

BMO GLOBAL SMALLER COMPANIES PLC (the “Company”)
Legal Entity Identifier: 2138008RRULYQP8VP386

3.5 per cent. Convertible Unsecured Loan Stock 2019

13 December 2018

Reminder to CULS Holders of Conversion Rights

The Company reminds holders (“**CULS Holders**”) of 3.5 per cent. Convertible Unsecured Loan Stock 2019 (“**CULS**”) constituted by the Trust Deed dated 30 July 2014 that they have the right to convert (“**Conversion Rights**”) the whole or such part (being an integral multiple of £1 nominal) of their CULS as they may specify into fully paid ordinary shares of 25p each in the capital of the Company (“**Ordinary Shares**”) at any time during the period of twenty-eight days ending on 31 January 2019 (the “**Conversion Date**”) in accordance with the terms of issue of the CULS which were set out in the prospectus of the Company dated 27 June 2014.

This announcement is issued by way of a reminder only and is not to be read as a recommendation to CULS Holders to exercise their Conversion Rights. You are not obliged to exercise your right to convert and if you do not convert on this occasion you will have one further opportunity to do so in July 2019. A reminder notice will be issued via RNS to CULS Holders who do not exercise their Conversion Rights in full on this occasion, to remind them of their right to convert at the last opportunity in July 2019.

Basis of Conversion

The number of Ordinary Shares to be issued by the Company on the exercise of a Conversion Right shall be determined by dividing the nominal amount of the CULS to be converted by the conversion price of 977.6970 pence. Fractions of Ordinary Shares will not be issued on the exercise of Conversion Rights, and no payment of cash or other adjustment will be made in lieu thereof.

Considerations for CULS Holders

Whether or not CULS Holders decide to convert their CULS will depend, among other things, on their own individual circumstances including their tax position. **Attention is also drawn to the current market value of the Ordinary Shares and to the net income position as illustrated below:**

Market Value: The market value of the Ordinary Shares into which the CULS would convert is currently lower than the market value of the CULS. By way of example, £1,000 nominal of CULS had a mid-market value of £1,360 as at 12 December 2018. £1000 nominal of CULS would convert into 102 Ordinary Shares, which would have had a mid-market value of approximately £1,341 on the same date. This would be £19 less than the mid-market value of CULS.

Income: Interest on the nominal value of the CULS is payable at the rate of 3.5% less United Kingdom income tax where applicable or any other deduction or withholding required by law. The current net dividend yield on the Ordinary shares into which they would convert is 1.1%. The net income position as a result of exercising or not exercising the CULS is therefore an important consideration.

Taxation: Stockholders are advised to consult their own professional advisors as to the tax implications of exercising or not exercising their conversion rights, as tax treatment will depend on individual circumstances

Note: The above analysis is based on the information set out in the Schedule to this announcement and does not take into account any tax which might be payable on CULS Holders' capital returns.

Conversion Procedures

CULS held in certificated form

Holders of CULS in certificated form should refer to the instructions on their CULS certificate(s). In order to exercise, in whole or part, the Conversion Rights which are conferred by any CULS held in certificated form, the CULS Holder must lodge the relevant CULS certificate(s) at the office of the Company's Registrar, Computershare Investor Services PLC, Corporate Actions Project, Bristol BS99 6AH by 5.00 p.m. on 31 January 2019, having completed and signed the notice of exercise of Conversion Rights thereon. If your CULS certificate has been lost, defaced or destroyed, please write to the Registrar at the above address, advising them of such loss and requesting them to send you a letter of indemnity for completion and return. A form of nomination, if required, should be requested

from the Registrar. Once lodged, a notice of exercise of Conversion Rights shall be irrevocable, save with the consent of the Company.

CULS held in uncertificated form

CREST members should refer to the CREST Manual for information on the CREST procedures and authentication required to effect conversion. The Conversion Rights which are conferred by any CULS held in uncertificated form shall be exercisable if an Uncertificated Conversion Notice is received by 2 p.m. on 31 January 2019. The prescribed form of Uncertificated Conversion Notice is an Unmatched Stock Event ("**USE**") instruction which, on settlement will have the effect of crediting a stock account of the Registrar in accordance with the details specified below. The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain the following details in addition to any other information required for settlement in CREST:

- (a) the nominal amount of CULS in respect of which Conversion Rights are being exercised;
- (b) the Participant ID of the CULS Holder: 0RA22;
- (c) the Member Account ID of the CULS Holder;
- (d) the Registrar's member account ID: FCGSC;
- (e) the corporate action number, which will be allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (f) the corporate action ISIN: GB00BNH7RK38; and
- (g) the intended settlement date: 31 January 2019.

The USE instruction should be input to settle by no later than 2 p.m. on 31 January 2019 in order to receive Ordinary Shares arising from conversion within 14 days thereafter. Once lodged, an Uncertificated Conversion Notice shall be irrevocable, save with the consent of the Company.

Issue of Ordinary Shares

Ordinary Shares arising on conversion will be sent in certificated form where CULS are held in certificated form, and un-certificated form where CULS are held in un-certificated form.

Ordinary Shares allotted pursuant to the exercise of Conversion Rights will be allotted not later than 14 days after, and with effect from, the Conversion Date.

Certificates for Ordinary Shares, and certificates for the balance of any CULS not converted, will be despatched to holder(s) in accordance with their instructions not later than 28 days after 31 January 2019.

The Registrar will instruct Euroclear to credit the Participant ID and Member ID Account as specified in validly received Uncertificated Conversion Notices with the number of Ordinary Shares arising on conversion, and the balance of any CULS not converted, not later than 14 days after and with effect from the Conversion Date.

In accordance with normal practice The Law Debenture Trust Corporation p.l.c. as trustee for holders of the CULS expresses no opinion as to the merits of exercising the right to convert CULS referred to in this notice. The Law Debenture Trust Corporation p.l.c. has however, authorised it to be stated that it has given its consent to the issue of this notice and has no objection to the information contained herein being presented to CULS Holders for their consideration.

Interest

Interest is due on the CULS issued by the Company for the six months to 31 January 2019. The payment will be made on 31 January 2019 to CULS Holders on the register on 4 January 2019 (whether or not such holders choose to exercise their Conversion Rights). The ex-dividend date is 3 January 2019.

Enquiries

If you have any queries regarding the above procedures, these should be referred to the Company's Registrar, Computershare Investor Services PLC, on 0370 889 4088 (from within the UK) or on +44 370 889 4088 (from outside the UK). This helpline is available between 9.00am and 5.30pm (UK time) Monday to Friday (except UK public holidays). Calls from outside the UK will be charged at international rates. Please note that calls may be monitored or recorded.

For and on behalf of BMO Global Smaller Companies PLC
13 December 2018

Schedule

The market prices of Ordinary Shares and CULS (as derived from the London Stock Exchange's Daily Official List) and Net Asset Value ("NAV") of the Ordinary Shares (derived from BMO) are as follows:

	Ordinary Share Price (p)	CULS 2019 Price [per £1 of nominal value] (p)	NAV (Diluted including income) per Ordinary share (p)
1 August 2018	1400	142	1455.2
3 September 2018	1480	142.5	1495.9
1 October 2018	1480	141.5	1468.1
1 November 2018	1380	137.5	1355.44
3 December 2018	1370	136.5	1380.43
12 December 2018	1315	136	1318.45