

# Notice of Annual General Meeting

28 April 2021

Smithson Investment Trust plc

## Dear Fellow Shareholders

In line with the requirements of the Companies Act 2006, the Company will hold an Annual General Meeting (“**AGM**”) of shareholders to consider the resolutions laid out in the Notice of Meeting below.

The Government's policy with regard to the lifting of lockdown restrictions is contingent upon several factors and subject to rapid change. This makes the planning of an AGM at the current time very difficult and for this reason the Board has reached the decision to restrict shareholder attendance at Company's second AGM. Arrangements will be made by the Company to ensure that a minimum number of shareholders required to form a quorum will attend the AGM in order that the meeting may proceed, however, physical attendance by any other shareholders at the meeting will not be possible.

The Board commits to holding physical meetings in future when restrictions are not in place and these can be held safely. Moreover, the Company is also putting a proposed amendment to the Company's Articles of Association to shareholders, to enable a combination of virtual and physical shareholder meetings as necessary. If the proposed changes to the articles are approved at the AGM, the Board will have more flexibility in future to hold a virtual meeting in the event that there are any further restrictions or issues with regard to holding general meetings.

Only members on the register of members of the Company as at close of business on 26 April 2021 (or two days before any adjourned meeting, excluding non-business days) will be entitled to vote at the AGM. Given shareholders and third parties will be unable to attend the AGM in person, I strongly encourage shareholders to appoint the Chairman of the AGM as their proxy to vote on their behalf. Any proxy must be lodged with the Company's registrars or submitted to CREST by 26 April 2021 at 1.00 p.m. or at least 48 hours, excluding non-business days, before any adjourned meeting of the AGM. The outcome of the resolutions will be determined by shareholder vote based on the proxy votes received. All valid proxy appointments (whether submitted electronically or in hard copy form) will be included in the poll to be taken at the AGM. The results of the poll will be announced to the London Stock Exchange and placed on the Company's website, in the usual way, as soon as practicable after the conclusion of the AGM.

There will be no presentation from Simon Barnard, our Investment Manager and the sole business of the meeting will be to propose the resolutions set out in the Notice of Meeting (the “**Notice**”). The Investment Manager's presentation on the Company's performance and recent market developments will be recorded separately and will be available through the Company's website ([www.smithson.co.uk](http://www.smithson.co.uk)). A dedicated email address ([SmithsonAGM@fundsmith.co.uk](mailto:SmithsonAGM@fundsmith.co.uk)) is available for shareholders to submit any questions they may have been planning to raise at the AGM by 26 April 2021. To the extent questions are not covered in Simon Barnard's presentation, the Directors or Investment Manager will respond to any enquiries sent to this address.

The Notice of Meeting together with the Notes to the Notice can be found on pages 3 to 9 of this document. Further details of each of the resolutions to be proposed at the AGM are set out in the Explanatory Notes on pages 10 to 13. I also refer you to the Company's Annual Report for the year to 31 December 2020 (the “**Annual Report**”), which accompanies this document.

The Board unanimously considers that the passing of the resolutions proposed at the AGM is in the best interests of the Company and its shareholders as a whole.

Accordingly, the Board unanimously recommends that shareholders vote in favour of the resolutions to be proposed at the AGM as each of the Directors intends to do in relation to the shares whose votes they control.

Yours faithfully

**Mark Pacitti**

Chairman

15 March 2021

**THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take in connection with this Notice, you are recommended to seek your own independent advice.**

If you have sold or otherwise transferred all your ordinary shares, please send this Notice, together with any accompanying documents at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any restricted jurisdiction.

Notice is hereby given that the Annual General Meeting of Smithson Investment Trust plc will be held at Ketton House, Rectory Road, Kedington, Suffolk, CB9 7QL on Wednesday, 28 April 2021 at 1.00 p.m. for the following purposes:

To consider and, if thought fit, pass the following resolutions of which resolutions 1 to 9 (inclusive) will be proposed as ordinary resolutions and resolutions 10 to 14 will be proposed as special resolutions:

1. To receive and, if thought fit, to accept the Annual Report.
2. To approve the Directors' Remuneration Report included in the Annual Report.
3. To re-elect Mark Pacitti as a Director of the Company.
4. To re-elect Diana Dyer Bartlett as a Director of the Company.
5. To re-elect Lord St John of Bletso as a Director of the Company.
6. To re-appoint Deloitte LLP as auditor to the Company.
7. To authorise the Directors to fix the remuneration of the auditor until the conclusion of the next Annual General Meeting of the Company.

#### *Authority to Issue Shares*

#### *General*

8. That, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (in substitution for all existing authorities to the extent unused) to exercise all the powers of the Company to allot up to 15,055,295 ordinary shares (representing 10 per cent. of the entire issued ordinary share capital of the Company as at 12 March 2021 (the latest practicable date before publication of the Notice)), such authority to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired; and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

#### *Additional General*

9. That, in addition to the authority conferred by resolution 8 above, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot up to 15,055,295 ordinary shares (representing 10 per cent. of the entire issued ordinary share capital of the Company as at 12 March 2021 (the latest practicable

date before publication of the Notice)), such authority to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired; and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

### *Disapplication of Pre-emption Rights*

#### *General*

10. That, subject to the passing of resolution 8, the Directors be and are hereby empowered pursuant to sections 570 to 573 of the Companies Act 2006 in substitution for any existing power under sections 570 and 573 of the Companies Act 2006, but without prejudice to the exercise of any such power prior to the date hereof, to allot ordinary shares and to sell ordinary shares from treasury for cash pursuant to the authority referred to in resolution 8 above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired.

#### *Additional General*

11. That, in addition to the authority conferred by resolution 10 above, but subject to the passing of resolution 9, the Directors be and are hereby empowered pursuant to sections 570 to 573 of the Companies Act 2006 to allot ordinary shares and to sell ordinary shares from treasury for cash pursuant to the authority referred to in resolution 9 above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired.

#### *Authority to Repurchase Ordinary Shares*

12. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares, provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased shall be 22,567,888 (representing 14.99 per cent. of the Company's entire issued ordinary share capital (excluding shares held in treasury) as at 12 March 2021 (the latest practicable date before publication of the Notice));
- (b) the minimum price (exclusive of any expenses) which may be paid for an ordinary share is 1p;

- (c) the maximum price (excluding expenses) which may be paid for an ordinary share is not more than the higher of:
- (i) 5 per cent. above the average of the middle market quotations for the ordinary shares for the five business days immediately before the day on which it purchases that share and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid for the ordinary shares;
- (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and
- (e) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract.

#### *General Meetings*

13. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting after the date of the passing of this resolution.

#### *Amendment to the Company's Articles of Association*

14. That the amended Articles of Association giving authority to the Directors to convene, if necessary, a general meeting as a Hybrid meeting, produced to the meeting for the purposes of identification be approved and adopted as the Articles of the Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board  
**PraxisIFM Fund Services (UK) Limited**  
Company Secretary

**Registered office:**  
1st Floor  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4AB

### 1. Website address

Information regarding the meeting, including the information required by section 311A Companies Act 2006, is available at the Company's website [www.smithson.co.uk](http://www.smithson.co.uk). Investors should note, however, that contents of the Company's website, and the contents of any websites which can be accessed through links on the Company's website, do not form part of this Notice.

### 2. Entitlement to attend and vote

Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. Given the format of the meeting this year, shareholders are requested to appoint the Chairman of the AGM as their proxy to ensure their shares are voted.

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered on the register of members of the Company (the "**Register of Members**") at close of business on 26 April 2021 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.

### 3. How to vote

Members can vote by: logging onto <https://www.mysmithsonshares.co.uk/welcome> and following instructions; requesting a hard copy Form of Proxy directly from the registrars, Link Group at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk); or in the case of CREST members, utilising the CREST electronic proxy appointment service in accordance with the procedures set out below. To be valid any appointment of a proxy must be completed, signed and received at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL no later than 1.00 p.m. on 26 April 2021.

In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.

Given the format of the meeting this year, shareholders are requested to appoint the Chairman of the AGM as their proxy to ensure their shares are voted.

### 4. Appointment of proxy

Members entitled to attend, speak and vote at the meeting (in accordance with Note 2 above) are entitled to appoint one or more proxies to attend, speak and vote in their place. However, physical attendance at the meeting by any shareholders or their proxy other than the Chairman will not be possible. If you wish to appoint a proxy please use the methods listed in Note 3. Given the format of the meeting this year, shareholders should appoint the Chairman of the AGM as their proxy to ensure their shares are voted. In the case of joint members, only one need sign the Form of Proxy. The vote of the senior joint member will be accepted to the exclusion of the votes of the other joint members. For this purpose, seniority will be determined by the order in which the names of the members appear in the register of members in respect of the joint shareholding. The completion and return of the Form of Proxy will not stop you attending and voting in person at the meeting should you wish to do so. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you choose to appoint multiple proxies use a separate copy of this form (which you may photocopy) for each proxy, and indicate after the proxy's name the number of shares in relation

to which they are authorised to act (which, in aggregate, should not exceed the number of ordinary shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned in the same envelope.

You can instruct your proxy how to vote on each resolution by ticking the “For” and “Against” boxes as appropriate (or entering the number of shares which you are entitled to vote). If you wish to abstain from voting on any resolution please tick the box which is marked “Vote Withheld”. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes “For” and “Against” a resolution. If you do not indicate on the Form of Proxy how your proxy should vote, he/she can exercise his/her discretion as to whether, and if how so how, he/she votes on each resolution, as he/she will do in respect of any other business (including amendments to resolutions) which may properly be conducted at the meeting.

A company incorporated in England and Wales or Northern Ireland should execute the Form of Proxy under its common seal or otherwise in accordance with Section 44 of the Companies Act 2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be enclosed with the Form of Proxy.

## 5. Appointment of proxy through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited (“**CRESTCo**”), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CREST Co does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first named being the most senior).

Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Members who have appointed a proxy using a hard-copy Form of Proxy and who wish to change the instructions using another hard-copy form, should contact Link Group on 0371 277 1019 (Smithson dedicated line), Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

## 6. Appointment of a proxy through Proximity

If you are an institutional investor you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to [www.proximity.io](http://www.proximity.io). Your proxy must be lodged no later than 48 hours before the time of the Annual General Meeting, in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. Proximity will then contract with your underlying institutional account holder directly to accept their voting instructions through the platform.

## 7. Termination of proxy appointments

In order to revoke a proxy instruction, members will need to inform the Company through the registrar Link Group. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice.

If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments (see above) then, subject to note 2, the proxy appointment will remain valid.

If you submit more than one valid proxy appointment in respect of the same ordinary shares, the appointment received last before the latest time for receipt of proxies will take precedence.

## 8. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. However, given the format of the meeting this year, shareholders should appoint the Chairman of the AGM as their proxy to ensure their shares are voted. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in notes 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

## 9. Issued shares and total voting rights

As at 12 March 2021 (the latest practicable date before publication of the Notice) the Company's issued ordinary share capital consisted of 150,552,958 ordinary shares, carrying one vote each. There are no treasury shares in issue. Therefore, the total voting rights in the Company as at 12 March 2021 were 150,552,958.

## Explanatory Notes to the Resolutions

The information set out below is an explanation of the business to be considered at the 2021 Annual General Meeting (“**AGM**” or “**Meeting**”). Resolutions 1 to 9 (inclusive) are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 10 to 14 (inclusive) are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

### Ordinary Resolution 1 – Annual Report

The Annual Report for the year to 31 December 2020 will be presented to the Annual General Meeting. The Annual Report accompanies the Notice of Meeting and shareholders are invited to submit by email any questions they planned to ask at the meeting in respect of the Annual Report by 26 April 2021.

### Ordinary Resolution 2 – Directors’ Remuneration Report

The Directors’ Remuneration Report is set out in full in the Annual Report on pages 44 to 47. The vote is advisory and does not affect the remuneration payable to any individual Director.

### Ordinary Resolutions 3, 4, and 5 – Re-election of Directors of the Company

Resolution 3 relates to the election of Mark Pacitti who is the Chairman of the Company and joined the Board on 14 September 2018. Mark brings a wealth of corporate finance and private equity experience to the Board. His leadership skills are invaluable to the Company in formulating its short-term and long-term strategic direction as well as overseeing its development since initial launch. Furthermore, his commercial experience enables him to challenge investment management decisions, where necessary, and to bring a professional, enthusiastic approach to the boardroom.

Resolution 4 relates to the election of Diana Dyer Bartlett who is the Audit Committee Chair and joined the Board on 14 September 2018. Diana has extensive accounting, auditing and corporate governance experience. As Audit Committee Chairman, her financial and corporate governance expertise is instrumental to the continuing and long-term sustainable success of the Company. Diana is Audit Committee Chairman of two other investment trusts and her wider knowledge of the investment trust sector brings useful experience to the Board.

Resolution 5 relates to the election of Lord St John of Bletso who is the Management Engagement Committee Chair and joined the Board on 14 September 2018. Lord St John has a strong legal and commercial background. Lord St John’s broad and global business experience enables him to challenge and bring new ideas in relation to investment decisions. In addition, his active involvement in the House of Lords helps him to understand the wider political and economic environment in which the Company operates.

The Board has reviewed the performance and commitment of the Directors standing for election and considers that each of the Directors should continue to be Directors as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company. Furthermore, the Board is satisfied, having considered each Director’s experience and the nature of, and anticipated demands on his or her time by his or her other business commitments including other investment trusts, that each Director is able to commit the time required to fulfil his or her responsibilities as a Director of the Company.

All the Directors are independent for the purpose of the UK Corporate Governance Code. Biographical details for the Directors are shown on page 28 of the Annual Report.

## Ordinary Resolutions 6 and 7 – Reappointment and Remuneration of auditor

In accordance with Sections 489 and 492 of the Companies Act 2006 (the “**Act**”), shareholders are required to approve the appointment of the Company’s auditor each year. In accordance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) 2014, Audit Committees are authorised to determine the auditor’s remuneration. Deloitte LLP have expressed their willingness to be appointed as auditor to the Company.

## Ordinary Resolutions 8 and 9 and Special Resolutions 10 and 11 – Issue of Shares

Resolution 8 in the Notice of AGM will authorise the Directors to allot unissued ordinary share capital up to an aggregate nominal amount of £150,553 (equivalent to 15,055,295 shares, or 10 per cent. of the Company’s existing issued ordinary share capital, on 12 March 2021, (the latest practicable date before publication of the Notice of AGM)). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting unless previously renewed.

In addition to resolution 8, resolution 9 in the Notice will authorise the Directors to allot unissued ordinary share capital up to an aggregate nominal amount of £150,553 (equivalent to 15,055,295 shares, or 10 per cent. of the Company’s existing issued ordinary share capital, on 12 March 2021, being the latest practicable date prior to the publication of the Notice of AGM). Accordingly, if both resolutions 8 and 9 are passed, the Directors will be authorised to issue up to 20 per cent. of the Company’s issued ordinary share capital, on 12 March 2021, being the latest practicable date prior to the publication of the Notice of AGM. Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting unless previously renewed.

When shares are to be allotted for cash, section 551 of the Act provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders.

Resolution 10 will, if passed, give the Directors power to allot for cash equity securities up to 10 per cent. of the Company’s existing ordinary share capital on 12 March 2021, and/or sell shares from treasury as if section 551 of the Act does not apply. This is the same nominal amount of ordinary share capital which the Directors are seeking the authority to allot pursuant to resolution 8. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

Resolution 11 will, if passed, give the Directors power to allot for cash equity securities up to 10 per cent. of the Company’s existing ordinary share capital on 12 March 2021, and/or sell shares from treasury as if section 551 of the Act does not apply. This is the same nominal amount of ordinary share capital which the Directors are seeking the authority to allot pursuant to resolution 9. Accordingly, if both resolutions 10 and 11 are passed, the Directors will be authorised to allot for cash equity securities up to 20 per cent. of the Company’s issued ordinary share capital on 12 March 2021, being the latest practicable date prior to the publication of the Notice of AGM, as if section 551 of the Act does not apply. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by resolutions 8, 9, 10 & 11 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole and at a premium to net asset value. The issue proceeds would be available for investment in line with the Company’s investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

### Special Resolution 12 – Share Repurchases

The principal aim of a share buy-back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to net asset value per share, should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board and any ordinary shares purchased will either be cancelled or, if the Directors so determine, held in treasury.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of

- (i) 105 per cent. of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and
- (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 1 pence per share.

Resolution 12 in the Notice of AGM will renew the authority to purchase in the market a maximum of 14.99 per cent. of shares in issue on 12 March 2021, the latest practicable date before publication of the Notice of AGM, (amounting to 22,567,888 shares). Such authority will expire on the date of the next AGM or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

### Special Resolution 13 – General Meetings

Resolution 13 seeks shareholder approval for the Company to hold General Meetings (other than the Annual General Meeting) at 14 clear days' notice. The Company will only use this shorter notice period where it is merited by the purpose of the meeting.

### Ordinary Resolution 14 – Amendment to the Company's Articles of Association

Resolution 14 seeks to amend the Company's Articles of Association so that the Directors be authorised, subject to and in accordance with the provisions of the Companies Act 2006, to convene General Meetings as a "physical meeting", being a general meeting held and conducted by physical attendance by members and/or proxies at a particular place, or a "Hybrid meeting", a general meeting held and conducted by both physical attendance by members and/or proxies at a particular place and by members and/or proxies also being able to attend and participate by electronic means without needing to be in physical attendance at that place. The Board may decide in relation to any general meeting (including a postponed or adjourned meeting) whether the general meeting is to be held as a physical meeting or as a Hybrid meeting and shall, for the avoidance of doubt, be under no obligation to convene a meeting as a Hybrid meeting whatever the circumstances.

The amended Articles also contain provisions dealing with how the quorum is counted for the various types of meeting covering members' rights to participate in each case; the authorisation and adequacy of electronic applications; the authority to make arrangements to ensure the security of a Hybrid meeting; and giving additional powers to postpone or adjourn meetings in appropriate circumstances. Where meetings are held as a Hybrid meeting, then voting must be on a poll.

In relation to electronic participation at a general meeting, the right of a member to participate electronically shall include without limitation the right to speak, vote on a poll, be represented by a proxy and have access (including electronic access) to all documents which are required by the Act or these Articles to be made available at the meeting.

The amendments are being sought in response to challenges posed by Government restrictions on social interactions as a result of the COVID-19 pandemic, which have made it difficult for shareholders to attend physical general meetings. The Board's aim in introducing these changes is to make it easier for shareholders to participate in general meetings through introducing electronic access for those not able to travel, and also to ensure that appropriate security measures are in place for the protection and wellbeing of shareholders. The Board is cognisant of the importance to shareholders of the ability to meet the members of the Board and representatives of the Investment Manager face to face, and is committed to ensuring that future general meetings (including AGMs) incorporate a physical meeting where law and safety permits.

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