

July 26, 2018

To Whom It May Concern:

In regard to your inquiry, for confidentiality reasons we will not be discussing particular clients or transactions with third parties. Nor will we be making the public declarations sought in the March 29, 2018 letter. There has been no failure by BMO to apply its responsible lending policies or voluntary commitments as alleged and any suggestion to the contrary is false and misleading.

BMO's strategic vision is to be the bank that defines great customer experience. BMO's activities are guided by our strategic priorities and sustainability principles of: social change, financial resilience, community-building and environmental responsibility – reducing our environmental footprint while considering the impacts of our business activities as we work with stakeholders who share our commitment to sustainability. Extending and complementing our promise to customers, these principles reinforce the deeper sense of responsibility that informs all aspects of our business strategy. By positioning our sustainability principles alongside the strategic priorities we confirm that sustainability is incorporated into how we do business, manage risk and create value.

Our approach to responsible lending is set out in our Environmental, Social and Governance Report (ESG Report). The 2017 Report can be found online at https://www.bmo.com/corporate-governance/files/en/BMO_ESG_PAS2017en.pdf. Through our lending practices, we can encourage borrowers to make socially responsible choices in their operations. This is an important issue for BMO, especially as we consider how we can best support the transition to a lower-carbon economy in partnership with our clients. As part of this approach, we actively seek out and support companies that develop renewable energy projects such as solar, wind, hydroelectric and biomass generation – as well as customers who adopt their own sustainability practices. As discussed in our ESG Report, in 2017 BMO Capital Markets participated in \$6.4

billion of renewable energy equity and debt financing and provided \$4.2 billion in renewable energy loan commitments to renewable entities and renewables projects.

Consistent with our commitment, BMO reports in accordance with the CDP. The 2017 BMO CDP report can be found online at https://www.bmo.com/cr/files/BMO_CDP2017en.pdf. BMO is also a public supporter of the Taskforce on Climate Related Financial Disclosure (TCFD) which represents the leading framework for climate related disclosure. In 2016, BMO joined the Carbon Pricing Leadership Coalition (CPLC), a voluntary initiative that supports successful implementation of carbon pricing around the world.

Operationally, we have moved quickly and effectively to reduce our own environmental footprint. We set clear goals, and have maintained carbon neutrality across the entire enterprise since 2010. We have also set and successfully achieved 3 separate absolute emissions reductions targets over the past 10 years and continue to challenge ourselves in this regard.

As the foregoing demonstrates, BMO is committed to operating in a manner that balances our commitments to all stakeholders as we pursue our business strategy and strive to fulfill our broader social responsibilities. We take this commitment seriously and will continue to do so.

We thank you for your inquiry.

Michael Torrance

Chief Sustainability Officer | Associate General Counsel |
Legal, Corporate & Compliance Group | BMO Financial Group