

BMO Managed Portfolio Trust PLC

Audit Committee Terms of Reference

Constitution

The Board resolves to establish a Committee of the Board to be known as the Audit Committee.

Membership

The Audit Committee shall be appointed by the Board from amongst the independent non-executive directors of the Company, including the chairman of the Board. It shall consist of not less than three members. At least one member of the Audit Committee shall have recent and relevant financial experience. The Audit Committee as a whole shall have competence relevant to the sector in which the company operates. A quorum shall be two members.

The Chairman of the Audit Committee shall be appointed by the Board, but shall not be the chairman of the Board.

Meetings

The Audit Committee shall meet at least twice a year. The Audit Committee shall have the opportunity to meet the auditor, without management being present. The auditor may request a meeting if they consider that one is necessary.

The Company Secretary shall be appointed as Secretary of the Committee.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. The Audit Committee is authorised to obtain outside legal or other independent professional advice where necessary.

Duties

The duties of the Audit Committee are:

- a) To make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor (including, when appropriate, conducting a tender process) and to determine the remuneration and terms of engagement of the external auditor. This includes the duty to:
 - i) to discuss and agree with the external auditor the nature and scope of the audit and to review the auditor's audit plan prior to the commencement of the audit;
 - ii) to review the external auditor's management letter if one is produced, and prepare any response;
 - iii) to review the external auditor's letter of engagement;
 - iv) to oversee the nature and scope of any audit tenders to ensure adherence with the related EU regulations.

- b) To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.

- c) To develop and implement policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact these may have on independence, taking into account relevant legislation and ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.
- d) To monitor the integrity of the financial statements before submission to the Board, and any formal announcements relating to the Company's financial performance, focusing particularly on:
 - i) any changes in accounting principles, policies and practices;
 - ii) major judgmental areas;
 - iii) significant financial reporting adjustments;
 - iv) the going concern and viability statement assumptions;
 - v) compliance with accounting standards and all relevant statutory requirements;
 - vi) compliance with the UK Listing Authority.
- e) Where requested by the Board, the Audit Committee should provide advice on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.
- f) To discuss problems and reservations arising from the interim reviews and final audits, and any matters the auditor may wish to discuss (in the absence of the Manager where necessary).
- g) To review reports from the auditor including the auditor's report to the Board.
- h) To review the Company's internal financial controls and internal controls and risk management systems and statement on internal controls prior to endorsement by the Board; and in particular to review:
 - i) the procedures for identifying business risks and controlling their impact on the Company;
 - ii) the Company's policies for preventing or detecting fraud;
 - iii) the Company's policies for ensuring that it complies with relevant regulatory and legal requirements;
 - iv) the Manager's report on its internal control systems and other service providers on their internal control systems.
- i) To consider annually whether there is a need for an internal audit function specific to the Company.
- j) To consider other topics, as defined by the Board.
- k) To report to the Board on how it has discharged its responsibilities

Reporting Procedures

The Secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board at the next Board Meeting following an Audit Committee Meeting.

The Audit Committee will prepare a separate section of the Company's Annual Report to describe the work of the Committee in discharging its responsibilities. This report should include;

- a) the significant issues that the Committee considered in relation to the financial statements, and how these issues were addressed;
- b) an explanation of how the Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans;
- c) in the case of a board not accepting the Audit Committee's recommendation on the external auditor appointment, reappointment or removal, a statement from the Audit Committee explaining its recommendation and the reasons why the board has taken a different position; and
- d) if the external auditor provides non-audit services, the Committee's policy for approval of non-audit services and an explanation of how audit objectivity and independence is safeguarded.

The Chairman of the Audit Committee shall attend the AGM and answer questions through the Chairman of the Board, on the Audit Committee's activities and responsibilities.

Membership: Sue Inglis (Chairman), David Harris, Simon Longfellow, David Warnock

Appendix

Policy on the Provision of Non-Audit Services by the Auditor

The purpose of the policy is to ensure that no engagement to supply non-audit services by the auditor will be permitted if:

- the provision of the services would contravene any regulation or ethical standard;
- the auditor is not considered to be expert providers of the non-audit services;
- the provision of such services by the auditor creates a conflict of interest for either the Board or the Manager;
- the services are considered to be likely to inhibit the auditor's independence or objectivity as auditor.

Tax and certain legal services are prohibited as well certain internal control and risk management procedures.

Reference should be made to the FRC's list of permitted non-audit services that can be provided by the external auditor.

The Audit Committee will, in reviewing the auditor's provision of non-audit services consider:

- whether the service has a direct or material effect on the audited financial statements;
- whether the skills and experience of the audit firm make it the most suitable provider of the non-audit services;
- whether there are safeguards to eliminate or reduce to an acceptable level any threat to objectivity and independence to the conduct of the audit due to the provision of such non-audit services;
- the nature of the non-audit services; and
- the fees to be incurred relative to the audit fee.

In particular, the Committee has a policy, with effect from 1 June 2017, that the accumulated costs of all non-audit services sought from the auditor in any one year should not normally exceed 30% of the likely audit fees for that year and, by year four commencing on or after 17 June 2016 (ie FY commencing 1 June 2020), not exceed 70% of the average audit fee paid for the previous three years such that:-

- the costs would ordinarily be limited to 30% of prior year audit fee (as the current year number might not be known);
- Audit Committee / Chair of Audit Committee approval is required before any costs are incurred; and
- Before making any decision to exceed the 30% limit, the Committee should review the three year rolling average of such costs to ensure that three year rule is not accidentally breached.

BMO Managed Portfolio Trust

Nomination Committee Terms of Reference

Constitution

The Board resolves to establish a Committee of the Board to be known as the Nomination Committee.

Membership

The Nomination Committee shall be appointed by the Board from amongst the independent non-executive directors of the Company. A quorum shall be two members.

The Chairman of the Nomination Committee shall be appointed by the Board.

Meetings

The Nomination Committee shall meet as required.

Authority

The Nomination Committee is authorised by the Board to investigate any activity within its terms of reference. The Nomination Committee is authorised to obtain independent professional advice where necessary.

Duties

The duties of the Nomination Committee are:

- Review the structure, size, diversity (including gender) and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- To be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise
- Keep under review the leadership needs of the Company
- Consider plans for Board succession
- In considering appointments to the Board, the nominations committee will take into account the ongoing requirements of the Company and the need to have a balance of skills and experience within the Board.

Reporting procedures

The Company Secretary shall circulate the minutes of meetings of the Nomination Committee to all members of the Board.

Membership: David Warnock (Chairman), David Harris, Sue Inglis, Simon Longfellow

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Management Engagement Committee Terms of Reference

Constitution

The Board resolves to establish a Committee of the Board to be known as the Management Engagement Committee.

Membership

The Management Engagement Committee shall be appointed by the Board from amongst the independent non-executive directors of the Company. A quorum shall be two members.

The Chairman of the Management Engagement Committee shall be appointed by the Board.

Meetings

The Management Engagement Committee shall meet at least once a year.

Authority

The Management Engagement Committee is authorised by the Board to investigate any activity within its terms of reference. The Management Engagement Committee is authorised to obtain independent professional advice where necessary.

Duties

The duties of the Management Engagement Committee are:

- to review the terms and conditions of the Manager's appointment; and
- to review the services provided by the Manager and the Company's other key service providers

Reporting Procedures

The Company Secretary shall circulate the minutes of meetings of the Management Engagement Committee to all members of the Board.

Membership: David Warnock (Chairman), David Harris, Sue Inglis, Simon Longfellow