Your guide to understanding the

BMO Non-Qualified Savings Plan

What's inside

- How the Non-Qualified Savings Plan works
- Participating in the plan
- Short-term incentive deferral considerations
- Plan administration details
- Frequently asked questions

Partnering with BMO to build financial security

BMO offers a competitive retirement program that provides various ways to save, including the **Non-Qualified Savings Plan**.

A non-qualified savings plan is a type of tax-deferred, employer-sponsored retirement plan. It provides eligible employees with additional options and tax benefits for retirement savings that cannot be contributed to a qualified retirement plan due to IRS limits on pay.

Click on **this marker** throughout this guide for more information.

This guide is intended for U.S. employees whose pay may exceed the amount of pay that is eligible for the 401(k) Savings Plan.

You should make an election if you would like to contribute pay to the plan, even if you are unsure of your pay for next year. However, if your actual pay doesn't exceed the **IRS pay limit**, you will not participate in the plan, even if you make an election. Learn more about making an election on page 2.

This interactive magazine provides an overview of the plan and its advantages. If you have questions that are not answered in this document, please see page 12 for additional resources.

How the Non-Qualified Savings Plan works

The Non-Qualified Savings Plan supplements the qualified 401(k) Savings Plan.

The IRS caps the amount of annual pay that is considered **eligible pay** for the 401(k) Savings Plan, which limits the contributions you and BMO can make each year.

The Non-Qualified Savings Plan provides an annual opportunity for you and BMO to contribute to your retirement on **excess pay** that is over the **IRS contribution limit**.

With the Non-Qualified Savings Plan, you can:

- Contribute between 1% to 75% of your **eligible excess pay** before tax.
- Receive a **core contribution** from BMO equal to 2% of your excess pay.
- Earn a dollar-for-dollar **matching contribution** from BMO on your contributions up to 5% of your excess pay.

The chart on the following page outlines the differences between the 401(k) Savings Plan and the Non-Qualified Savings Plan.

How does your eligible pay affect your participation in the two plans? Have a look.

For more information about the 401(k) Savings Plan and how it works, visit BMO U.S. Benefits.

IMPORTANT: You are required to re-enroll every year.

What do I need to do during the election period?

- [ ] Review this interactive guide.
- [ ] Refer to the FAQs for additional details.
- [ ] Access the Non-Qualified Savings Plan enrollment site via Workday (please refer to the FAQs for detailed account access instructions):

    1. Make your 2025 personal contribution election.
    2. Make your 2025 account distribution election.
    3. Make your 2025 contribution investment election.
    4. Make your FY2025 STIP award deferral election.
    5. Submit your election.
    6. View and save/print a copy of your enrollment confirmation statement.

Plan eligibility

To elect to participate in the Non-Qualified Savings Plan you must be:

- Eligible to participate in the 401(k) Savings Plan; and
- Earn pay above the IRS limit that is considered eligible for the 401(k) Savings Plan.

Comparing the 401(k) Savings Plan and Non-Qualified Savings Plan

Qualified 401(k) Savings Plan		Non-Qualified Savings Plan
Apply	**IRS pay limits**	Do not apply
Start, change or stop your contribution rate at any time.	**When you elect to participate**	Once annually. Your contribution election cannot be changed outside of the election period.
Available	**Before-tax contributions**	Available
Available	**Roth after-tax contributions**	Not available
2% core and dollar-for-dollar matching contributions, from 1% to 5% of pay ***up to*** IRS pay limit.	**BMO's contributions**	2% core and dollar-for-dollar matching contributions, from 1% to 5% of excess pay **between** IRS pay limit and $500,000.
You choose among available investment funds.	**Investment options**	You choose among available investment funds.
Employee directed after termination of employment; mandatory minimum distribution required at age 73.	**Distribution options**	Employee directed during the election period (before contributions are made). Distributions begin following termination of employment based on your election. See page 7 for distribution options.
Available, subject to IRS guidelines.	**In-service loans and withdrawals**	No loans; withdrawals only in financial hardship.
Available upon termination of employment.	**Rollover to IRA or other qualified plan**	Not available
Only employee contributions are subject to **FICA taxes** (Social Security and Medicare) when contributed.	**Medicare taxation**	Employee contributions and vested company contributions are subject to current FICA (Social Security and Medicare) taxes when contributed.
Funded through a trust and not subject to claims of the company's creditors.	**Funding**	Funded in good faith by the company, but in the event of insolvency or bankruptcy, account may be subject to claims of the company's creditors.

Here's an example of how the 401(k) Savings Plan and Non-Qualified Savings Plan work together

Meet Jeff:

Jeff's annual pay is $460,000. Since the IRS pay limit for 401(k) Savings Plan contributions is $345,000 in 2024, this leaves him with $115,000 of excess pay. He already participates in the BMO 401(k) Savings Plan, contributing 5% of eligible pay, but wants to make sure he's taking full advantage of the retirement program. The Non-Qualified Savings Plan gives him an additional opportunity to save on his excess pay.

	401(k) Savings Plan	Non-Qualified Savings Plan
	Jeff's eligible pay is $345,000	Jeff's excess pay is $115,000
BMO's 2% core contribution	$6,900	$2,300
	+	+
Jeff's 5% contribution	$23,000*	$5,750
	+	+
BMO's 5% matching contribution	$17,250	$5,750
Total annual contributions	**$47,150**	**$13,800**

By participating in the Non-Qualified Savings Plan, Jeff will have a total annual savings of $60,950. The additional $5,750 Jeff contributes to the Non-Qualified Savings Plan is before-tax, which reduces his annual taxable income for the year.

* Jeff can continue to save up to the annual IRS contribution limit, even though his eligible pay has reached the IRS pay limit.

Participating in the plan

To participate in the Non-Qualified Savings Plan, each year you need to select the percentage of excess pay you'd like to contribute, between 1% to 75%. You must make an election by the deadline in order to participate. After the election period ends, your choice to participate, or not participate for the following year, is irrevocable.

Your contribution will apply to both base pay earned in the next calendar year **and** any STIP award earned in the next performance period or fiscal year. The election you make in 2024 will apply to your base pay in 2025 as well as your FY2025 bonus, regardless of when the bonus is paid (December 2025 or January 2026).

Things to consider

- Are you maximizing your opportunity in the qualified 401(k) Savings Plan.
- How much excess pay you'd like to contribute, knowing you cannot change your contribution amount until the next annual election period.
- Your short- and long-term financial needs.
- Your personal tax situation.
- Your investment portfolio.

A personal financial advisor or tax expert can help you decide how much to contribute and help you make decisions about your election.

Making contributions

Contributing your pay to the Non-Qualified Savings Plan is voluntary. To ensure you have an opportunity to contribute to the Non-Qualified Savings Plan, you should specify a contribution amount during the election period, even if you do not know whether your pay next year will exceed the 401(k) Savings Plan eligible amount. If your pay does not exceed the eligible amount, you will not participate in the Non-Qualified Savings Plan, even if you have elected a contribution amount.

Important: You are required to re-enroll every year if you wish to contribute.

Vesting

You are vested in BMO core contributions after three years of BMO service (including all prior service). Your personal contributions and BMO's matching contributions are vested immediately.

Remember, **if you have excess pay in a given calendar year, you'll receive the 2% core contribution from BMO,** even if you don't contribute pay into the Non-Qualified Savings Plan for that year.

Taxes

Income taxes on Non-Qualified Savings Plan contributions deducted from your pay and any BMO contributions are deferred until you receive your distribution from the plan. **You will pay current FICA taxes**, as applicable, on amounts you contribute to the plan at the time they are deducted from your pay. In addition, the value of the BMO matching contributions and vested core contributions will be included in your pay for FICA tax purposes at the time they are contributed to the Plan.

Investments

You can invest your Non-Qualified Savings Plan contributions in a variety of investment funds based on your risk level or target retirement date. If you do not choose an investment fund, your contributions will be invested in the BlackRock LifePath retirement fund nearest to the date you turn age 65. Please refer to the FAQs for an overview of the available investment funds.

While you can only choose a contribution amount during the election period, you can change how your contributions are invested or reallocate balances at any time.

Since investment performance is not guaranteed, you should contact a financial advisor if you have questions or need help selecting investments. Any investment gains or losses are not considered for income tax purposes until your money is distributed.

Distributions

When you elect to contribute to the Non-Qualified Savings Plan, you will also choose how your account balance will be paid when you leave the company. You can choose either:

- **Lump Sum:** You'll receive your full account balance in one payment made within 60 days following your retirement or other separation from BMO.
- **Installments:** You'll receive your full account balance in annual payments made over five or ten years. Payments will be made at the beginning of the calendar year following the year you retire or otherwise separate from BMO and every January thereafter.

If you do not make a distribution election, or if your vested account balance is less than $50,000 when you retire or otherwise leave BMO, you will receive your account balance in a lump sum. Your distributions cannot be rolled over to an IRA or other qualified retirement plan.

Account information

Visit empower.com/BMO401k where you can view real-time data on your account holdings, generate on-demand PDF statements and review past statements.

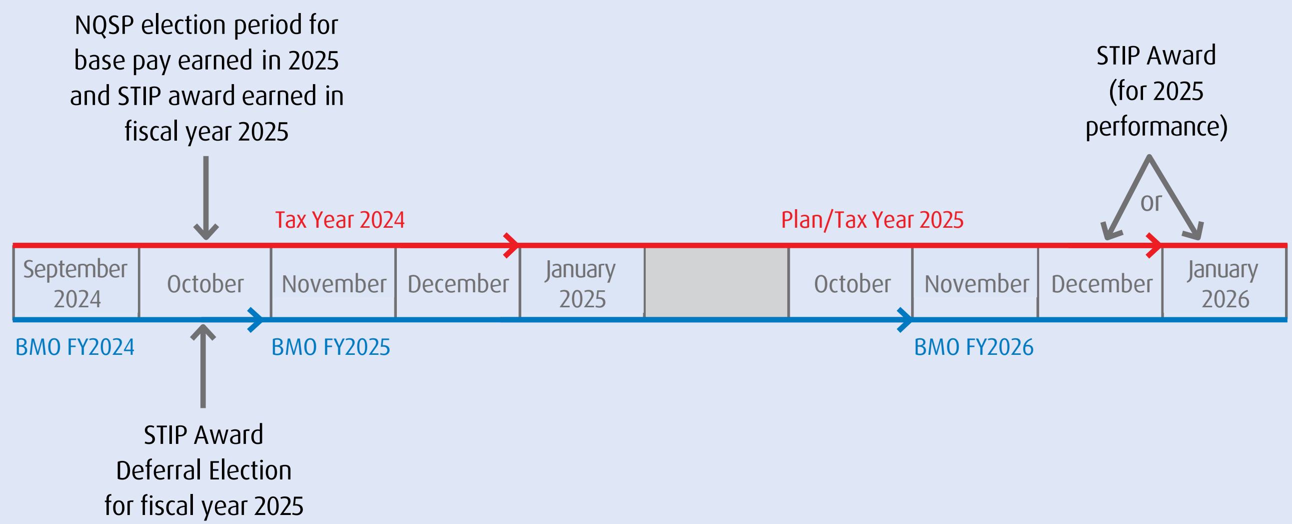
Short-term incentive deferral considerations

When you are choosing an amount to contribute to the Non-Qualified Savings Plan (NQSP), you need to consider how any Short-Term Incentive Pay (STIP) award you receive may affect your eligibility for the Plan.

Each year, you can choose to defer payment of your STIP award to the following January. This deferral election typically happens in April.

However, if you choose to participate in the Non-Qualified Savings Plan, you must decide whether or not to defer your STIP award for the following year at the same time you elect a contribution amount, per IRS regulations. Therefore, your STIP award deferral election period occurs in October 2024, rather than April 2025. Once you make an election, you cannot change it in April 2025.

Here's a look at a timeline showing key election dates



Your STIP award deferral election has tax and excess pay implications, which may affect whether or not you are eligible to participate in the Non-Qualified Savings Plan in a given year. Before you decide when to receive your STIP award, it's important to consider these implications.

In October, when you elect to participate in the Non-Qualified Savings Plan, you also decide if you want to defer your STIP award payment, as it may affect the amount of any excess pay.

For example, during this election period you will need to decide whether to receive your 2025 STIP award in December 2025 or defer payment until January 2026.

Think about your base pay and STIP award. Let's see how the timing of your STIP award payment may affect your participation in the Non-Qualified Savings Plan. Remember, you participate in the Non-Qualified Savings Plan if your eligible pay exceeds the annual IRS pay limit.

If you ARE NOT considering changing the timing of your STIP award payment...

- Keeping a consistent STIP award payment month means that you will have one bonus that counts toward your eligible pay for the calendar year.
- Remember, once your eligible pay reaches the annual IRS pay limit, your excess pay up to $500,000 applies toward the Non-Qualified Savings Plan.
- With a STIP award paid in January, you are likely to reach the IRS pay limit earlier in the year. With a STIP award paid in December, you are likely to reach the IRS pay limit later in the year.
- See a detailed example.

If you ARE considering a change to the timing of your STIP award payment...

- Varying the timing of your STIP award payment from year to year means you may have years where you have two bonuses that count toward your eligible pay for a calendar year, or a year where you have no bonus paid during a calendar year.
- You should understand that this could have unexpected consequences, such as your eligible pay not reaching the annual IRS pay limit, or your pay going above $500,000.

If this is the first year you may be eligible to participate in the Non-Qualified Savings Plan:
Historically, you decided in April whether to defer your STIP. However, if you elect a contribution amount for the Non-Qualified Savings Plan, you now have to choose if you want to defer your STIP award earlier — in October of the preceding year.

Your Non-Qualified Savings Plan election each fall will apply to the STIP award you earn for the coming year's performance, even if you choose to defer your STIP award until January of the following year. This impacts how contributions accumulate in the Non-Qualified Savings Plan each year.

Meet Rachel, a BMO employee:

- Rachel is trying to decide if she wants to defer her STIP award until January of the following year.
- Let's see how the timing of Rachel's STIP award affects how she'll accrue in the Non-Qualified Savings Plan in 2025 and 2026.

Assumptions:

- IRS pay limit remains $345,000
- 401(k) Savings Plan contribution election: 8%
- 2024 Non-Qualified Savings Plan contribution election: N/A
- 2025 Non-Qualified Savings Plan contribution election: 8%
- 2026 Non-Qualified Savings Plan contribution election: 5%
- Base pay: $204,000
- STIP award: $350,000
- Total pay: $554,000

In this example, Rachel has elected to receive her STIP award payments in December:

	401(k) Savings Plan Eligible Pay	Non-Qualified Savings Plan Excess Pay	Rachel's Contributions	
	Base and STIP Award	Base and STIP Award	401(k) Savings Plan	Non-Qualified Savings Plan
2025				
January	$17,000	—	$1,360	—
February	$17,000	—	$1,360	—
March	$17,000	—	$1,360	—
April	$17,000	—	$1,360	—
May	$17,000	—	$1,360	—
June	$17,000	—	$1,360	—
July	$17,000	—	$1,360	—
August	$17,000	—	$1,360	—
September	$17,000	—	$1,360	—
October	$17,000	—	$1,360	—
November	$17,000	—	$1,360	—
December	$158,000	$155,000	$8,040	$12,400
TOTAL	**$345,000**	**$155,000**	**$23,000**	**$12,400**
2026				
January	$17,000	—	$1,360	—
February	$17,000	—	$1,360	—
March	$17,000	—	$1,360	—
April	$17,000	—	$1,360	—
May	$17,000	—	$1,360	—
June	$17,000	—	$1,360	—
July	$17,000	—	$1,360	—
August	$17,000	—	$1,360	—
September	$17,000	—	$1,360	—
October	$17,000	—	$1,360	—
November	$17,000	—	$1,360	—
December	$158,000	$155,000	$8,040	$7,750
TOTAL	**$345,000**	**$155,000**	**$23,000**	**$7,750**

When Rachel's bonus is paid in December, she reaches the IRS pay limit of $345,000, and then $155,000 of her bonus counts as excess pay under the Non-Qualified Savings Plan before she reaches the $500,000 pay limit under the Plan. Rachel's contribution to the Non-Qualified Savings Plan is greater in 2025 due to her 8% contribution election; in 2026 her contribution election is 5%.

In this example, Rachel has elected to receive her STIP award payments in January:

	401(k) Savings Plan Eligible Pay	Non-Qualified Savings Plan Excess Pay	Rachel's Contributions	
	Base and STIP Award	Base and STIP Award	401(k) Savings Plan	Non-Qualified Savings Plan
2025				
January	$345,000	$22,000	$23,000	$1,360
February	—	$17,000	—	$1,360
March	—	$17,000	—	$1,360
April	—	$17,000	—	$1,360
May	—	$17,000	—	$1,360
June	—	$17,000	—	$1,360
July	—	$17,000	—	$1,360
August	—	$17,000	—	$1,360
September	—	$14,000	—	$1,120
October	—	—	—	—
November	—	—	—	—
December	—	—	—	—
TOTAL	**$345,000**	**$155,000**	**$23,000**	**$12,000**
2026				
January	$345,000	$22,000	$23,000	$1,250
February	—	$17,000	—	$850
March	—	$17,000	—	$850
April	—	$17,000	—	$850
May	—	$17,000	—	$850
June	—	$17,000	—	$850
July	—	$17,000	—	$850
August	—	$17,000	—	$850
September	—	$14,000	—	$700
October	—	—	—	—
November	—	—	—	—
December	—	—	—	—
TOTAL	**$345,000**	**$155,000**	**$23,000**	**$7,900**

Because Rachel was not enrolled in the Non-Qualified Savings Plan for 2024, she cannot make a contribution from her FY2024 STIP Award paid in January 2025. Her 8% contribution applies to her $17,000 excess base pay only.

Even though Rachel elected a 5% Non-Qualified Savings Plan contribution for 2026, her 2025 plan year election of 8% still applies to her FY2025 STIP award paid in January 2026.

When Rachel's bonus is paid in January, she reaches the IRS pay limit of $345,000 right away. Then, her monthly base pay counts as excess pay under the Non-Qualified Savings Plan until it reaches $155,000. Rachel's contribution to the Non-Qualified Savings Plan is greater in 2025 due to her 8% contribution election; in 2026 her contribution election is 5%.

Plan administration details

Beneficiaries

You can make a beneficiary designation and you can change your beneficiaries at any time online. If you do not designate beneficiaries for the Non-Qualified Savings Plan, your beneficiaries will be deemed to be the same as you designated for your 401(k) Savings Plan account.

Security of funds

A Non-Qualified Savings Plan is not a qualified retirement plan. Your benefit is not protected by the Employee Retirement Income Security Act (ERISA) and could be subject to creditors in the unlikely event that the company goes into bankruptcy.

Benefits Administration Committee

Written request for withdrawals, claims or appeals can be submitted to:

BMO Financial Group
Benefits Administration Committee
Retirement Plans
320 South Canal Street, 7W
Chicago, IL 60606

Unforeseeable emergency

Withdrawals from the Non-Qualified Savings Plan are allowed only in the case of financial hardship. To be eligible for a withdrawal, you must demonstrate that you have an unforeseen, immediate and dire financial need resulting from an illness or accident, or similar extraordinary and unforeseeable circumstance arising from events beyond your control. Furthermore, you must demonstrate that you cannot satisfy the hardship through other financial sources, such as a commercial loan or liquidating other assets. The IRS imposes stricter standards for withdrawals from non-qualified savings plans than for qualified retirement plans.

Requests for withdrawals due to unforeseen emergencies can be submitted to the Benefits Administration Committee. If your request is approved, your contributions, and any matching contributions, may be suspended for the rest of the plan year. BMO's core contributions will continue.

Refer to the Plan Document for information about changing a prior distribution election, or account distribution in the event of your death, disability, change in control and other scenarios.

Administration and claims

The Benefits Administration Committee administers the plan. As plan administrator, the Committee formulates and carries out all rules necessary to operate the plan. The Committee makes decisions regarding the interpretation or application of plan provisions and determines all questions as to the rights, benefits and eligibility of employees, participants, and beneficiaries. The Committee has full authority to act in its discretion when carrying out the provisions of the plan. Any decision made by the Committee in good faith is final and binding on all parties.

If you or your beneficiary files a claim for benefits under a plan, such a claim must be in writing and filed with the plan administrator. If a claim is denied, the plan administrator, within 90 days after it receives the claim, will furnish the claimant with written notice of its decision, setting forth the specific reasons for the denial, references to the plan provisions on which the denial is based, additional information necessary to perfect the claim, if any, and a description of the procedure for review of the denial. If special circumstances require an extension of time for processing the claim, the initial 90-day period may be extended for an additional 90 days.

A claimant (or his or her duly authorized representative) may request a review of the denial of a claim for benefits by filing a written request with the plan administrator within 60 days after receiving such notice of the denial. Such a claimant is entitled to review pertinent plan documents and submit written issues and comments to the plan administrator. The plan administrator, within 60 days after it receives a request for review, will furnish the claimant with written notice of its decision, setting forth the specific reasons for the decision and references to the pertinent plan provision on which the decision is based. If special circumstances require an extension of time for processing the claim, the initial 60-day period may be extended for an additional 60 days.

The plan administrator's decision on all claims and appeals is final and binding, and benefits will be paid only if the plan administrator determines, in its discretion, that a participant or beneficiary is entitled to them. You may not file a lawsuit in federal court to enforce your rights under the plan until you have exercised, and exhausted, all administrative claim and appeal rights described in the plan document, and then, further legal action, if any, must be filed in a court of law no later than the deadline following the plan administrator's final decision regarding the claim.

Additional resources

Refer to the Frequently Asked Questions document, or contact Empower at **800-824-0040**.

- You will be prompted to enter your SSN and PIN (use the same PIN you use to access the 401(k) Savings Plan). If you forgot your PIN, follow the prompts to have it sent to you by text or email.
- Follow the menu prompts to be directly connected with a Non-Qualified Savings Plan Client Service Team member, Monday – Friday, 7 a.m. to 9 p.m. Central time or Saturday, 8 a.m. to 4:30 p.m. Central time.

About this eGuide

This document provides a high-level summary of the Non-Qualified Savings Plan that will be available to eligible employees of BMO in the U.S. Since the plan is not a qualified retirement plan, your benefit is not protected by the Employee Retirement Income Security Act (ERISA). The plan is funded in good faith by the company, but in the event of insolvency or bankruptcy, account may be subject to claims of the company's creditors. BMO reserves the right, in its sole discretion, to terminate, suspend, withdraw, amend or modify the plan at any time. If there is a difference between the information in this guide and the legal documents, the legal documents will govern in all cases.

October 2023

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Glossary

Core contribution

The contribution BMO makes to your Non-Qualified Savings Plan each pay period. This amount is equal to 2% of your excess pay.

Eligible excess pay

Pay that is used in determining the amount of your personal contributions under the Non-Qualified Savings Plan. Eligible excess pay includes the same components as excess pay, but excludes pay earned under a sales, incentive, or commission-based plan.

Eligible pay

Pay that is used in determining your contributions under the 401(k) Savings Plan. Where the plan is concerned, your eligible pay is your base annual pay, overtime, shift differential and any variable pay that is related to work performance that you receive while an "active" plan participant.

Excess pay

Pay that is used in determining eligibility and BMO's contributions under the Non-Qualified Savings Plan. Excess pay includes the same components as eligible pay but falls between the annual IRS pay limit and $500,000.

FICA taxes

Social security and Medicare payroll taxes collected under the authority of the Federal Insurance Contributions Act (FICA).

IRS contribution limit

The limit set by the IRS on the amount you can personally contribute to your 401(k) Savings Plan each year.

IRS pay limit

The IRS limits contributions to the 401(k) Savings Plan from both you and your employer when your annual pay exceeds a certain limit.

Matching contribution

BMO's match on the contributions you make to your Non-Qualified Savings Plan. BMO matches your contributions dollar-for-dollar on the first 1% to 5% of your excess pay you contribute to the plan.

Non-Qualified Savings Plan

Allows employees paid above the annual IRS pay limit to continue to save on a before-tax basis, and earn additional BMO company core and matching contributions on excess pay.

Vesting

Vesting means you've earned the right to receive your BMO core contribution when you retire or otherwise leave BMO for any reason.

Click the button to return to the last viewed page.

How your eligible pay affects your participation in the plan

If your pay exceeds the annual IRS pay limit in a given calendar year, you'll receive the core contribution from BMO in the Non-Qualified Savings Plan — even if you don't make an election to contribute to the Non-Qualified Savings Plan for that year.