

Statement on Anti-Bribery and Anti-Corruption

The Bank of Montreal and its subsidiaries (BMO) are committed to maintaining public trust by complying with anti-bribery and anti-corruption legislation and taking a zero tolerance approach to unethical business practices. Domestic and international law prohibits bribery and corrupt activities in the jurisdictions where BMO operates. Examples include *Canada's Corruption of Foreign Public Officials Act*, the *U.S. Foreign Corrupt Practices Act* and *Bank Bribery Act*, the *UK Bribery Act*, and relevant OECD and UN Conventions.

BMO Anti-Corruption Program

BMO's Anti-Corruption team is part of the Corporate Legal Group, led by the Director, Global Anti-Corruption who reports to the Corporate Secretary and Chief Legal Officer, Corporate. The team manages the enterprise-wide Anti-Corruption Program to ensure compliance with global anti-bribery and anti-corruption laws and to mitigate bribery and corruption risks. As part of the Program, all BMO employees receive training in interpreting and applying our internal Anti-Bribery and Anti-Corruption Operating Directive as well as understanding and identifying bribery and corruption risks in their day-to-day-activities. This forms part of the mandatory annual Ethics, Legal and Compliance Training (ELCT).

As part of the ELCT, all BMO employees are required to pass an Anti-Bribery and Anti-Corruption assessment to demonstrate their understanding of the Program and applicable laws. Employees are encouraged to raise concerns about corruption, bribery and unethical business practices. BMO employees have several ways to report suspicious conduct, which are described in our Code of Conduct. These include BMO's Ombudsman Office, Anti-Corruption Office, Ethics Office, and the confidential Speak Up service.

BMO Anti-Bribery and Anti-Corruption Operating Directive

All employees are required to comply with BMO's Anti-Bribery and Anti-Corruption Operating Directive. The Operating Directive defines acts of bribery and corruption, outlines BMO's expectations for maintaining accurate books and records, and provides employees with guidance on acceptable behaviour and practices. The Operating Directive explicitly prohibits BMO employees from:

- Taking part in any corrupt activities, receiving or giving bribes or kickbacks.
- Making facilitation payments.
- Offering, accepting, or requesting gifts, entertainment, or other benefits to or from external parties, including Public Officials, with the intention to:

- improperly influence a business decision,
- secure any improper business advantage or treatment,
- obtain or retain business,
- create a sense of obligation, or
- affect an external party's impartiality or business judgement or influence any act or decision of the external party in their official capacity.

The Operating Directive also summarizes internal monitoring systems and controls, and provides that periodic bribery and corruption risk assessments will be conducted.

BMO Code of Conduct

Our Code of Conduct requires employees to raise concerns and always follow both the spirit and the letter of the law. It makes clear that BMO will not tolerate retaliation against anyone who is reporting or investigating a concern. Employees who contravene the Code of Conduct or the Operating Directive may be subject to disciplinary action, up to and including termination. They may also be subject to civil or criminal action.

BMO Supplier Code of Conduct

BMO expects its suppliers to act in compliance with our standards for integrity, fair dealing, and applicable anti-bribery and anti-corruption laws and conducts Anti-Bribery and Anti-Corruption due diligence on our suppliers and third party intermediaries. BMO's Supplier Code of Conduct communicates expectations to third parties and aims to prevent corrupt practices within our supply chain; it encourages reporting of misconduct to the Anti-Corruption team. These principles are incorporated in our contractual agreements. A breach of the Supplier Code of Conduct may result in a termination of BMO's relationship with the supplier.

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