

August 28, 2014

Sent by email

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Dear Sirs/Madams:

Re: BMO's Comments on proposed amendments To Form 58-101F1 *Corporate Governance Disclosure* of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (Proposed Amendments)

We are pleased to see the CSA's support for the advancement of women on Boards and in leadership positions among TSX listed issuers. At BMO, "Embrace Diversity" is not simply an organizational value; it is a set of behaviours that our people live every day. We are committed to improving the diversity of our workforce, the inclusion of our workplace, and the ability to anticipate and meet the needs of a diverse marketplace. BMO was an early signatory of the *Catalyst Accord* calling for the overall proportion of women in FP500 corporate board seats to increase to 25% by 2017. More recently, BMO's Board of Directors adopted a Board diversity policy which includes the goal that each gender will comprise no less than 1/3 of the independent directors on the Board.

Overall we agree with the Proposed Amendments and believe these disclosure requirements will encourage issuers to establish diversity policies and demonstrate how they will achieve their goals. In particular, we support of the "comply or explain" approach adopted in the Proposed Amendments.

We have specific comments on the following:

1. Subsidiaries (Section 15(b))

We believe the requirement to include the number of women executive officers of the issuer, who are at a subsidiary level, will not result in meaningful reporting. Many issuers, like BMO, have hundreds of subsidiaries of varying sizes and in multiple jurisdictions. Many of these subsidiaries are non-operating

entities. Due to their small size, many “executive officers” of a subsidiary may not be senior leaders of the issuer, notwithstanding having the title or function at the subsidiary level. Including these positions as part of the disclosure requirements, may result in an inaccurate understanding of the level of diversity at the issuer level. Further, in some cases senior leaders of the issuer may be executive officers of both a subsidiary and the issuer, which could result in double-counting.

2. Definition of Executive Officer

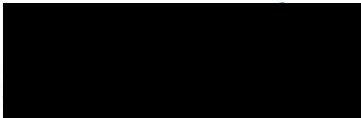
We believe only using the proposed definition of “executive officer” is too narrow to demonstrate the proportion of women in senior positions, in relation to the whole organization. At BMO we have set goals and publicly report on the number of women in senior positions. In reporting these numbers we include senior management positions to demonstrate the diversity of women at the leadership level. Further, at BMO we believe it is important to track and to disclose the number of women in senior management positions to demonstrate the pipeline available for executive officer positions. For these reasons we believe the disclosure requirements should be expanded to include the pipeline of women available for executive officer roles and that the issuer be permitted to articulate what positions or roles they have used in defining the pipeline.

3. Addressing Diversity More Broadly

We believe that advancing other aspects of diversity is equally important. We believe the CSA should expand the scope of the Proposed Amendments from gender diversity to diversity more broadly. BMO’s Board diversity policy includes a range of criteria including gender, age, ethnicity and geographic background.

We believe the Proposed Amendments are a positive step in advancing the position of women on Boards and senior leadership positions. We thank you for the opportunity to comment on this very important topic.

Sincerely,

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