry and sustainability; the triggers that would be cause for concern for the banking industry during this crisis; and the potential for layoffs in the current economic climate.

### **TERMINATION OF MEETING**

The Chair thanked all those who attended the meeting. With there being no further business, the Chair declared the meeting terminated at 10:37 a.m.

Confirmed

Chair

Verified

Secretary

**LIST OF APPENDICES**

Appendix A      Voting Results

**REPORT UNDER  
NATIONAL INSTRUMENT 51-102  
REPORT OF VOTING RESULTS**

**To: Canadian Securities Administrators**

In accordance with section 11.3 of National Instrument 51-102 – Continuous Disclosure Obligations, the following sets out the matters voted on at the Annual Meeting of Shareholders of Bank of Montreal (the “Bank”) held on March 31, 2020 and, as such votes were conducted by ballot, the number and percentage of votes cast for, against/withheld from each vote. Each of the matters set out below is described in greater detail in the Notice of Annual Meeting of Shareholders and Management Proxy Circular which was mailed to shareholders prior to the Annual Meeting and is available at [www.bmo.com/investorrelations](http://www.bmo.com/investorrelations).

The Board of Directors and management of the Bank recommended that shareholders vote FOR the election as director of each of the 12 nominees listed in the Management Proxy Circular, FOR the appointment of KPMG LLP as Auditors of the Bank, FOR the advisory vote on the Bank’s approach to executive compensation, FOR amending the Bank of Montreal Amended and Restated Stock Option Plan and AGAINST Shareholder Proposals one, two and three.

**1. Election of Directors**

A ballot was conducted to vote on each resolution to appoint each of the following 12 nominees as a Director of the Bank to serve until the next Annual Meeting of Shareholders of the Bank or until their resignation or their successor is elected or appointed, and the outcome was as follows:

Nominee	Votes For		Votes Withheld	
	Count	Percentage	Count	Percentage
Janice M. Babiak	287,076,651	98.22%	5,190,650	1.78%
Sophie Brochu	291,356,153	99.69%	910,952	0.31%
Craig W. Broderick	291,327,971	99.68%	939,330	0.32%
George A. Cope	284,984,221	97.51%	7,283,024	2.49%
Christine A. Edwards	286,552,072	98.04%	5,715,173	1.96%
Martin S. Eichenbaum	291,236,048	99.65%	1,031,253	0.35%
Ronald H. Farmer	278,487,715	95.29%	13,779,530	4.71%
David Harquail	291,407,562	99.71%	859,683	0.29%
Linda S. Huber	291,314,958	99.67%	952,343	0.33%
Eric R. La Flèche	288,063,884	98.56%	4,203,417	1.44%
Lorraine Mitchelmore	289,180,204	98.94%	3,087,097	1.06%
Darryl White	291,345,137	99.68%	922,164	0.32%

**2. Appointment of Shareholders’ Auditors**

A ballot was conducted to vote on the resolution to appoint the firm of KPMG LLP as the auditors of the Bank for the 2020 fiscal year and the outcome was as follows:

Votes For		Votes Withheld	
295,201,244	96.74%	9,942,885	3.26%

### 3. Advisory Vote on the Bank's approach to Executive Compensation

A ballot was conducted to vote for the Advisory Resolution on the Bank's approach to Executive Compensation and the outcome was as follows:

Votes For		Votes Against	
276,155,837	94.49%	16,111,622	5.51%

### 4. Amendments to the Bank of Montreal Amended and Restated Stock Option Plan

A ballot was conducted to vote on Amendments to the Bank of Montreal Amended and Restated Stock Option Plan and the outcome was as follows:

Votes For		Votes Against	
218,433,620	74.74%	73,834,014	25.26%

### 5. Competitiveness and Protection of Personal Information

A ballot was conducted to vote on a shareholder proposal regarding Competitiveness and Protection of Personal Information and the outcome was as follows:

Votes For		Votes Against		Votes Abstain	
6,714,000	2.30%	284,205,854	97.24%	1,347,151	0.46%

### 6. Diversity Target

A ballot was conducted to vote on a shareholder proposal regarding Diversity Target and the outcome was as follows:

Votes For		Votes Against		Votes Abstain	
14,098,406	4.83%	276,693,177	94.67%	1,475,647	0.50%

### 7. Suggested Incongruity between Fossil Fuel Lending History, Financing Criteria and Public Statements

A ballot was conducted to vote on a shareholder proposal regarding Suggested Incongruity between Fossil Fuel Lending History, Financing Criteria and Public Statements and the outcome was as follows:

Votes For		Votes Against		Votes Abstain	
29,733,519	10.17%	260,960,556	89.29%	1,572,855	0.54%

Dated this 31<sup>st</sup> day of March, 2020.

**Bank of Montreal**

By: /s/ Barbara M. Muir  
Barbara M. Muir  
Corporate Secretary