

Bank of Montreal
Non-Cumulative 5-Year Rate Reset Class B Preferred Shares Series 46
(Non-Viability Contingent Capital (NVCC))
April 8th, 2019

The Preferred Shares will be offered by way of a prospectus supplement in all of the provinces and territories of Canada. A prospectus supplement containing important information relating to the Preferred Shares has not yet been filed with the applicable Canadian securities regulatory authorities. A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed is required to be delivered with this document. This term sheet does not provide full disclosure of all material facts relating to the Preferred Shares. Investors should read the final base shelf prospectus, any amendment and any applicable prospectus supplement, for disclosure of those facts, especially risk factors relating to the Preferred Shares, before making an investment decision.

Terms and Conditions

- Issuer:** Bank of Montreal (the “Bank”)
- Issue:** Treasury offering of 10,000,000 Non-Cumulative 5-Year Rate Reset Class B Preferred Shares Series 46 (Non-Viability Contingent Capital (NVCC)) (the “Preferred Shares Series 46”).
- Issue Size:** \$250,000,000
- Underwriters’ Option:** The Bank has granted the underwriters an option exercisable at the Issue Price (as defined below), in whole or in part, up to 48 hours prior to the closing of the offering to purchase up to an additional 2,000,000 Preferred Shares Series 46.
- Issue Price:** \$25.00 per Preferred Share Series 46 (the “Issue Price”).
- Initial Dividend Rate:** 5.10% per annum, payable quarterly for the Initial Fixed Rate Period (as defined below).
- Dividends:** Initial Fixed Rate Period:
- Fixed, non-cumulative, preferential cash dividends payable quarterly on the 25th day of February, May, August, and November at an annual rate of \$1.2750 per Preferred Share Series 46, for the initial period from and including the closing date to, but excluding, May 25, 2024 (the “Initial Fixed Rate Period”). The first of such dividends, if declared, shall be payable on August 25, 2019 and shall be \$0.45411 per Preferred Share Series 46 based on the anticipated closing of the treasury offering of the Preferred Shares Series 46 on April 17th, 2019.

Subsequent Fixed Rate Periods:

- For every five-year period after the Initial Fixed Rate Period (a “Subsequent Fixed Rate Period”), the Bank will determine on the 30th day prior to the first day of a Subsequent Fixed Rate Period, the annual fixed dividend rate applicable to that Subsequent Fixed Rate Period (the “Annual Fixed Dividend Rate”).
- The Annual Fixed Dividend Rate will be equal to the 5-Year Government of Canada Bond Yield (“GCAN5YR”) as quoted on Bloomberg (see quote for “GCAN5YR <INDEX>”) or comparable sources at 10:00 a.m. (Toronto time) on the 30th day prior to the first day of a Subsequent Fixed Rate Period plus 3.51%.

- Fixed, non-cumulative, preferential cash dividends payable quarterly on the 25th day of February, May, August, and November, based on the Annual Fixed Dividend Rate.

General:

- If the board of directors of the Bank (the “Board of Directors”) does not declare the dividends, or any part thereof, on the Preferred Shares Series 46 on or before the dividend payment date for a particular quarter, then the entitlement of the holders of the Preferred Shares Series 46 to receive such dividends, or to any part thereof, for such quarter shall be forever extinguished.

Conversion:

Election to Convert:

- On May 25, 2024 and on May 25 every five years thereafter (the “Series 46 Conversion Date”), the holders of Preferred Shares Series 46 will have the right to elect to convert (subject to the Automatic Conversion provision described below) any or all of their Preferred Shares Series 46 into an equal number of Non-Cumulative Floating Rate Class B Preferred Shares Series 47 (Non-Viability Contingent Capital (NVCC)) (the “Preferred Shares Series 47”). Should any such May 25 not be a business day, the Series 46 Conversion Date will be the next succeeding business day.

Election Notice:

- Holders of Preferred Shares Series 46 who elect to convert their Preferred Shares Series 46 into Preferred Shares Series 47 on the Series 46 Conversion Date are required to provide the Bank with written notice (an “Election Notice”) on a date not earlier than the 30th day and not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series 46 Conversion Date. Once received by the Bank, an Election Notice is irrevocable.

Automatic Conversion:

- If the Bank determines that after giving effect to any Election Notices received by the Bank during the time fixed therefor there would be less than 1,000,000 Preferred Shares Series 46 issued and outstanding on the applicable Series 46 Conversion Date, then all of the issued and outstanding Preferred Shares Series 46 will automatically be converted on such Series 46 Conversion Date into an equal number of Preferred Shares Series 47 (an “Automatic Conversion”).
- Holders of Preferred Shares Series 46 will not be entitled to convert their shares into Preferred Shares Series 47 if the Bank determines that there would remain outstanding on a Series 46 Conversion Date less than 1,000,000 Preferred Shares Series 47, after having taken into account all Preferred Shares Series 46 tendered for conversion into Preferred Shares Series 47 and all Preferred Shares Series 47 tendered for conversion into Preferred Shares Series 46.

Notice of Series 46 Conversion Date and next Annual Fixed Dividend Rate:

- Notice of a Series 46 Conversion Date and a form of Election Notice will be given by the Bank at least 30 days and not more than 60 days prior to the

Series 46 Conversion Date.

- Notice of the Annual Fixed Dividend Rate for the upcoming Subsequent Fixed Rate Period will be provided by the Bank on the 30th day prior to each Series 46 Conversion Date.

Not electing to convert and continuing to hold Preferred Shares Series 46:

- If the Bank does not receive an Election Notice from a holder of Preferred Shares Series 46 during the time fixed therefor, then the Preferred Shares Series 46 shall be deemed not to have been converted (except in the case of an Automatic Conversion).

Redemption for Cash:

The Preferred Shares Series 46 will not be redeemable prior to May 25, 2024. Subject to the provisions of the Bank Act (Canada) (the "Bank Act"), the prior consent of the Superintendent of Financial Institutions (Canada) (the "Superintendent") and to the provisions in the short form base shelf prospectus and prospectus supplement, on May 25, 2024 and on May 25 every five years thereafter, on not more than 60 nor less than 30 days' notice, the Bank may, at its option, redeem all or any number of the then outstanding Preferred Shares Series 46 upon payment in cash for each Preferred Share Series 46 so redeemed of an amount equal to \$25.00 per Preferred Share Series 46 together with all declared and unpaid dividends to the date fixed for redemption. Should any such May 25 not be a business day, the redemption date in that year will be the next succeeding business day.

Purchase for Cancellation:

Subject to the provisions of the Bank Act and the consent of the Superintendent and to the provisions in the short form base shelf prospectus and prospectus supplement, the Bank will be entitled to purchase Preferred Shares Series 46 for cancellation by private contract or in the market or by tender, at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable.

NVCC Contingent Conversion:

If a Trigger Event (as defined below) were to occur, all of the then outstanding Preferred Shares Series 46 will be automatically exchanged, without the consent of the holders, for newly issued fully-paid and freely-tradable common shares of the Bank (the "**Common Shares**"), the number of which to be determined in accordance with the Contingent Conversion Formula (defined below); rounding down, if necessary, to the nearest whole number of Common Shares, such conversion being referred to herein as the "**Contingent Conversion**". Fractions of Common Shares will not be issued or delivered pursuant to a Contingent Conversion and no cash payment will be made in lieu thereof.

A **Trigger Event** has the meaning set out in the Office of the Superintendent of Financial Institutions Canada ("OSFI"), Guideline for Capital Adequacy Requirements (CAR), Chapter 2 - Definition of Capital, effective November 2018, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

1. the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion or write-off, as applicable, of all contingent instruments issued by the Bank and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or

2. a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

NVCC Contingent Conversion Formula: The “**Contingent Conversion Formula**” is $(\text{Multiplier} \times \text{par amount of } \$25.00 \text{ together with all declared but unpaid dividends thereon}) \div \text{Conversion Price} = \text{number of Common Shares into which Preferred Shares Series 46 are converted upon a Trigger Event.}$

- The “**Multiplier**” is 1.0.
- “**Common Share VWAP**” means the volume-weighted average trading price of the Common Shares of the Bank on the Toronto Stock Exchange (the “**TSX**”) or, if not then listed on that exchange, on another exchange or market chosen by the Board of Directors on which Common Shares are then traded, for the 10 consecutive trading days ending on the trading day immediately prior to the date on which the Trigger Event occurs (with the Contingent Conversion occurring as of the start of business on the date on which the Trigger Event occurs). If no such trading prices are available, “**Common Share VWAP**” shall be the Conversion Price Floor.
- “**Conversion Price Floor**” means \$5.00, subject to adjustment.
- “**Conversion Price**” shall be the greater of: (i) the Conversion Price Floor; and (ii) the Common Share VWAP.

Prohibited Owners: The Preferred Shares Series 46 will contain provisions that will provide mechanics to address holders of Preferred Shares Series 46 that are prohibited pursuant to legislation governing the Bank from acquiring Common Shares upon a Trigger Event which will allow such holders to continue to receive the economic benefits derived from the Common Shares and allow such holders to transfer their entitlements to persons that are permitted to own Common Shares and allow such persons to thereafter receive direct ownership of the Common Shares.

Rights on Liquidation: In the event of the liquidation, dissolution or winding-up of the Bank, where a Trigger Event has not occurred, the holders of the Preferred Shares Series 46 will be entitled to receive \$25.00 per share together with all dividends declared and unpaid to the date of payment before any amount will be paid or any assets of the Bank distributed to the holders of any shares ranking junior to the Class B preferred shares. The holders of the Preferred Shares Series 46 will not be entitled to share in any further distribution of the property or assets of the Bank.

If a Trigger Event has occurred, the rights on liquidation described above will not be relevant since all Preferred Shares Series 46 will have been converted into Common Shares which will rank on parity with all other Common Shares of the Bank.

Expected Ratings: S&P: P-2 (low)
DBRS: Pfd-2
Moody's: Baa3 (hyb)

Priority: Each series of Class B preferred shares of the Bank will rank on a parity with every other series and are entitled to preference over the Common Shares and over any other shares of the Bank ranking junior to the preferred shares with respect to the payment of dividends and upon any distribution of assets in the event of the liquidation, dissolution or winding-up of the Bank.

If a Trigger Event occurs, the priority of the Preferred Shares Series 46 described above will not be relevant since all Preferred Shares Series 46 will be converted into Common Shares which will rank on parity with all other Common Shares of the Bank.

- Use of Proceeds:** The net proceeds from the offering will be used by the Bank for general banking purposes.
- Voting:** Subject to the provisions of the Bank Act, the holders of Preferred Shares Series 46 will not be entitled as such to receive notice of, attend, or vote at, any meeting of the shareholders of the Bank unless and until the first time at which the Board of Directors has not declared the whole dividend on the Preferred Shares Series 46 in any quarter. In that event, subject as hereinafter provided, the holders of Preferred Shares Series 46 will be entitled to receive notice of, and to attend, meetings of shareholders at which directors of the Bank are to be elected and will be entitled to one vote for each Preferred Share Series 46 held. The voting rights of the holders of the Preferred Shares Series 46 will forthwith cease upon payment by the Bank of the first dividend on the Preferred Shares Series 46 to which the holders are entitled thereunder subsequent to the time such voting rights first arose until such time as the Bank may again fail to declare the whole dividend on the Preferred Shares Series 46 in respect of any quarter, in which event such voting rights will become effective again and so on from time to time.
- Eligibility:** Eligible for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, and, provided that the Preferred Shares Series 46 are listed on a designated stock exchange under the *Income Tax Act* (Canada) (such as the TSX).
- Listing:** An application will be made to list the Preferred Shares Series 46 on the TSX.
- Form of Offering:** Bought deal by way of a prospectus supplement to be filed in all provinces and territories of Canada.
- Tax on Preferred Shares Series 46:** The Bank will elect to pay tax under Part VI.1 of the *Income Tax Act* (Canada) such that no tax under Part IV.1 of such Act will be payable by the holders.
- Closing:** On or about April 17th, 2019.

Bank of Montreal
Non-Cumulative Floating Rate Class B Preferred Shares Series 47
(Non-Viability Contingent Capital (NVCC))
April 8th, 2019

The Preferred Shares will be offered by way of a prospectus supplement in all of the provinces and territories of Canada. A prospectus supplement containing important information relating to the Preferred Shares has not yet been filed with the applicable Canadian securities regulatory authorities. A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed is required to be delivered with this document. This term sheet does not provide full disclosure of all material facts relating to the Preferred Shares. Investors should read the final base shelf prospectus, any amendment and any applicable prospectus supplement for disclosure of those facts, especially risk factors relating to the Preferred Shares, before making an investment decision.

Terms and Conditions

Issuer: Bank of Montreal (the “Bank”)

Issue: Non-Cumulative Floating Rate Class B Preferred Shares Series 47 (Non-Viability Contingent Capital (NVCC)) (the “Preferred Shares Series 47”)

Dividends: Quarterly Dividend Payments:

- Non-cumulative preferential cash dividends payable quarterly on the 25th day of February, May, August, and November (the “Quarterly Dividend Payment Date” and each period a “Quarterly Floating Rate Period”) at the Floating Quarterly Dividend Rate (as defined below) times \$25.00.

Floating Quarterly Dividend Rate:

- The Floating Quarterly Dividend Rate for a quarter will be equal to the 90-day Canadian Treasury Bill Rate (“T-Bill Rate”) plus 3.51%, on an actual/365 day count basis. The T-Bill Rate will be calculated using the 3-month average results, as reported by the Bank of Canada, for the most recent auction preceding the date on which the Floating Quarterly Dividend Rate for such quarter is determined. Auction results are posted on Reuters page BOCBILL.
- The Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period will be determined by the Bank 30 days prior to the first day of the Quarterly Floating Rate Period.

General:

- If the Board of Directors does not declare the dividends, or any part thereof, on the Preferred Shares Series 47 on or before the Quarterly Dividend Payment Date for a particular quarter, then the entitlement of the holders of the Preferred Shares Series 47 to receive such dividends, or to any part thereof, for such quarter shall be forever extinguished.

Conversion: Election to Convert:

- On May 25, 2029 and on May 25 every five years thereafter (the “Series 47 Conversion Date”), the holders of Preferred Shares Series 47 have the right to elect to convert (subject to the Automatic Conversion provision described below) any or all of their Preferred Shares Series 47 into an equal number of Non-Cumulative 5-Year Rate Reset Class B Preferred Shares Series 46

(Non-Viability Contingent Capital (NVCC)) (the “Preferred Shares Series 46”). Should any such May 25 not be a business day, the Series 47 Conversion Date in that year will be the next succeeding business day.

Election Notice:

- Holders of Preferred Shares Series 47 who elect to convert their Preferred Shares Series 47 into Preferred Shares Series 46 on the Series 47 Conversion Date are required to provide the Bank with written notice (an “Election Notice”) on a date not earlier than the 30th day and not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series 47 Conversion Date. Once received by the Bank, an Election Notice is irrevocable.

Automatic Conversion:

- If the Bank determines that after giving effect to any Election Notices received by the Bank during the time fixed therefor there would be less than 1,000,000 Preferred Shares Series 47 issued and outstanding on the applicable Series 47 Conversion Date, then all of the issued and outstanding Preferred Shares Series 47 will automatically be converted on such Series 47 Conversion Date into an equal number of Preferred Shares Series 46 (“Automatic Conversion”).
- Holders of Preferred Shares Series 47 will not be entitled to convert their shares into Preferred Shares Series 46 if the Bank determines that there would remain outstanding on a Series 47 Conversion Date less than 1,000,000 Preferred Shares Series 46, after having taken into account all Preferred Shares Series 47 tendered for conversion into Preferred Shares Series 46 and all Preferred Shares Series 46 tendered for conversion into Preferred Shares Series 47.

Notice of Series 47 Conversion Date and next Annual Fixed Dividend Rate:

- Notice of a Series 47 Conversion Date and a form of Election Notice will be given by the Bank at least 30 days and not more than 60 days prior to the Series 47 Conversion Date.
- Notice of the annual fixed dividend rate on the Preferred Shares Series 46 (the “Annual Fixed Dividend Rate”) for the upcoming five-year period, after the initial period from and including the closing date to, but excluding, May 25, 2024, and each five year period thereafter, (each a “Subsequent Fixed Rate Period”) will be provided by the Bank on the 30th day prior to each Series 47 Conversion Date.

Not electing to convert and continuing to hold Preferred Shares Series 47:

- If the Bank does not receive an Election Notice from a holder of Preferred Shares Series 47 during the time fixed therefor, then the Preferred Shares Series 47 shall be deemed not to have been converted (except in the case of an Automatic Conversion).

Redemption for Cash:

Subject to the provisions of the Bank Act (Canada) (the “Bank Act”), the prior consent of the Superintendent of Financial Institutions (Canada) (the “Superintendent”) and to the provisions in the short form base shelf prospectus and prospectus supplement, on May 25, 2029 and on May 25 every five years thereafter, on not more than 60 nor less than 30 days’ notice, the Bank may, at its option, redeem all or any number of the then outstanding Preferred Shares Series 47 upon

payment in cash for each Preferred Share Series 47 so redeemed of an amount equal to \$25.00 per Preferred Share Series 47 together with all declared and unpaid dividends to the date fixed for redemption. Subject to the provisions of the Bank Act, the prior consent of the Superintendent and to the provisions in the short form base shelf prospectus and prospectus supplement, on any other date after May 25, 2024 that is not a Series 47 Conversion Date, on not more than 60 nor less than 30 days' notice, the Bank may, at its option, redeem all or any part of the then outstanding Preferred Shares Series 47 upon payment in cash for each Preferred Share Series 47 so redeemed of an amount equal to \$25.50 per Preferred Share Series 47 together with all declared and unpaid dividends to the date fixed for redemption. Should any such May 25 not be a business day, the redemption date in that year will be the next succeeding business day.

Purchase for Cancellation:

Subject to the provisions of the Bank Act, the consent of the Superintendent and to the provisions in the short form base shelf prospectus and prospectus supplement, the Bank will be entitled to purchase Preferred Shares Series 47 for cancellation by private contract or in the market or by tender, at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable.

NVCC Contingent Conversion:

If a **Trigger Event** (as defined below) were to occur, all of the then outstanding Preferred Shares Series 47 will be automatically exchanged, without the consent of the holders, for newly issued fully-paid and freely-tradable common shares of the Bank (the "**Common Shares**"), the number of which to be determined in accordance with the Contingent Conversion Formula (defined below) rounding down, if necessary, to the nearest whole number of Common Shares, such conversion being referred to herein as the "**Contingent Conversion**". Fractions of Common Shares will not be issued or delivered pursuant to a Contingent Conversion and no cash payment will be made in lieu thereof.

A **Trigger Event** has the meaning set out in the Office of the Superintendent of Financial Institutions Canada ("OSFI"), Guideline for Capital Adequacy Requirements (CAR), Chapter 2 - Definition of Capital, effective November 2018, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

1. the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion or write-off, as applicable, of all contingent instruments issued by the Bank and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or
2. a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

NVCC Contingent Conversion Formula:

The "**Contingent Conversion Formula**" is $(\text{Multiplier} \times \text{par amount of } \$25.00 \text{ together with all declared but unpaid dividends thereon}) \div \text{Conversion Price} = \text{number of Common Shares into which Preferred Shares Series 47 are converted upon a Trigger Event.}$

- The "**Multiplier**" is 1.0.

- **“Common Share VWAP”** means the volume-weighted average trading price of the Common Shares of the Bank on the Toronto Stock Exchange (the **“TSX”**) or, if not then listed on that exchange, on another exchange or market chosen by the Board of Directors on which Common Shares are then traded, for the 10 consecutive trading days ending on the trading day immediately prior to the date on which the Trigger Event occurs (with the Contingent Conversion occurring as of the start of business on the date on which the Trigger Event occurs). If no such trading prices are available, **“Common Share VWAP”** shall be the Conversion Price Floor.
- **“Conversion Price Floor”** means \$5.00, subject to adjustment.
- **“Conversion Price”** shall be the greater of: (i) the Conversion Price Floor; and (ii) the Common Share VWAP.

Prohibited Owners: The Preferred Shares Series 47 will contain provisions that will provide mechanics to address holders of Preferred Shares Series 47 that are prohibited pursuant to legislation governing the Bank from acquiring Common Shares upon a Trigger Event which will allow such holders to continue to receive the economic benefits derived from the Common Shares and allow such holders to transfer their entitlements to persons that are permitted to own Common Shares and allow such persons to thereafter receive direct ownership of the Common Shares.

Rights on Liquidation: In the event of the liquidation, dissolution or winding-up of the Bank, where a Trigger Event has not occurred, the holders of the Preferred Shares Series 47 will be entitled to receive \$25.00 per share together with all dividends declared and unpaid to the date of payment before any amount will be paid or any assets of the Bank distributed to the holders of any shares ranking junior to the Preferred Shares Series 47. The holders of the Preferred Shares Series 47 will not be entitled to share in any further distribution of the property or assets of the Bank.

If a Trigger Event has occurred, the rights on liquidation described above will not be relevant since all Preferred Shares Series 47 will have been converted into Common Shares which will rank on parity with all other Common Shares of the Bank.

Priority: Each series of Class B preferred shares of the Bank will rank on a parity with every other series and are entitled to preference over the Common Shares and over any other shares of the Bank ranking junior to the Class B preferred shares with respect to the payment of dividends and upon any distribution of assets in the event of the liquidation, dissolution or winding-up of the Bank.

If a Trigger Event occurs, the priority of the Preferred Shares Series 47 described above will not be relevant since all Preferred Shares Series 47 will be converted into Common Shares which will rank on parity with all other Common Shares of the Bank.

Voting: Subject to the provisions of the Bank Act, the holders of Preferred Shares Series 47 will not be entitled as such to receive notice of, attend, or vote at, any meeting of the shareholders of the Bank unless and until the first time at which the Board of Directors has not declared the whole dividend on the Preferred Shares Series 47 in any quarter. In that event, subject as hereinafter provided, the holders of Preferred Shares Series 47 will be entitled to receive notice of, and to attend, meetings of shareholders at which directors of the Bank are to be elected and will be entitled to one vote for each Preferred Share Series 47 held. The voting rights of the holders of the Preferred Shares Series 47 will forthwith cease upon payment by the Bank of the first dividend on the Preferred Shares Series 47 to which the holders are entitled thereunder subsequent to the time such voting rights first arose until such time as the Bank may again fail to declare the whole dividend on the Preferred Shares

Series 47 in respect of any quarter, in which event such voting rights will become effective again and so on from time to time.

Listing:

An application will be made to list the Preferred Shares Series 47 on the TSX.

**Tax on Preferred
Shares Series 47:**

The Bank will elect to pay tax under Part VI.1 of the Income Tax Act (Canada) such that no tax under Part IV.1 of such Act will be payable by the holders.