

**BMO GLOBAL SMALLER COMPANIES PLC**  
**(the “Company”)**

**NOMINATION COMMITTEE**

**TERMS OF REFERENCE**

**Constitution**

The Nomination Committee of the Company (the “Committee”) was established by a resolution of the Board of Directors (the “Board”) in 2004. The Committee is accountable to the Board.

**Responsibilities**

The Committee shall:

1. review regularly the Board structure, size and composition and diversity profile, as well as the balance of knowledge, experience and skill range and, having considered succession planning and agreeing a tenure policy, make recommendations to the Board with regard to any changes that are deemed necessary; prepare job specifications, as appropriate, and draft letters of appointment for approval by the Board;
2. be responsible for identifying (taking external advice where appropriate) and nominating candidates for the approval of the Board to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular, of the Chairman and the Senior Independent Director;
3. review annually the time required to perform duties of a director and assess whether Directors are spending enough time to fulfil these duties;
4. establish an induction programme and review and update the Directors' Handbook periodically for approval by the Board;
5. make recommendations for changes to the chairmanship and membership of the Company's committees;
6. make recommendations with regard to any variation in the terms of Directors' appointments and in the standard period of appointment for which a Director is appointed;
7. recommend Directors standing for annual re-election to the Board to be put forward for re-election/re-appointment;
8. assess and recommend which Directors are independent or not independent for approval by the Board and for disclosure in the Annual Report and Accounts;
9. be responsible for considering Directors' requests for authorisation of conflicts of interest situations and for making recommendations to the Board on whether or not the situation should be authorised in accordance with the Conflicts of Interests – Authorisation Policy and Procedure, and:-
  - i) review annually any conflict situations which have been authorised, together with any updates provided by Directors. Provided there has been no material change in circumstance and the Committee is of the

view that the Conflict situation has not affected the Director in his role as a Director of the Company, the Committee will not recommend any change to the terms of the authorisation or withdrawal of authorisation.

- ii) review, following receipt of a notification from a Director that the facts of the conflict situation have changed materially, the change in circumstance and consider whether a new authorisation should be given, or the terms of the existing authorisation varied, or whether the existing authorisation should be withdrawn. The Committee will make its recommendation to the next scheduled Board meeting where the Board will decide whether to withdraw, vary or maintain the existing authorisation.
10. prepare a statement for the Annual Report (Provision 23) about its activities (including process used for appointments; explaining if external advice or open advertising has not been used; membership of the committees, number of meetings and attendance and on the Company's procedures for ensuring that the powers of authorisation of conflicts of interest have been operated effectively and that procedures have been followed).

### **Membership**

The Committee shall comprise a minimum of three independent non-executive directors of the Company. Members of the Committee shall be appointed by the Board. In the event that one of the members is unable to attend a meeting, the Chairman has the authority to co-opt one of the other independent Directors from the Board, should such action be deemed necessary.

The Chairman of the Committee shall be appointed by the Board and shall be required to attend the annual general meeting to answer shareholder questions of the Committee's activities.

### **Secretary**

The Company Secretary of the Committee shall be BMO Investment Business Limited.

### **Meetings**

The Committee will meet at least once a year and additional meetings shall be called by the Secretary at the request of the Chairman of the Committee.

A quorum shall be any two members including the Chairman of the Committee, or the Chairman's nominated delegate.

### **Reporting**

The minutes of each meeting of the Committee shall be circulated to all members of the Committee. Any director may, upon request to the Secretary, provided that there is no conflict of interest, obtain copies of the Committee's agenda and minutes.

Reports shall be made to the Board as appropriate.

## **General powers**

The Committee is empowered to employ the services of such advisers as it deems necessary to fulfil its responsibilities.

These terms of reference are available on request and are published on the Company's website.

## **Articles of Association**

### 121 Delegation to committees

- (A) The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit, provided that the majority of persons on any committee or sub-committee must be directors. References in these Articles to committees include sub-committees permitted under this Article.
- (B) Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.
- (C) The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.