

# **U.S. Supplemental Unemployment Benefit and Severance Benefit Plans Summary Plan Description (SPD)**

Plan Document and Summary Plan Description for

## **BMO U.S. Supplemental Unemployment Benefit and Severance Benefit Plans**

This Plan Document and Summary Plan Description summarizes the major provisions of this Plan, formerly known as the BMO Harris U.S. Supplemental Unemployment Benefit and Severance Benefit Plans, as of September 3, 2023. It also serves as the Plan document for the Severance Plan. You should refer to the SUB Plan and Excess Severance Plan documents, which are available upon request from the Plan Administrator, together with this document, for the complete Plan terms.

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## Introduction

The BMO U.S. Supplemental Unemployment Benefit Plan, the BMO U.S. Severance Plan and the BMO U.S. Excess Severance Benefit Plan (collectively, the “Plan”) is designed to provide supplemental unemployment and severance benefits to certain eligible Employees of BMO Financial Corp. (“BMO Financial”) and Affiliated Companies participating in this Plan. The term “BMO” is used in this Summary to refer collectively to BMO Financial and all Affiliated Companies in the U.S.

The Plan reflects BMO’s commitment to assist eligible Employees who suffer an involuntary loss of employment due to a workforce reduction or other qualifying reason. Benefits under the Plan are intended to help bridge the financial gap to your next employment.

This Summary is effective for Employees who have a Termination Date on or after September 3, 2023.

### Terms to Know

For purposes of this Summary, the following terms will have the following meaning:

*Affiliated Company* – any direct or indirect U.S. subsidiary of BMO Financial which has been designated for inclusion in this Plan.

*Annual Compensation* – the annualized compensation of an Employee based upon the annual rate of pay for the calendar year preceding the calendar year in which the Employee’s Termination Date occurs, adjusted for any increase during that year that was expected to continue indefinitely if the Employee’s employment had not been terminated. Annual compensation is determined in accordance with Internal Revenue Code section 409A and the regulations issued thereunder including Treasury Regulation section 1.409A-1(b)(9)(iii).

*Base Pay* – one fifty-second (1/52) of the Employee’s annual base salary for salaried Employees or the hourly rate times the weekly standard hours of record for hourly Employees, including 1/52 of the average annual short-term incentive payment received by the Employee for the preceding three plan years. Base Pay is exclusive of all other amounts, special adjustments and increments such as shift differentials, overtime, commissions, and the cash value of any and all non-cash benefits. Notwithstanding the foregoing, where an employee is not and has not been eligible for an annual short-term incentive payment, quarterly or annual sales incentive payment, other annual bonus payment, or an annual award under the BMO Restricted Share Unit Plan, then Base Pay shall include 1/52 of the average annual commissions received by the employee in the preceding three plan years. Commissions for this purpose do not include incentives, sales bonuses, and referral bonuses. Whether a payment constitutes a commission includible in the definition of Base Pay is determined at the sole Discretion of BMO. Base Pay is that which is in effect immediately prior to the Employee’s notification date.

*Cause* – means “cause” as defined in the Employee’s employment agreement with BMO or an affiliate, or if such term is not defined or if the Employee has not entered into an employment agreement with the BMO or an affiliate, then as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where an employer can terminate an

individual's employment without notice; provided, however, that such circumstances shall be limited to those following the Employee's engagement in any misconduct, dishonesty, insubordination or other act adversely affecting the goodwill of BMO or an affiliate, or adversely affecting BMO's or an affiliate's relationships with their customers or employees, including without limitation, the Employee's conviction of a felony or crime of moral turpitude.

*Comparable Job* – a job (a) at the same salary grade, a higher grade, or no more than one grade below your current grade, (b) on the same shift (day, evening or night), (c) with a minimum of 20 standard hours per week, (d) located within a 35 mile radius of your current work location, and (d) with substantially similar compensation as determined by BMO.

*Continuous Service* – the period of employment that begins on the most recent hire date of an Employee and ends on the earliest to occur of the Employee's discharge, death or other termination of employment. Benefits are based upon completed full years of service; partial years are not considered.

*Employee* – refers to full-time employees and part-time employees of BMO. Employee includes only Employees paid through BMO's payroll system, and does not include any Employee who is covered by a collective bargaining agreement (unless the agreement specifically provides for participation in this Plan).

*Plan Benefits* – the alternative forms of benefit (supplemental unemployment or lump sum severance) payable under the Plan.

*Plan Benefits Cap* – the maximum amount of Supplemental Unemployment Benefits payable to an eligible Employee under the Plan. The Plan Benefits Cap is equal to the lesser of: (a) two times an Employee's Annual Compensation, or (b) two times the limit on compensation set forth by Section 401(a)(17) of the Internal Revenue Code. For 2023, the 401(a)(17) compensation limit is \$330,000 and two times this limit is \$660,000.

*Release* – separation agreement or other document in a form satisfactory to BMO which contains a release and waiver of claims, post-employment restrictive covenants (including restrictions on the use or disclosure of confidential information and the solicitation of customers and employees), protections against disparagement, and other customary separation agreement terms, and which must be signed by an eligible Employee to become entitled to Plan Benefits.

*SUB Trust* – the BMO U.S. Supplemental Unemployment Benefit Plan Trust established by BMO Financial and through which Supplemental Unemployment Pay is paid to eligible Employees.

*Supplemental Unemployment Benefits* – the total unemployment benefits received by eligible Employees, which consists of both the benefits payable directly from the SUB Trust and the benefits payable from any state or federal unemployment program, other than any Federal Pandemic Unemployment Compensation (as defined in the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act).

*Supplemental Unemployment Pay* – the weekly benefits under this Plan payable directly from the SUB Trust. It does not include the amount of benefits payable from any state or federal unemployment program.

*Termination Date* – the day on which the Employee's employment with BMO ends.

## **Benefit Eligibility and Payment Options**

### **Eligibility**

You are eligible to participate in the Plan if you are an Employee and are not classified as a temporary employee, intern, work-study student, consultant or independent contractor.

If you are a participant, you will become eligible to receive Plan Benefits if your employment is involuntarily terminated by BMO due to the elimination of your position as the result of a reduction-in-force, location closure, or reorganization, and none of the exclusions listed below apply.

### **Exclusions**

Even if you meet the eligibility criteria described above, you will **not** be entitled to receive Plan Benefits in any of the following circumstances:

- (a) You resign, retire or abandon your job prior to your scheduled Termination Date (i.e., the date your employment is scheduled by BMO to end).
- (b) You receive, on or before your Termination Date, an offer of a Comparable Job with BMO or, in the case of a business sale or outsourcing, with the buyer or vendor or an affiliate thereof.
- (c) You accept another job at BMO or, in the case of a business sale or outsourcing, with the buyer or vendor or an affiliate thereof.
- (d) You do not sign a Release in a form satisfactory to BMO within the time frame specified or sign and then revoke it.
- (e) You are discharged for Cause or, after your Termination Date, BMO determines that you would have been discharged for Cause if the conduct in which you engaged had been discovered earlier.
- (f) Your employment is terminated after being inactive for a period of time exceeding one year.
- (g) You are covered by a separate agreement, or by a group policy, program or plan, that provides severance, salary continuation, retention bonus or similar benefits in connection with your termination of employment, except where the separate agreement, policy, program or plan expressly provides that those benefits are in addition to, and not in lieu of, any benefits to which you may be entitled under this Plan.

## **Amount of Benefit and Payment Options**

If you are entitled to Plan Benefits, you have two payment options:

- (a) *Supplemental Unemployment Benefits (SUB) Option.* Bi-weekly Supplemental Unemployment Pay which, combined with Supplemental Unemployment Benefits payable through any state or federal program, provides you with up to 100% of Base Pay until the end of the severance period or you secure new employment, whichever occurs first. If you obtain new employment before your Supplemental Unemployment Benefits end, you will receive a payment equal to 100% of your remaining Supplemental Unemployment Benefits. OR
- (b) *Lump Sum Severance Payment Option.* Single lump sum severance payment equal to 100% of your maximum Supplemental Unemployment Benefit.

The maximum period during which Supplemental Unemployment Benefits are payable is determined by your length of Continuous Service with BMO. You are eligible to receive two (2) weeks Base Pay for each completed year of Continuous Service, with a minimum benefit of six (6) weeks and a maximum benefit of fifty-two (52) weeks.

The amount of the Supplemental Unemployment Benefits payable to any Employee under the Plan is limited by the Plan Benefits Cap. The Plan Benefits Cap is equal to the lesser of:

- (i) two times your Annual Compensation; or
- (ii) two times the limit on compensation set forth by Section 401(a)(17) of the Internal Revenue Code (for 2023, this limit is \$330,000 and two times this limit is \$660,000).

If the amount of Supplemental Unemployment Benefits you are entitled to receive is limited by the Plan Benefits Cap, you may be entitled to receive a benefit from the Excess Severance Benefit Plan, as described later in this Summary.

The actual amount of Plan Benefits you receive also depends upon which payment option you select and, if you select the Supplemental Unemployment Benefits option, the length of time you remain eligible for Supplemental Unemployment Benefits and whether your Supplemental Unemployment Benefits end due to your reemployment.

*Example 1:* Sue has five years of Continuous Service when her job is eliminated as part of a workforce reduction. Her Base Pay at the time is \$1,000 per week. Sue is eligible to receive up to 10 weeks (two weeks for each year of Continuous Service) Supplemental Unemployment Benefits of \$1,000 per week or, alternatively, a single lump sum severance payment of \$10,000 (10 x \$1,000). If Sue elects to receive her benefit in the form of bi-weekly Supplemental Unemployment Pay, rather than as a lump sum severance payment, and then secures a new job after six weeks, her Supplemental Unemployment Benefits will end at the end of the six-week period in which she was unemployed, and she will receive a reemployment payment of \$4,000 (100% of the remaining four weeks of Supplemental Unemployment Benefits).



*Example 2:* Chris has 27 years of Continuous Service when her job is eliminated as part of a reorganization. Her Base Pay at the time is \$14,000 per week (with Annual Compensation of \$728,000). She is eligible to receive up to 52 weeks of Supplemental Unemployment Benefits (two weeks for each year of Continuous Service, up to a maximum of 52 weeks), for a total of \$728,000 in Supplemental Unemployment Benefits. This amount exceeds the Plan Benefits Cap, which limits Supplemental Unemployment Benefits to the lesser of two times her Annual Compensation (\$1,456,000) or two times the applicable IRS limit (\$660,000). Chris's total Supplemental Unemployment Benefits amount is therefore reduced to \$660,000, or \$12,692.31 per week.

If Chris elects the SUB option, and she receives \$500 per week in state unemployment benefits, BMO will pay Chris \$12,192.31 per week in Supplemental Unemployment Pay. If Chris instead elects the lump sum option, she will receive a single lump sum payment of \$660,000 (52 weeks x \$14,000 subject to the Plan Benefits Cap).

Chris also will be eligible to receive a benefit from the Excess Benefit Plan of \$68,000 (\$728,000 less \$660,000) as described later in this Summary, regardless of whether she elects the lump sum or SUB benefits payment option.

Additional information about each of the two benefit payment options is set forth below. If you do not affirmatively select one of the two benefit payment options, you will be deemed to have elected the SUB benefits option.

## **Lump Sum Severance Payment Option**

If you elect the lump sum severance payment option, your Plan Benefit is paid in the form of a single severance payment. This payment is made no later than the second regularly scheduled pay date following the date that is thirty-one days after your Termination Date, provided the Release has been signed and returned and any Release revocation period has expired. Severance pay is subject to federal, state and local (where applicable) payroll taxes and withholding. Severance pay is not considered "compensation" for purposes of determining any benefits provided under any pension, savings or other benefit or bonus plan.

Severance pay is in addition to any pay for accrued but unused vacation for which you may be eligible.

Your receipt of severance pay may or may not affect your eligibility for state unemployment benefits. The rules vary from state to state. For more information, contact the state unemployment office for the state in which you were employed by BMO.

## **SUB Benefits Option**

If you do not elect the lump sum severance payment option, you will receive Supplemental Unemployment Benefits. Your Supplemental Unemployment Benefits will consist of two components — your Supplemental Unemployment Pay from the SUB Trust and your unemployment insurance pay from the state. For each week that you continue to be eligible, you will receive a payment from the SUB Trust for your Supplemental Unemployment Pay and a

payment from the state for your unemployment insurance pay. Added together, these two components will equal up to 100% of your weekly Base Pay.

Note that any Federal Pandemic Unemployment Compensation (as defined in the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act) that you receive is disregarded in determining the amount of Supplemental Unemployment Pay you are entitled to receive from the SUB Trust. Accordingly, during any period for which Federal Pandemic Unemployment Compensation is paid, your total weekly Supplement Unemployment Benefits may exceed 100% of Base Pay.

Supplemental Unemployment Benefits are subject to federal, state and local (where applicable) income taxes. However, unlike severance pay, they generally are not subject to Social Security and Medicare taxes (FICA taxes), so your relative “take-home” pay will be greater. In most cases, your Supplemental Unemployment Benefits will be considered exempt from FICA taxes.

Supplemental Unemployment Pay is not considered “compensation” for purposes of determining any benefits provided under any pension, savings or other benefit or bonus plan.

### **Frequency of SUB Payments**

You will receive your Supplemental Unemployment Pay on a bi-weekly basis, less any applicable withholding, calculated based on an effective date of the Monday following your Termination Date and paid as soon as administratively practical, provided, you have signed and returned (and not revoked) your Release.

In order for you to continue to receive Supplemental Unemployment Pay under the Plan, you must periodically confirm that you continue to be eligible by the following methods:

- (a) Applying for state unemployment benefits;
- (b) Showing eligibility for state unemployment benefits (i.e., you are available for work and actively seeking work), even though you may not be receiving such benefits because, for example, you have insufficient wage credits, have exhausted the state unemployment benefits, or have not yet satisfied a required waiting period; and
- (c) Providing weekly confirmation of your continued eligibility using the SUB Plan Hotline or Web site.

If you fail to confirm eligibility on a weekly basis, your Supplemental Unemployment Pay will be delayed and you may forfeit some or all of the Plan Benefits to which you otherwise would have been entitled to receive.

### **Integration with State Unemployment Benefits**

Under the SUB benefits option, you are responsible for promptly filing an application for state unemployment benefits (including any extended or other benefits available through any state or federally funded unemployment insurance benefits program). Regardless of your state of employment, the Plan assumes you will become eligible for your state unemployment benefits as of the second Monday following your date of termination of employment. For example, if your

Termination Date is a Wednesday, your benefits will start on the following Monday with you receiving a benefit equal to 100% of your Base Pay from the SUB Trust for one week. Then, on the following Monday, the portion of your benefit from the SUB Trust will be reduced to take the presumed state unemployment benefit into account.

Eligibility for state unemployment benefits is determined by your work state. If you live in a different state than where you work, you should apply for state unemployment benefits based on the state where you worked for BMO. When you apply for state unemployment benefits, please note that the Supplemental Unemployment Pay you are receiving from the Plan is not severance pay. If the state agency asks you if you are receiving severance payments (which in some states preclude a worker's receipt of state unemployment benefits), the answer is no, you are not receiving severance payments, you are receiving supplemental unemployment benefit payments. For more information, contact your state's unemployment office or the SUB Plan Hotline at the number listed below.

Under the SUB benefits option, the Plan calculates your Supplemental Unemployment Pay based upon the assumption that you will receive the full state unemployment benefit, without regard to any reductions for other earnings. Earnings from other employment normally will reduce the amount of state unemployment benefits you receive or may disqualify you entirely. In addition if you receive retirement or pension benefits, Social Security, disability, or other similar periodic payment your unemployment insurance benefits may be reduced. If you are working a second job at the time your employment with BMO terminates, or if you receive other periodic payments which reduce your unemployment benefits, your Supplemental Unemployment Benefits may not equal 100% of your base pay and you may want to consider selecting the lump sum severance payment option.

### **Accrued Vacation Pay and SUB Benefits**

Supplemental Unemployment Pay shall be in addition to any pay for accrued but unused vacation for which you may be eligible. If you live in one of the following states – Arizona, Colorado, Iowa, Illinois, Indiana, Massachusetts, or North Carolina – payment of your accrued vacation will be counted as pay for state unemployment purposes, meaning your state unemployment benefit will not start until after the period of accrued vacation has expired. If you live in Iowa, the maximum delay is one week. The SUB Trust will pay 100% of your Supplemental Unemployment Benefits during any period in which your state unemployment benefits are not payable due to your receipt of accrued vacation pay. Thereafter, the SUB Trust will pay only the Supplemental Unemployment Pay portion of your SUB Benefits.

For example, if you worked for BMO in Illinois and are paid two weeks of accrued but unused vacation upon termination of employment, your state unemployment benefits will not commence until two weeks after your termination of employment, plus any applicable waiting period required by the state. The SUB Trust will pay 100% of your Supplemental Unemployment Benefit during your accrued vacation period of two weeks plus one more week to account for the one-week waiting period before commencement of state unemployment benefits. After this three-week period, the SUB Trust will pay only the Supplemental Unemployment Pay portion of your SUB Benefits. Even though your state unemployment benefits will begin after your accrued vacation has expired, you will receive the total amount of state unemployment benefits you are eligible to receive as long as you remain unemployed.

### **What You Need to Do to Receive SUB Benefits**

First, you must sign and return the Release by the return date specified.

Second, you should file for state unemployment insurance benefits after your termination date. (Please note you should apply for state unemployment insurance based on the state where you work.) The Plan operates under the assumption that you will apply for, and receive, state unemployment benefits. If you do not file for state unemployment benefits, you will only receive the Supplemental Unemployment Pay portion of your SUB Benefits. For information on how to file for state unemployment benefits, visit the Plan Web site at <http://www.myseverancebenefits.com/bmo>. BMO will not file for state unemployment benefits on your behalf.

Finally, you must confirm that you are still available for work and actively seeking work each week in order to receive your Supplemental Unemployment Pay. To do so, you may:

- (a) Call the Plan Hotline at 1-866-907-5652, or
- (b) Access the Plan Web site at <http://www.myseverancebenefits.com/bmo>

Each week, you must confirm your employment status no later than Thursday at 6 p.m. Eastern Time.

If you do not call the Plan Hotline or access the Plan Web site and report your employment status prior to 6 p.m. Eastern Time each Thursday, your Supplemental Unemployment Pay will be delayed. If you do not promptly correct this failure by calling the Plan Hotline or accessing the Plan Web site and reporting your employment status, you may forfeit some or all of the remaining Plan benefits to which you otherwise would be entitled to receive.

### **Accessing the Plan Web Site and Hotline**

The first time you access the Web site, your Access ID will be your Employee ID and your password will be the last four digits of your Social Security number. You will be asked to enter an email address, which will become your Access ID for all future logons to the Web site, and to create your own unique password, which will be your password for all future logons to the Web site.

For purposes of the Hotline, your Access ID is your Employee ID and your Personal Identification Number (PIN) is the last four digits of your Social Security number. These will not change and will be your Access ID and PIN for all logons to the Hotline.

Both the Web site and the Hotline are available 24 hours a day, seven days a week. Customer Service Representatives are available from 9:00 a.m. to 6 p.m., Eastern Time, Monday through Friday, except holidays.

You will not be able to access the Hotline or the Web site until five business days after your Termination Date. If you do not return your signed Release, which is required in order to receive Plan Benefits, until after your Termination Date, your ability to access the Hotline and Web site will be delayed further (normally until five business days after the signed Release is returned).

**If You Die or Become Disabled While Receiving SUB Benefits**

If you die prior to the payment of all Supplemental Unemployment Benefits under this Plan, 100% of the remaining total Supplemental Unemployment Benefit will be paid in a lump sum to your spouse. If you have no spouse, the lump sum will be paid to your estate. Your spouse, or estate, will need to contact the Plan Hotline and speak with a Customer Service Representative to initiate a request for payment of this benefit.

If you become disabled and unable to work while receiving Supplemental Unemployment Benefits, the state unemployment agency may consider you to be unavailable for work and, as a result, suspend your state unemployment benefits until the period of disability ends. If that occurs, BMO will pay 100% of your Supplemental Unemployment Benefits until the period of disability ends and you again become eligible for state unemployment benefits or, if earlier, you reach the end of the maximum number of weeks of Supplemental Unemployment Benefits payable to you under the Plan. This disability-based benefit is subject to FICA taxes, as well as federal and applicable state and local income taxes.

**Reemployment While Receiving SUB Payments**

The purpose of the Plan is to provide income continuation during your period of unemployment. As such, payments from the Plan will cease once you secure new employment. However, if you promptly notify the Plan's claims administrator of your new employment, you will be eligible to receive a one-time reemployment bonus. No bonus is payable if you become reemployed by BMO or, in the case of a business sale or outsourcing, with the buyer or vendor or an affiliate thereof.

If eligible, you will receive 100% of the unpaid balance of your Supplemental Unemployment Benefits paid to you in a lump sum. Note that FICA taxes along with other federal and applicable state and local income taxes will be withheld from the reemployment payment. To receive your reemployment payment, you will need to complete and promptly return the *New Employment Verification Form* to the address or fax number indicated on the form. A copy of the form can be found on the Plan Web site or obtained by calling the Plan Hotline.

For these purposes, you will be considered to have secured new employment as soon as you begin working again on a substantially full-time basis (or on a part-time basis if you were employed by BMO on a part-time basis). If, however, you held a second job or engaged in self-employment while working for BMO, your continued pursuit of that secondary employment while looking for a new job will neither preclude you from receiving Supplemental Unemployment Pay nor entitle you to a reemployment payment, provided you do not materially increase the amount of time you devote to that secondary employment. However, that secondary employment may reduce the amount of state unemployment benefits you receive or may disqualify you entirely. Since the Plan calculates your Supplemental Unemployment Pay based upon the assumption that you will receive the full state unemployment benefit, without regard to any reductions for other earnings, you may want to consider selecting the lump sum severance payment option if you are working a second job at the time your employment with BMO terminates.

Please note that continuing to receive Supplemental Unemployment Benefits after you have secured new employment, as well as trying to collect a reemployment payment before you have

secured new employment, is considered fraud. This may result in legal action by the state unemployment agency and/or BMO. To minimize fraud, state unemployment agencies match records with those of other state and federal agencies including the Internal Revenue Service and the Social Security Administration.

### **Circumstances in Which SUB Payments Will End**

If you are entitled to and elect to receive Supplemental Unemployment Benefits under the Plan, those benefits will end on the occurrence of the earliest of the:

- (a) Completion of the payment of Supplemental Unemployment Benefits due to you under the Plan;
- (b) You secure new employment after your Termination Date;
- (c) You receive, after your Termination Date, an offer of a Comparable Job with BMO or, in the case of a business sale or outsourcing, with the buyer or vendor or an affiliate thereof;
- (d) You accept a job with BMO or, in the case of a business sale or outsourcing, with the buyer or vendor or an affiliate thereof;
- (e) BMO determines that you would have been discharged for Cause if the conduct in which you engaged had been discovered earlier;
- (f) Your death (subject to payment of the 50% survivor benefit described above); or
- (g) The Plan is terminated or amended and the amendment results in the termination of benefits initially determined to be payable to you.

### **Excess Severance Benefit Plan**

If your Plan Benefits are reduced due to the Plan Benefits Cap, you may be eligible for additional severance pay as an “Excess Benefit” under the BMO U.S. Excess Severance Benefit Plan (the “Excess Plan”). The Excess Plan is designed to provide eligible Employees with the level of benefits which, but for the limitation imposed by the Plan Benefits Cap, the Employee otherwise would have been entitled to receive under the Plan.

#### **Eligibility**

You are eligible under the Excess Plan if the Supplemental Unemployment Benefits you are entitled to receive under the Plan are reduced by application of the Plan Benefits Cap. Your entitlement to benefits under the Excess Plan is subject to the same eligibility exclusions and limitations applicable to the Plan.

#### **Amount of Benefit**

If you meet the eligibility requirements, the amount of the Excess Benefit you are entitled to receive will be equal to the excess of (a) over (b), where (a) and (b) are:

- (a) The amount of Supplemental Unemployment Benefits you would have been entitled to receive under the Plan without application of the Plan Benefits Cap; and
- (b) The amount of Supplemental Unemployment Benefits you are entitled to receive under the Plan after application of the Plan Benefits Cap.

*Example:* After application of the Plan Benefits Cap, Chris is entitled to \$660,000 in Supplemental Unemployment Benefits under the Plan. Without application of the Plan Benefits Cap, she would have been entitled to receive Supplemental Unemployment Benefits totaling \$728,000. She will receive an Excess Benefit in the amount of \$68,000 (the excess of \$728,000 over \$660,000).

### **Payment of Excess Benefit**

Any Excess Benefit will be paid in a single lump sum within two and one-half months of your Termination Date; provided, however, that no payment shall be made before the date the Release has become effective and any revocation period has expired.

The Excess Benefit is paid in a single lump sum regardless of whether you elect to receive your Plan Benefits under the SUB benefit option or the lump sum option.

If, within 12 months of your Termination Date, you are rehired by BMO (or, in the case of a business sale or outsourcing, with the buyer or vendor or an affiliate thereof), you may be required to repay a pro-rata portion of the Excess Benefit you received.

### **Death Benefit**

If you die prior to payment of your Excess Benefit, the Excess Benefit will be paid in a lump sum to your spouse. If you have no spouse, the lump sum will be paid to your estate.

## **General Information**

### **Release Required**

No Plan Benefit will be due or paid to you unless you sign and return a Release within the specified timeframe. The failure or your refusal to sign a Release or the revocation of such a Release, to the extent permitted by its terms, will disqualify you from receiving any Plan Benefits.

### **Non-Duplication of Benefits**

If the Federal Worker Adjustment Retraining and Notification Act (WARN Act) or any analogous state or local “plant closing” law results in BMO providing you with notice pay and benefits in connection with a workforce reduction or other event, the number of weeks of benefits payable to you under this Plan may be reduced by the number of weeks of notice pay and benefits you receive in order to avoid the duplication of benefits.

### **Special Service Leave**

If you are placed on special service leave for retirement benefits purposes, that leave will be disregarded for purposes of this Plan. Accordingly, the period of leave will be disregarded for

purposes of calculating Continuous Service and in determining if a Termination of Employment has occurred.

### **Right of Recovery**

In the event any payments are made in error, the SUB Trust and BMO shall have the right to recover any such amounts.

### **No Other Rights Implied**

Nothing in this Plan will constitute a continuation of eligibility for, or the vesting or exercise periods relating to, any employee benefit or compensation plan or arrangement (including bonus, incentive and equity compensation), other than as expressly set forth in the governing plan documents.

### **Plan Documents**

This Summary, along with the official plan documents and trust agreement, constitute the governing Plan documents. In the event of any unintended inconsistency between any of those documents, the Plan Administrator shall have discretionary authority to resolve such inconsistency.

### **Your ERISA Rights**

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (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 may examine, without charge, at the office of the Plan Administrator all documents governing the Plan, 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 automatically will receive summaries of the Plan's annual financial reports.

You may obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. If you would like copies, you may obtain them by writing to the Plan Administrator. You will be charged \$.25 per page for copies.

### **Fiduciaries**

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

These people must also exercise prudence in performing their Plan duties. No one, including your employer, may fire you or discriminate against you in any way to prevent you from obtaining a benefit.



## **Exercising Your Rights**

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

Under ERISA, there are steps a participant can take to enforce the above rights. For instance, if you request documents 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 have a right to know why this was done and 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 you are dissatisfied with the Plan administrator's decision, you may file suit in a state or federal court.

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 court costs and legal fees. If you lose, and the court decides your claim is frivolous, you will have to pay those costs and fees yourself. The Plan Administrator must take any legal action necessary to protect the Plan and participants against frivolous suits.

If a participant has any questions about the Plan, the participant should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you can contact the nearest office of Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. A participant may also obtain certain publications about his or her rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at (866) 444-3272.

## **Plan Administration**

The Plan Administrator is the BMO Benefits Administration Committee. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions, to reconcile any inconsistencies in the Plan, or to recover any overpayments, in such a manner and to such an extent, as he or she shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons.

## **Claims Procedure**

If you believe you are entitled to a benefit under the Plan, including one greater than that initially determined to be payable, you should file a claim with the Plan Administrator in accordance with this section. Send your claim in writing to the Plan Administrator at the address listed below. Within 90 days after receipt of your claim, the Plan Administrator or its delegate will notify you in writing of his or her decision. If your claim is denied, the written notice will tell you the reason for the denial and what additional information is needed, if any, which could change the decision to deny the claim. The notice will also tell you how you can have your decision reviewed. In some cases the Plan Administrator might need more time. If this happens, you will be notified that an additional 90-day period is required.

If your claim has been denied, or if you have not heard anything within 90 days, you can appeal the denial and have your claim reviewed. Your appeal should be sent in writing to the Plan administrator at the address listed below. You have 60 days to appeal from the time you are notified of the denial, or the end of the original 90-day period if you have not heard anything with respect to the claim by that time. You or your authorized representative can examine any Plan documents related to your claim. You can also submit, in writing, reasons why you think the claim should not be denied. The Plan Administrator will normally respond within 60 days after receiving your appeal. In special cases, the Plan Administrator may advise you that an additional 60 days will be required to review your appeal. The notice will include specific reasons for the Plan Administrator's decision and references to provisions of the Plan on which it is based. The decisions of the Plan Administrator shall be final and binding on all Employees and their beneficiaries.

You cannot pursue any legal action for benefits until you have exhausted the claims appeal procedure.

## **Amendment and Termination of the Plan**

BMO Financial expects and intends that the Plan will continue indefinitely. However, the right to amend or terminate the Plan must be reserved by BMO Financial. Any amendment to, or termination of, the Plan may discontinue any further payments to terminated Employees; provided, however, that no amendment, suspension, or termination of the Plan will give BMO Financial the right to recover any amounts already paid before the date of such amendment or Plan termination (other than amounts paid in error).

## **Other Information**

### **Type of Plan**

The Plan is an employee welfare benefit plan providing supplemental unemployment and severance benefits.

### **Employer Identification Number of Plan Sponsor**

36-2085229

### **Plan Number**

511

**Plan Sponsor and Participating Employers**

BMO Financial Corp.

c/o Benefits Planning Division 111 West Monroe Street, 7W Chicago, Illinois 60690-0755

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.

**Plan Administrator and Agent for Service of Legal Process**

BMO Financial Corp. Benefits Planning Division

Benefits Administration Committee 111 West Monroe Street, 7W

P.O. Box 755

Chicago, Illinois 60690-0755

312-461-5182

**Legal process also may be served upon the Trustee.**

**Plan Funding**

The Plan is funded through the BMO U.S. Supplemental Unemployment Benefit Trust. Certain severance benefits are paid directly from the general assets of BMO. All Excess Plan benefits are paid directly from the general assets of BMO.

**Plan Year**

The Plan Year is the calendar year (i.e., January 1 through December 31).

**Trustee's Name and Address**

Mellon Bank, NA One Mellon Center

Pittsburgh, PA 15258-0001

**How To Get More Information**

If you need additional information or have any questions about your Plan benefits, call the Human Resources Centre (HRC) at 1-888-927-7700.