<u>1ST SUPPLEMENT</u> **Dated August 25, 2026**

U.S.$40,000,000,000

NOTE ISSUANCE PROGRAMME

This 1st supplement (the "**1st Supplement**") to the prospectus dated June 26, 2026, (the "**Prospectus**"), which comprises (i) a base prospectus in respect of all Notes other than Exempt Notes (for the purposes of PRM 2.3) and (ii) admission particulars in respect of ISM Notes (for the purposes of the ISM Rulebook), for Bank of Montreal (the "**Bank**"), constitutes a supplementary prospectus for the purposes of PRM 10.1 and supplementary admission particulars in respect of the admission particulars for the purposes of the ISM Rulebook, and is prepared in connection with the U.S.$40,000,000,000 Note Issuance Programme (the "**Programme**") established by the Bank. When used in this 1st Supplement, "**PRM**" means the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook, made in accordance with the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**").

Terms defined in the Prospectus have the same meanings when used in this 1st Supplement. This 1st Supplement is supplemental to and shall be read in conjunction with the Prospectus and any other supplements thereto issued by the Bank from time to time.

This 1st Supplement has been approved as a supplementary prospectus to a base prospectus by the Financial Conduct Authority in accordance with the rules in the PRM made pursuant to its rule-making powers under the POATRs. The Financial Conduct Authority only approves this 1st Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the rules in the PRM, and such approval should not be considered as an endorsement of the Bank that is the subject of this 1st Supplement. Investors should make their own assessment as to the suitability of investing in such Notes.

The Bank accepts responsibility for the information in this 1st Supplement. To the best of the knowledge of the Bank, the information contained in this 1st Supplement is in accordance with the facts and this 1st Supplement makes no omission likely to affect its import.

The purpose of this 1st Supplement is to update certain sections of the Prospectus to address certain changes to the "hybrid mismatch rules" contained in the *Income Tax Act* (Canada), as announced by the Department of Finance (Canada) on July 23, 2026.

To the extent that there is any inconsistency between (a) any statement in this 1st Supplement or any statement incorporated by reference into the Prospectus by this 1st Supplement; and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this 1st Supplement, no significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus, which is capable of affecting the assessment of Notes issued under the Programme has arisen or been noted, as the case may be, since the publication of the Prospectus.

AMENDMENTS TO THE PROSPECTUS FOLLOWING FURTHER REVISIONS TO AMEND THE "HYBRID MISMATCH RULES" CONTAINED IN THE *INCOME TAX ACT* (CANADA)

In light of the further amendments to the "hybrid mismatch rules" of the *Income Tax Act (Canada)* which were announced by the Department of Finance (Canada) on July 23, 2026, the following disclosure is amended in the Prospectus:

(a) Under the section "**RISK FACTORS ─ 6. Risks related to the Notes generally**" commencing on page 58 of the Prospectus, the third, fourth and fifth paragraphs of the risk factor entitled "**Change of tax law**" on page 61 of the Prospectus shall be deleted in their entirety.

(b) Under the section "**TERMS AND CONDITIONS OF THE NOTES – Redemption and Purchase**" of the Prospectus, both paragraphs under Condition 5(b) entitled "**Early Redemption for Tax Reasons**" commencing on page 206 of the Prospectus shall be deleted and replaced by the following:

> "(A) If, (i) as a result of any change in the federal laws of Canada or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax or, in the case of Senior Notes whose Branch of Account (as defined below) is located outside Canada, of the country in which such branch is located or any political division thereof or any authority or agency therein or thereof having power to tax, or any change in the interpretation or administration of any such laws, which change becomes effective on or after the latest Issue Date of the Notes of this Series, the Bank would, on the occasion of the next payment due in respect of the Notes of this Series, be required to pay additional amounts as provided in Condition 9, (ii) such obligation cannot be avoided by the Bank taking reasonable measures available to it (which, for the avoidance of doubt, does not include substitution of the obligor under the Notes) and (iii) such circumstances are evidenced by the delivery to the Agent or the CMU Lodging and Paying Agent (as the case may be) of a certificate signed by two senior officers of the Bank stating that said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that said circumstances prevail, or (B) in the case of Subordinated Notes only, following the occurrence of a Tax Event, the Bank may at its option, having given not more than the maximum period nor less than the minimum period of notice specified in the applicable Final Terms to the Agent or the CMU Lodging and Paying Agent (as the case may be) and, in accordance with Condition 14, to the holders of the Notes of this Series, at any time or, if the Notes of this Series bear interest at a floating rate, on any Interest Payment Date redeem all, but not some only, of the Notes of this Series each at its Early Redemption Amount, together, if appropriate, with interest accrued to, but excluding, the date of redemption; provided further that in respect of Subordinated Notes, or in the case of Bail-inable Notes, where the redemption would lead to a breach of the Bank's minimum total loss absorbing capacity ("**TLAC**") requirements, such redemption will be subject to the prior approval of the Superintendent. Upon the expiry of the aforementioned notice, the Bank shall be bound to redeem the Notes of this Series accordingly.
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> For the purposes of this Condition 5(b), "**Tax Event**" means the Bank has received an opinion of independent counsel of nationally recognised standing experienced in such matters to the effect that, as a result of, (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada, or any political

subdivision or taxing authority thereof or therein or, in the case of Notes issued by a branch of the Bank outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an "**administrative action**"); or (iii) any amendment to, clarification of, or change (including any announced prospective change) in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of cases (i) to (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the Issue Date of the Subordinated Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable) that the Bank is, or may be, subject to more than a de minimis amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid up capital with respect to the Subordinated Notes (including the treatment by the Bank of interest on the Subordinated Notes) or the treatment of the Subordinated Notes, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority."

(c) Under the section "**TERMS AND CONDITIONS OF THE NOTES**" on pages 142 to 231 of the Prospectus, under Condition 9 entitled "**Taxation**" commencing on page 222 of the Prospectus:

(i) Condition 9(vii) shall be deleted and replaced by the following:

"(vii) to, or to a third party on behalf of, a Noteholder or Couponholder who is liable to such taxes, duties, assessments or charges in respect of such Note or Coupon by reason of such Noteholder or Couponholder being an entity in respect of which the Bank is a "specified entity" as defined in the *Income Tax Act* (Canada);"; and

(ii) Condition 9(viii) shall be deleted in its entirety and the following sub-sections shall be renumbered accordingly.

(d) Under the section "**TAXATION**" of the Prospectus, the third paragraph under the section entitled "Canada" on page 271 of the Prospectus shall be deleted and replaced by the following:

"This summary is based upon the provisions of the Tax Act in force on the date hereof and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing by it prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all such Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation, which may differ from those discussed herein. Subsequent developments could have a material effect on the following description. This summary assumes that no interest paid on the Notes will be in respect of a debt or other obligation to pay an amount to a person with whom the Bank does not deal at arm's length, within the meaning of the Tax Act.".