

**Confirmation - Series CBL29 Covered Bond
Canadian Dollar to USD Currency Swap**

From: Bank of Montreal

To: BMO Covered Bond Guarantor Limited Partnership
c/o Bank of Montreal

Attention: Senior Manager, Securitization Finance and Operations

July 25, 2022

Dear Sirs,

Confirmation – Series CBL29 Covered Bond Canadian Dollar to USD Currency Swap

This confirmation constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of September 30, 2013 entered into between us and you on the date hereof as amended and supplemented from time to time (the "**Agreement**"). The purpose of this letter (the "**Confirmation**") is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions and Construction Agreement; and (iii) the Definitions. The following expressions shall, for the purpose of this confirmation, have the following meanings:

The term "**Transaction**" as used herein shall, for the purposes of the Definitions, have the same meaning as "**Swap Transaction**".

For purposes of this Transaction, the "**Series CBL29 Covered Bonds**" means the Covered Bonds issued on the date hereof by the Issuer under Series Number CBL29.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

2. The terms of the Transactions to which this Confirmation relates are as follows:

Party A: Bank of Montreal.

Party B: BMO Covered Bond Guarantor Limited Partnership.

Trade Date: July 18, 2022.

Effective Date: The earliest to occur of (i) an Issuer Event of Default, (ii) a Guarantor Event of Default, together with the service of a Guarantor Acceleration Notice on the Issuer and on the Guarantor, and (iii) Party A, or any Credit Support Provider from time to time in respect of Party A, no longer having ratings of at least BBB(high) (in respect of DBRS), BBB+ (in respect of Fitch) and Baa1 (in respect of Moody's), as applicable, in respect of its long-term, unsecured, unsubordinated and unguaranteed debt obligations (or, in the case of Fitch, its long-term issuer default rating).

Termination Date: The earlier of:

(1) the Final Maturity Date in respect of the Series CBL29 Covered Bonds, subject to adjustment in accordance with the Other Provisions, but in no case shall the Termination Date be later than July 25, 2026 (the "**Extended Due for Payment Date**"); and

(2) the final date on which the Security Trustee distributes the proceeds of the Security to the Covered Bondholders in accordance with the Post-Enforcement Priority of

Payments following the enforcement of the Security pursuant to Condition 9(b) of the Series CBL29 Covered Bonds.

Currency Exchange Rate:

CAD 1.295 per USD.

Business Days:

Toronto and New York.

Calculation Agent:

Party A.

Party A Fixed Amounts:

Fixed Rate Payer:

Party A.

Fixed Rate Payer Calculation Amount:

In respect of each Calculation Period in respect of which Party A pays Fixed Amounts, an amount in USD equal to the Principal Amount Outstanding of the Series CBL29 Covered Bonds on the first day of such Fixed Rate Payer Calculation Period, such amount to be reduced by any redemption on that day.

Party A Fixed Rate Payment Dates:

(a) Prior to and including the Final Maturity Date, each Interest Payment Date in respect of the Series CBL29 Covered Bonds from and including the Interest Payment Date falling on or immediately following the Effective Date up to, and including, the Final Maturity Date; provided, however, that the first Party A Fixed Rate Payment Date will be the date which is the later of (i) two Business Days following the Effective Date or (ii) the date on which the Guaranteed Amounts are otherwise Due for Payment; and

(b) each Interim Exchange Date unless such date is already a Party A

Fixed Rate Payment Date under (a) above.

For the avoidance of doubt:

(a) if the Effective Date falls on an Interest Payment Date in respect of the Series CBL29 Covered Bonds, then the first Party A Fixed Rate Calculation Period shall commence on (and include) the immediately preceding Interest Payment Date in respect of the Series CBL29 Covered Bonds (or, where the Effective Date is the first Interest Payment Date in respect of the Series CBL29 Covered Bonds, the Issue Date of the Series CBL29 Covered Bonds) and end on (but exclude) the Effective Date; and

(b) if the Effective Date does not fall on an Interest Payment Date in respect of the Series CBL29 Covered Bonds, then the first Party A Fixed Rate Calculation Period shall commence on (and include) the immediately preceding Interest Payment Date in respect of the Series CBL29 Covered Bonds (or, where the Effective Date is the first Interest Payment Date in respect of the Series CBL29 Covered Bonds, the Issue Date of the Series CBL29 Covered Bonds) and end on (but exclude) the first Party A Fixed Rate Payment Date; and

(c) Party A shall not pay any Fixed Amounts after the Final Maturity Date.

Fixed Rate: 3.750 per cent. per annum.

Party A Fixed Rate Day Count Fraction: 30/360.

Party A Fixed Rate Business
Day Convention:

Following (No adjustment).

Party A Floating Amounts:

If, pursuant to the Other Provisions, Party A does not receive a Redemption Notice confirming the Series CBL29 Covered Bonds are redeemable in full on the Final Maturity Date (and the Series CBL29 Covered Bonds are not redeemed in full on or prior to the Extension Determination Date (as defined below)), then Party A will pay Party A Floating Amounts in accordance with these provisions.

Party A Floating Currency Amounts:

In respect of each Party A Floating Calculation Period, the Principal Amount Outstanding of the Series CBL29 Covered Bonds on the first day of such Party A Floating Calculation Period, such amount to be reduced by any redemption of the Series CBL29 Covered Bonds on that day.

Party A Floating Calculation Periods:

Each period (if any) from, and including, each Party A Floating Rate Payment Date to, but excluding, the next Party A Floating Rate Payment Date; provided, however, that the initial Party A Floating Calculation Period (if any) shall be from, and excluding, the Final Maturity Date to, but excluding, the initial Party A Floating Rate Payment Date.

Party A Floating Rate:

Greater of (i) 0.00%, and (ii) Party A Floating Rate Option plus Party A Spread

Party A Floating Rate Option: Compounded SOFR, as such term is defined in the Conditions for Series CBL29.

For the avoidance of doubt, upon the temporary or permanent suspension, cessation or unavailability of Compounded SOFR, the provisions of the Final Terms for Series CBL29 shall apply to the determination of the Party A Floating Rate Option and any provision in the Definitions relating to such matters shall not apply.

Designated Maturity: One month.

Party A Spread:



Party A Floating Rate Day Count Fraction:

Actual/360 (adjusted).

Party A Floating Rate Payment Dates:

(a) From and excluding the Final Maturity Date to, but including, the Extended Due for Payment Date, the 25th day of each month, subject to adjustment in accordance with the Party A Floating Rate Business Day Convention; and

(b) each Interim Exchange Date unless such date is already a Party A Floating Rate Payment Date under (a) above.

For the avoidance of doubt, there shall be no Party A Floating Rate Payment Date later than the Termination Date.

Party A Floating Rate Reset Dates:

From, and excluding, the Final Maturity Date to, but including, the Extended Due for Payment Date, the 25th day of each month, subject to

adjustment in accordance with the Party A Floating Business Day Convention.

Party A Floating Rate Business Day Convention:

Modified Following.

Party B Floating Amounts:

Party B Calculation Amount:

In respect of each Party B Calculation Period, an amount in Canadian Dollars equal to the Principal Amount Outstanding of the Series CBL29 Covered Bonds on the first day of such Party B Calculation Period (after taking into account any redemption on such day) converted at the Currency Exchange Rate.

Party B Calculation Period:

Shall have the meaning given "Calculation Period" in the Master Definitions and Construction Agreement.

Party B Payment Dates:

(a) Each Guarantor Payment Date from and including the Guarantor Payment Date falling on or immediately following the earlier of the Final Maturity Date and the Effective Date, up to, and including, the Termination Date; provided, however, that (i) in lieu of the Guarantor Payment Date falling on or around the Final Maturity Date, a Party B Payment Date shall instead fall on the Final Maturity Date; and (ii) in lieu of the Guarantor Payment Date falling on or around the Extended Due for Payment Date, a Party B Floating Rate Payer Payment Date shall instead fall on the Extended Due for Payment Date, subject to

adjustment in accordance with the Business Day Convention; and

(b) each Interim Exchange Date unless such date is already a Party B Payment Date under (a) above.

For the avoidance of doubt:

(a) if the Effective Date falls on a Guarantor Payment Date, then the first Party B Calculation Period shall commence on (and include) the first day of the calendar month immediately preceding the Guarantor Payment Date (or, if the Effective Date occurs before the first Guarantor Payment Date following the drawdown of the Term Advance relating to the Series CBL29 Covered Bonds, the Drawdown Date of such Term Advance) and end on (and exclude) the Effective Date; and

(b) if the Effective Date does not fall on a Guarantor Payment Date, then the first Party B Calculation Period shall commence on (and include) the first day of the calendar month immediately preceding the subsequent Guarantor Payment Date (or, if the Effective Date occurs before the first Guarantor Payment Date following the drawdown of the Term Advance relating to the Series CBL29 Covered Bonds, the Drawdown Date of such Term Advance) and end on (but exclude) the first Party B Payment Date.

Party B Floating Rate Option:

CAD-BA-CDOR.

Designated Maturity:

One month; except that (a) in respect of any Party B Calculation Period from, and including the Effective Date, to, but excluding, the first calendar day of the next following month following the Guarantor Payment Date immediately following the Effective Date, Linear Interpolation of between one and two months will apply (for the avoidance of doubt, regardless of the length of any such Party B Calculation Period) and the relevant Reset Date for the purposes of calculating Linear Interpolation for each such Party B Calculation Period shall be deemed to be the Effective Date; (b) in respect of any Party B Calculation Period from, and including, the first day of the calendar month immediately preceding the Final Maturity Date, to, but excluding, the Final Maturity Date, Designated Maturity of one month will apply (for the avoidance of doubt, regardless of the length of any such Party B Calculation Period) and the relevant Reset Date for such Party B Calculation Period shall be deemed to be the first day of the calendar month immediately preceding the Final Maturity Date; (c) in respect of any Party B Calculation Period from, and including, the Final Maturity Date to, but excluding, the first day of the calendar month immediately following the Final Maturity Date (if applicable), Designated Maturity of one month will apply (for the avoidance of doubt, regardless of the length of any such Party B Calculation Period) and the relevant Reset Date for such Party B Calculation Period shall be deemed to

provided, however, that the first Interim Exchange Date will be the date which is the later of (i) two Business Days following the Effective Date or (ii) the date on which Guaranteed Amounts are otherwise Due for Payment; and provided that, if such Business Day is not a Canadian Business Day, the relevant Party B Interim Exchange Date shall be the immediately preceding Canadian Business Day.

Party A Interim
Exchange Amount:

In respect of each Interim Exchange Date, an amount in USD equal to the amount of the Series CBL29 Covered Bonds to be redeemed on such Interim Exchange Date.

Party B Interim
Exchange Amount:

In respect of each Interim Exchange Date, the relevant Redemption Notice Amount for such Interim Exchange Date.

Final Exchange:

Final Exchange Date:

Each of: (a) the Final Maturity Date in respect of the Series CBL29 Covered Bonds; (b) each Business Day during the period (if any) commencing on, but excluding, the Final Maturity Date to, and including, the Extension Determination Date (if any and as defined below); (c) each Interest Payment Date from, but excluding, the Extension Determination Date (if any and as defined below) to, but excluding, the Extended Due for Payment Date (if any); and (d) the Extended Due for Payment Date (if any), provided that, if at any time a

Redemption Notice (as defined below) is given confirming that the Series CBL29 Covered Bonds then outstanding are redeemable in full on a Final Exchange Date, that Final Exchange Date will be the last Final Exchange Date, and provided that, if any such date is not a Canadian Business Day, the relevant Party B Final Exchange Date shall be the immediately preceding Canadian Business Day.

"Extension Determination Date" means the date that is seven calendar days plus two Business Days from, and including, the Final Maturity Date.

Party A Final Exchange Amount:

In respect of each Final Exchange Date, an amount in USD equal to the amount of the Series CBL29 Covered Bonds to be redeemed on such Final Exchange Date.

Party B Final Exchange Amount:

In respect of each Final Exchange Date, the relevant Redemption Notice Amount for such Final Exchange Date.

3. Account Details:

Payments to Party A
in Canadian Dollars:

As notified to Party B.

Payments to Party B
in USD:

As notified to Party A.

Payments to Party B
in Canadian Dollars:

As notified to Party A.

4. Other Provisions

Redemption Notice:

Party B, or the Cash Manager acting on Party B's behalf, shall notify Party A of the amount of principal payments to be made on the Series CBL29 Covered Bonds on each Interim Exchange Date and Final Exchange Date (for purposes of calculating payment of any Interim Exchange Amounts and Final Exchange Amounts, respectively). Such notification may be made in respect of an Interim Exchange Date or Final Exchange Date by receipt by Party A of a written confirmation from Party B, or the Cash Manager acting on Party B's behalf, of an irrevocable payment instruction to a bank from Party B to make a payment to Party A in an amount in Canadian Dollars corresponding to the Principal Amount Outstanding in respect of the Series CBL29 Covered Bonds to be redeemed on such Interim Exchange Date or Final Exchange Date converted by Party B by reference to the Currency Exchange Rate on or prior to 5:00 p.m., Toronto time, four Business Days prior to such Interim Exchange Date or Final Exchange Date, as the case may be (a "**Redemption Notice**" and the amount specified in the written confirmation delivered to Party A, the "**Redemption Notice Amount**").

If Party A does not receive a Redemption Notice with respect to any Interim Exchange Date or Final Exchange Date, then the parties will not be required to pay any Interim Exchange Amounts or Final Exchange Amounts, respectively, on

such Interim Exchange Date or Final Exchange Date, as the case may be.

In addition, if Party A does not receive a Redemption Notice confirming that the Series CBL29 Covered Bonds are redeemable in full on the Final Maturity Date (and the Covered Bonds are not redeemed in full on or prior to the Extension Determination Date): (i) the Termination Date for this Transaction shall be deemed to be the Final Exchange Date in respect of which a Redemption Notice is given and, taking into account such Redemption Notice and each other Redemption Notice, the sum of all Redemption Notice Amounts equals the Principal Amount Outstanding of the Series CBL29 Covered Bonds as at the Effective Date; (ii) for the avoidance of doubt, Party A's obligation to pay Party A Fixed Amounts shall cease as from the Final Maturity Date and Party A shall from such date be obliged to pay the Party A Floating Amounts to Party B; (iii) for the avoidance of doubt, Party B shall be obliged to continue to pay the Party B Floating Amounts; and (iv) the final Party A Calculation Period and the final Party B Calculation Period shall end on, but exclude, the Termination Date. Without prejudice to the generality of the above provisions, Party B, or the Cash Manager acting on Party B's behalf, shall notify Party A at least two Business Days prior to the Final Maturity Date whether or not the Series CBL29 Covered Bonds will be redeemed (in whole or in

part) on the Final Maturity Date and, if they will not be, whether or not the Series CBL29 Covered Bonds will be redeemed (in whole or in part) on or prior to the Extension Determination Date.

If on the Extended Due for Payment Date the sum of all Redemption Notice Amounts specified in Redemption Notices delivered to Party A on or prior to such date is not equal to the Principal Amount Outstanding of the Series CBL29 Covered Bonds as at the Effective Date (such difference, the "**Redemption Shortfall**"):

- (i) Party A will pay to Party B an amount in USD equal to such Redemption Shortfall; and
- (ii) Party B will pay to Party A the Canadian Dollar equivalent of the Redemption Shortfall, converted at the Currency Exchange Rate.

For purposes of calculating any amount due under Section 6(e) of the Agreement in respect of a Termination Event that occurs during the period from, but excluding the Final Maturity Date to, and including the Extension Determination Date, the Termination Date shall be deemed to be the Final Maturity Date, unless Party B or the Cash Manager has determined as of that date that Party B has insufficient funds to pay the Guaranteed Amounts, in which case the Termination Date shall be deemed to

be the Extended Due for Payment Date (subject as provided above).

Party B agrees as soon as reasonably practicable after a Redemption Notice has been given to advise Party A by telephone (or email if provided in the notice details below) of the fact of such Redemption Notice; provided, however, that the failure by Party B, or the Cash Manager acting on Party B's behalf, to do so shall not affect the validity of any Redemption Notice under the Transaction evidenced by this Confirmation.

Reduced Payments:

In the event that any payment made by Party B to Party A under this Transaction is less than the amount which Party B would be required to pay Party A (but for Part 5(s) of the Schedule to the Agreement), the payment obligation of Party A to Party B shall be reduced by a percentage equivalent to the percentage reduction in Party B payments since the corresponding Fixed Rate Payer Payment Date or Floating Rate Payer Payment Date (as applicable). For the avoidance of doubt, the payment of such a reduced amount by Party A shall not constitute a breach of the payment obligations specified in Section 2(a)(i) of the Agreement.

5. Notification to Party A

For the purpose of making any determination or calculation hereunder, the Calculation Agent may rely on any information, report, notice or certificate delivered to it by the Cash Manager or Party B and the Calculation Agent shall

not be liable for any error, incompleteness or omission regarding such information.

Party B or the Cash Manager acting on its behalf, shall notify Party A of the amount of principal payments to be made on the Series CBL29 Covered Bonds on each Interest Payment Date no later than one (1) Business Day prior to such Interest Payment Date.

6. Notice Details:

Party A: Bank of Montreal

Address: 250 Yonge Street, 10th Floor, Toronto, Ontario M5B 2L7

Facsimile Number: (416) 552-7905/7926

Telephone Number: (416) 552-7442

Attention: Senior Manager, Confirmations

Party B: BMO Covered Bond Guarantor Limited Partnership

Address: c/o Bank of Montreal, 10th Floor, 1 First Canadian Place,
100 King Street West, Toronto, Ontario M5X 1A1

Facsimile Number: (416) 867-4166

Attention: Senior Manager, Securitization Finance and Operations

Yours faithfully,

BANK OF MONTREAL

By: "*Caroline Dufaux*"
Name: Caroline Dufaux
Title: Global Head, Capital Management &
Funding

**BMO COVERED BOND GUARANTOR
LIMITED PARTNERSHIP**, by its managing
general partner, **BMO COVERED BOND GP,
INC.**

By: "*Caroline Dufaux*"
Name: Caroline Dufaux
Title: President