

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser, authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom. All Shareholders are strongly advised to consult their professional advisers regarding their own tax position.

If you have sold or otherwise transferred all of your Shares in Edinburgh Dragon Trust plc (the “Company”) you should pass this document (but not any Form of Proxy, Voting Direction Form, Tender Form or Savings Scheme Tender Form) as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, the distribution of this document and any of the accompanying documents in jurisdictions other than the United Kingdom, including the Restricted Jurisdictions, may be restricted by law and therefore persons into whose possession this document or any of the accompanying documents comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the Tender Form nor the Savings Scheme Tender Form are being sent in to the Restricted Jurisdictions.

Winterflood Securities Limited (“Winterflood”), which is authorised and regulated in the United Kingdom by the FCA, is acting as the financial adviser and corporate broker to the Company in relation to the Tender Offer. Winterflood is acting exclusively for the Company and is not advising any other person or treating any other person as its client in relation to the Tender Offer or the matters referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Tender Offer or the matters referred to in this document. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Winterflood may have under FSMA or the regulatory regime established thereunder. The Tender Offer is being made in the United States by Winterflood and no one else.

Apart from the responsibilities and liabilities, if any, which may be imposed on Winterflood by FSMA or the regulatory regime established thereunder, Winterflood does not make any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company or the Tender Offer. Winterflood (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it might otherwise have in respect of the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company or the Tender Offer.

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## **EDINBURGH DRAGON TRUST PLC**

*(Incorporated in Scotland with registered number SC106049)*

*(An investment company within the meaning of section 833 of the Companies Act 2006)*

### **Tender Offer for up to 30 per cent. of the issued share capital of the Company and Notice of General Meeting**

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Notice of a general meeting of the Company to be held at the offices of Aberdeen Standard Investments, 1 George Street, Edinburgh EH2 2LL on Wednesday, 16 January 2019 at 12 noon is set out at the end of this document. Shareholders are requested to return the Form of Proxy accompanying this document for use at the General Meeting. To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon to be received by the Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible, but in any event by no later than 12 noon on 14 January 2019.

Details of the action to be taken by holders of Shares through one or more of the Aberdeen Standard Savings Schemes are contained on page 6 of this document. To be effective, the Voting Direction Forms must be returned to the Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received no later than 5.00 p.m. on 7 January 2019.

The Tender Offer is not being made to Restricted Shareholders. In particular, the Tender Offer is not being made, directly or indirectly, in or into Australia, Canada, Japan, New Zealand or the Republic of South Africa and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility from within Australia, Canada, Japan, New Zealand or the Republic of South Africa.

Also enclosed with this document is a Tender Form for use by Shareholders who hold their Shares in certificated form in connection with the Tender Offer. To be effective, Tender Forms must be returned to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by not later than 1.00 p.m. on 22 January 2019. In the case of Shares held by Shareholders in CREST, applications to tender Shares may be made by submitting a TTE Instruction to Equiniti Limited not later than 1.00 p.m. on 22 January 2019.

Details of the action to be taken by holders of Shares through one or more of the Aberdeen Standard Savings Schemes are contained on page 6 of this document. To be effective, the Savings Scheme Tender Forms must be returned to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received no later than 5.00 p.m. on 15 January 2019.

**The Tender Offer will only be available to Shareholders whose names appear on the Register as at the 6.00 p.m. on 22 January 2019 in respect of Shares held by them as at that date.**

**IF YOU DO NOT WISH TO SELL ANY OF YOUR SHARES IN THE TENDER OFFER, DO NOT COMPLETE AND RETURN THE TENDER FORM, SAVINGS SCHEME TENDER FORM OR SEND A TTE INSTRUCTION. THE DIRECTORS WILL NOT BE TENDERING ANY OF THEIR SHARES IN THE TENDER OFFER.**

Shareholders who hold their Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Shares tendered. Shareholders who hold Shares in uncertificated form (that is, in CREST) should not return a Tender Form but should transmit the appropriate transfer to escrow ("**TTE Instruction**") in CREST as described in Part 3 of this document as soon as possible but in any event so as to be received by no later than 1.00 p.m. on 22 January 2019.

**Your attention is drawn to the section headed "Action to be Taken" on page 13 of this document.**

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## NOTICE FOR US SHAREHOLDERS

The Tender Offer relates to securities in a non-US company which is registered in Scotland and is subject to the disclosure requirements, rules and practices applicable to companies listed in the United Kingdom, which differ from those of the United States in certain material respects. This document has been prepared in accordance with UK style and practice for the purpose of complying with English law and the rules of the London Stock Exchange, and US Shareholders should read this entire document, including Part 5 (Taxation) of this document. The financial information relating to the Company included in this document has not been prepared in accordance with generally accepted accounting principles in the United States and thus may not be comparable to financial information relating to US companies. The Tender Offer is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act. The Tender Offer will be made in the United States in accordance with the requirements of Regulation 14E under the US Exchange Act to the extent applicable. Certain provisions of Regulation 14E under the US Exchange Act are not applicable to the Tender Offer by virtue of Rule 14d-1(d) under the US Exchange Act. US Shareholders should note that the Company is not listed on a US securities exchange, subject to the periodic reporting requirements of the US Exchange Act or required to, and does not, file any reports with the SEC thereunder.

It may be difficult for US Shareholders to enforce certain rights and claims arising in connection with the Tender Offer under US federal securities laws since the Company is located outside the United States and most of its officers and directors may reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment.

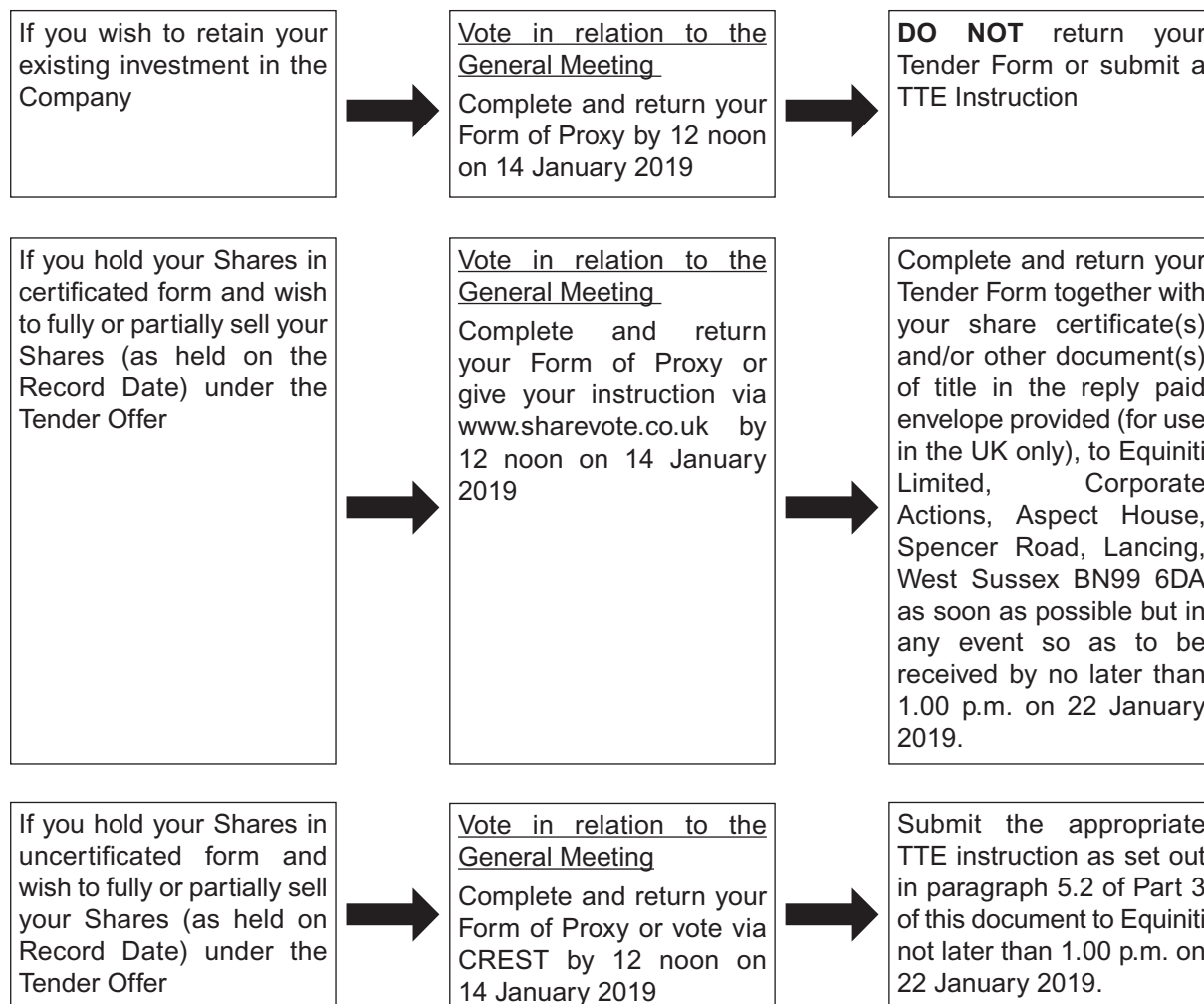
To the extent permitted by applicable law and in accordance with normal UK practice, the Company, Winterflood or any of their affiliates, may make certain purchases of, or arrangements to purchase, Shares outside the United States during the period in which the Tender Offer remains open for acceptance, including sales and purchases of Shares effected by Winterflood acting as market maker in the Shares. These purchases, or other arrangements, may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In order to be excepted from the requirements of Rule 14e-5 under the US Exchange Act by virtue of Rule 14e-5(b)(12) thereunder, such purchases, or arrangements to purchase, must comply with applicable English law and regulation, including the listing rules of the Financial Conduct Authority, and the relevant provisions of the US Exchange Act. Any information about such purchases will be disclosed as required in the UK and the United States and, if required, will be reported via the Regulatory Information Service of the London Stock Exchange and available on the London Stock Exchange website at <http://www.londonstockexchange.com>.

The receipt of cash pursuant to the Tender Offer by a Shareholder who is a US Holder (as defined in Part 5 (Taxation)) will be a taxable transaction for US federal income tax purposes. In addition, as described in Section B, paragraph 5 of Part 5 (Taxation) of this document, holders may be subject to US backup withholding and information reporting on payments with respect to the Tender Offer made (or deemed made) within the United States. Part 5 (Taxation) of this document further sets forth certain US federal income tax consequences of the Tender Offer under current US law. However, each Shareholder should consult and seek individual advice from an appropriate professional adviser.

**Neither the SEC nor any US state securities commission has approved or disapproved of this transaction or passed upon the merits of fairness of such transaction or passed upon the adequacy of the information contained in this document. Any representation to the contrary is a criminal offence.**

## ACTION TO BE TAKEN BY SHAREHOLDERS

Only Shareholders whose names appear on the Register as at 6.00 p.m. on 22 January 2019 are able to participate in the Tender Offer in respect of the Shares held by them as at that date. The extent to which Shareholders participate in the Tender Offer is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances. Shareholders should seek advice from their own independent financial adviser. You should read the whole of this document which contains the terms of the Tender Offer, not just this section, when deciding what action to take.

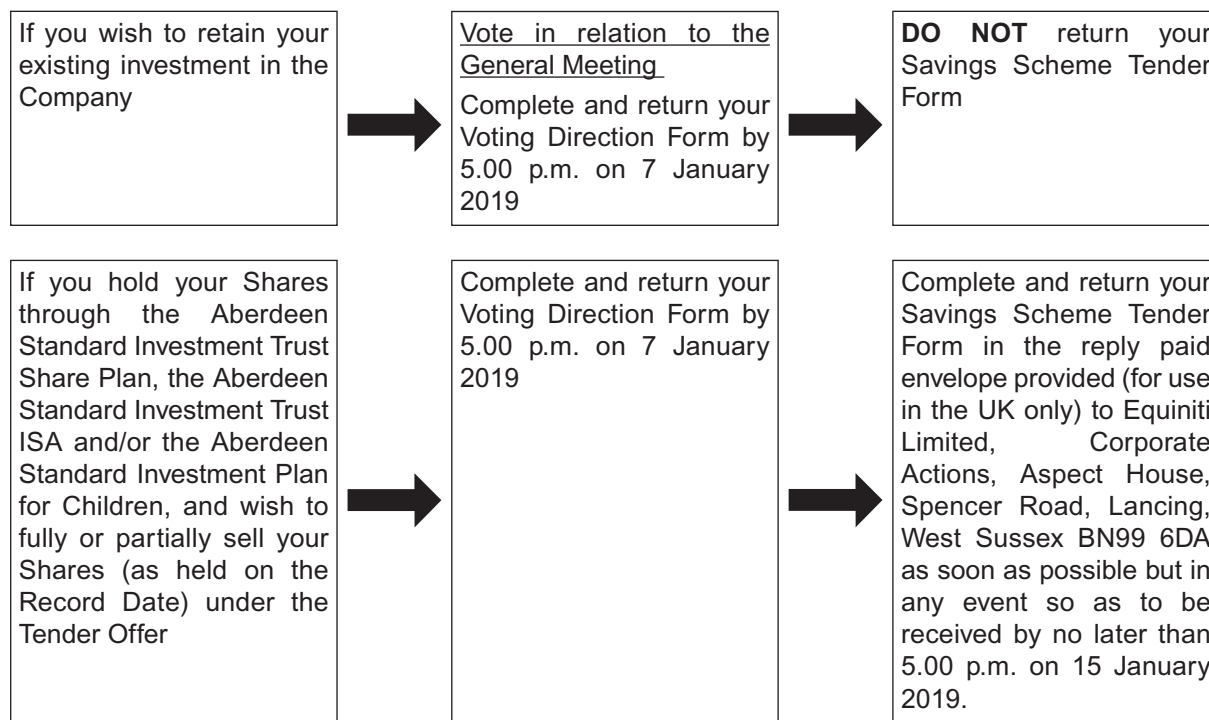


### **IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES DO NOT COMPLETE AND RETURN A TENDER FORM OR SUBMIT A TTE INSTRUCTION.**

If you have any queries in relation to your shareholding(s) in the Company please call the Shareholder Helpline between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0371 384 2731 (from within the UK) and +44 121 415 0167 (from outside the UK). Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline can provide information only regarding the completion of Forms of Proxy and/or completion of Tender Forms but cannot provide you with investment or tax advice.

## ACTION TO BE TAKEN BY ABERDEEN STANDARD SAVINGS SCHEME PARTICIPANTS

Only Aberdeen Standard Savings Scheme Participants as at 6.00 p.m. on 22 January 2019 are able to participate in the Tender Offer in respect of the Shares held through the Aberdeen Standard Savings Schemes as at that date. The extent to which Aberdeen Standard Savings Scheme Participants participate in the Tender Offer is a matter for each Aberdeen Standard Savings Scheme Participant to decide, and will be influenced by their own individual financial and tax circumstances. Aberdeen Standard Savings Scheme Participants should seek advice from their own independent financial adviser. You should read the whole of this document which contains the terms of the Tender Offer, not just this section, when deciding what action to take.



### IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES DO NOT COMPLETE AND RETURN A SAVINGS SCHEME TENDER FORM.

If you hold your Shares via the Aberdeen Standard Investment Trust Share Plan, the Aberdeen Standard Investment Trust ISA or the Aberdeen Standard Investment Plan for Children (the "**Aberdeen Standard Savings Schemes**") and require further information, please call Equiniti between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0371 384 2731 (from within the UK) and +44 121 415 0167 (from outside the UK). Network providers' costs may vary. Calls to the Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that this number is for information only in relation to the completion of Voting Direction Forms and/or completion of Savings Scheme Tender Forms and no investment or tax advice can be given.

## EXPECTED TIMETABLE

	<i>2018</i>
Publication of this document and Tender Offer opens	21 December
	<i>2019</i>
Latest time and date for receipt of Voting Direction Forms from Aberdeen Standard Savings Scheme Participants	5.00 p.m. on 7 January
Latest time and date for receipt of Forms of Proxy from Shareholders	12 noon on 14 January
Latest time and date for receipt of Savings Scheme Tender Forms from Aberdeen Standard Savings Scheme Participants	5.00 p.m. on 15 January
General Meeting	12 noon on 16 January
Results of General Meeting announced	16 January
Latest time and date for receipt of Tender Forms and submission of TTE Instructions from Shareholders	1.00 p.m. on 22 January
Record Date and time for the Tender Offer	6.00 p.m. on 22 January
Calculation Date	close of business on 24 January
Results of Tender Offer elections and Tender Price announced	28 January
CREST Settlement Date: payments through CREST made and CREST accounts settled	30 January
Balancing share certificates and cheques despatched to certificated Shareholders	4 February

### Notes:

1. References to times in this document are to London time.
2. The dates set out in the expected timetable may be adjusted by Winterflood, with the consent of the Company, in which event details of the new dates will be notified to Shareholders by an announcement made by the Company through a Regulatory Information Service.

## PART 1

### LETTER FROM THE CHAIRMAN

# EDINBURGH DRAGON TRUST PLC

*(Incorporated in Scotland with registered number SC106049)*

*(An investment company within the meaning of section 833 of the Companies Act 2006)*

*Directors:*

Allan McKenzie (*Chairman*)  
Iain McLaren  
Kathryn Langridge  
Peter Maynard  
Charles Ricketts  
James Will

*Registered office:*

7th Floor  
40 Princes Street  
Edinburgh EH2 2BY

21 December 2018

Dear Shareholders

### TENDER OFFER FOR UP TO 30 PER CENT. OF THE SHARES IN ISSUE

#### **Introduction**

On 10 October 2018, the Board announced that it had undertaken a shareholder consultation exercise ahead of the Continuation Vote to be proposed at the Annual General Meeting. The Board noted at that time, that if the Continuation Vote was passed by Shareholders, it intended to undertake a tender offer for up to 30 per cent. of the Shares in issue (excluding treasury shares) at a tender price equal to 98 per cent. of the prevailing Net Asset Value (less the costs of implementing the tender offer) (the “**Tender Offer**”).

The Continuation Vote was passed at the Annual General Meeting and, as such, the Board has resolved to implement the Tender Offer.

The purpose of this document is to set out the background to and reasons for the proposed Tender Offer and why the Board recommends you vote in favour of the requisite resolution to be proposed at the General Meeting. This document also contains the terms and conditions of the Tender Offer, together with details of how Shareholders and Aberdeen Standard Savings Scheme Participants can tender Shares for purchase, if they wish to do so.

**If you do not wish to sell any of your Shares in the Tender Offer, do not complete and return the Tender Form or Savings Scheme Tender Form or send a TTE Instruction (as applicable). The Directors will not be tendering any of their Shares in the Tender Offer.**

#### **Investment outlook and performance**

##### ***Investment outlook***

Over the year to 30 November 2018, the benchmark MSCI All Country Asia (ex Japan) Index fell by 3.8 per cent. amid a significant increase in volatility during the second half of the year. Unlike 2017, when stock markets tracked the synchronised global economic upswing, 2018 was disrupted by three key factors. The first was the squeeze on US Dollar liquidity, caused in part by the White House led tax reforms that compelled American companies to repatriate their foreign cash hoards, as well as the Federal Reserve’s accelerated interest rate normalisation. The second reason was the increased US hostility towards key trading partners that resulted in a series of tit-for-tat tariff increases. Thirdly, heightened worries of contagion afflicted emerging markets after a series of individual mishaps in Argentina, South Africa, and Turkey, which could be partially attributed to the first two factors. As a result, the Chinese index lost more than a fifth of its value from its peak in January, while the broader developed markets followed suit in mid-August amid concerns that the market turmoil might spread. Since August, risk aversion has persisted as heightened trade tensions, tighter monetary conditions and emerging-market currency volatility hurt appetite for riskier assets.



There has been some stabilisation in the Company’s investment performance over the twelve months to 30 November 2018. The Investment Manager has made continued efforts to identify long-term capital growth opportunities, including building exposure to China, particularly in companies that are benefiting from emerging structural technology and growing domestic consumption trends and this has started to yield results. There have been positive contributions from the Investment Manager’s choice of holdings. Likewise, the portfolio’s exposure to individual markets has outweighed adverse currency movements over the twelve months to 30 November 2018.

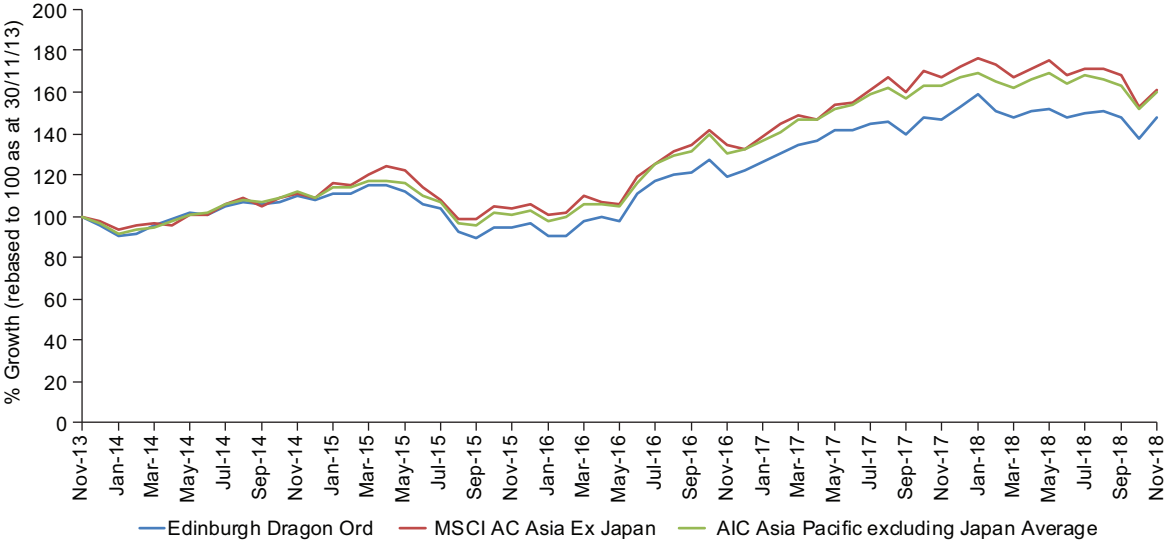
Further details of the investment outlook for the Company are included in the Chairman’s Statement and the Investment Manager’s Review which are set out in the annual financial report for the year ended 31 August 2018.

**Investment Performance**

Over the twelve months to 30 November 2018, the Company’s Net Asset Value fell by 0.6 per cent. on a total-return basis and the Share price rose by 0.7 per cent. Overall, the Company’s portfolio benefited from the Investment Manager’s decision to increase exposure to Chinese equities. Notably, three of the top ten contributors to the portfolio’s performance were from the mainland, including China International Travel, China Conch and China Resources Land. Further Chinese companies were added to the portfolio in the second half of the financial year to 31 August 2018.

The following graph shows the performance of the Company’s Share price total return compared to the benchmark index and the AIC Asia Pacific (excluding Japan) sector average over the five years to 30 November 2018.

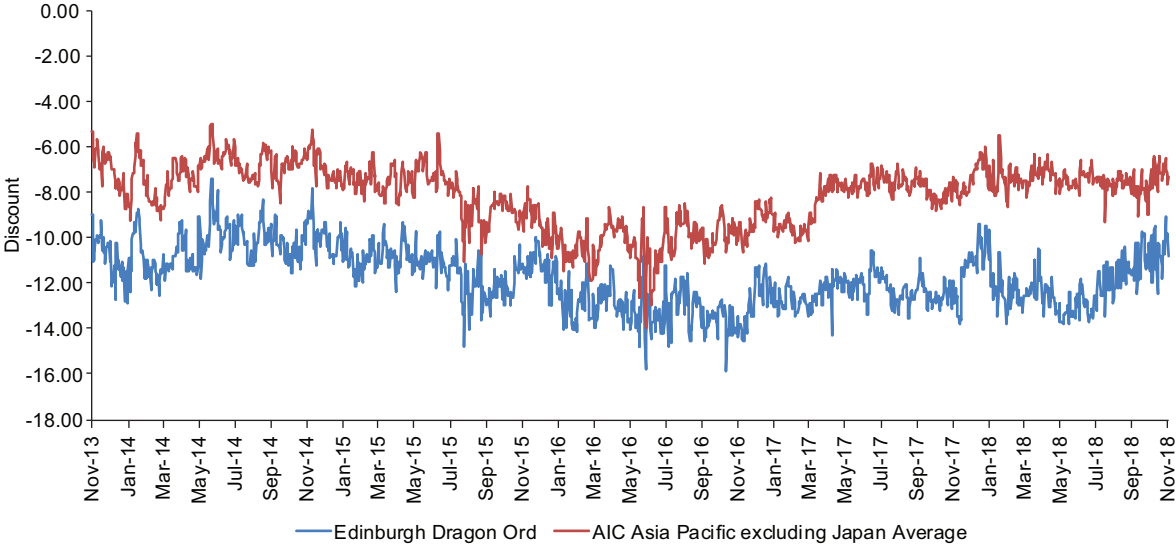
**5 Year Share Price Total Return to 30 November 2018 (GBP)**



Source: Morningstar

The graph below shows the Share price discount to Net Asset Value of the Company's Shares over the five years to 30 November 2018 compared with the AIC Asia Pacific (excluding Japan) sector.

**Discount Chart – Five Years to 30 November 2018**



Based on Cum Income Fair NAV  
Source: Morningstar

Over the year to 19 December 2018, 16,294,305 million Shares were bought back into treasury at a cost of £60,821,409 million. The discount as at 19 December 2018 was 9.6 per cent. compared to 11.8 per cent. as at 19 December 2017.

In my Chairman's Statement set out in the annual financial report for the year ended 31 August 2017, I reported on the due diligence exercise that the Board had carried out on the Investment Manager in 2017. I noted that the Board would continue to review the Investment Manager's performance. To that end, the Board again visited with the team in Singapore in April 2018 and gained comfort with the leadership and changes made to date. I am encouraged that the Company's recent performance has improved and is marginally ahead of the index over both the year to 31 August 2018 and the twelve months to 30 November 2018. The Board will of course continue to monitor the Investment Manager's performance.

**Reasons for the Tender Offer**

As noted above, on 10 October 2018, the Board announced that it had undertaken a Shareholder consultation exercise ahead of the Company's three yearly Continuation Vote to be proposed at the Annual General Meeting. The Board announced, as a result of this consultation exercise, that if the Continuation Vote was passed by Shareholders, it intended to undertake the Tender Offer. The Continuation Vote was passed at the Annual General Meeting and, as such, the Board has resolved to implement the Tender Offer. This will enable Shareholders to retain their investment in the Company whilst offering those Shareholders who wish to realise their investment, either in part or potentially in whole, a chance to do so.

The Board believes that this proposal is in the interests of Shareholders. It ensures that Shareholders who do not tender any Shares are protected against the costs of the Tender Offer and receive benefit from a modest uplift in the Net Asset Value. It also provides an exit mechanism for the Shareholders who have asked for one.

The Company's largest Shareholder, City of London Investment Management, has provided an irrevocable undertaking to vote in favour of the Tender Offer.

The decision to proceed with the Tender Offer was taken following discussions about the future of the Company held with major Shareholders, Winterflood and the Investment Manager. The Board believes that many Shareholders will wish to continue with their investment in the Company unchanged, but in

order to provide those Shareholders who have so requested with an opportunity to exit, the Board proposes that:

- For Shareholders wishing to retain their investment in the Company:
  - the Company will continue to be managed by the Investment Manager, subject to the Board being satisfied that continued appointment of the Investment Manager is in the best interests of the Company;
  - the Board may seek to limit discount volatility through the prudent use of Share buybacks; and
  - a further continuation vote will be put to Shareholders on or around the time of the 2021 annual general meeting of the Company.
- Those Shareholders wishing to realise part or all of their investment in the Company will have a chance to do so through the Tender Offer for up to 30 per cent. of the Shares in issue as at the Record Date at the Tender Price. Shareholders tendering in excess of 30 per cent. of their shareholding may be able to realise those Shares through the Tender Offer to the extent that other Shareholders do not tender any of their Shares or tender less than their Basic Entitlement.

The Board is satisfied that, following the Tender Offer, the Company will remain an attractive size with sufficient liquidity.

Further information on the proposed Tender Offer is set out below under the heading “Tender Offer”.

### **Dividends**

It remains the Board’s policy to pay a final dividend marginally in excess of the minimum required to maintain investment trust status. For the year ended 31 August 2018, a final dividend of 4.0 pence per Share will be paid on 21 December 2018.

### **Share buy backs**

The Board renewed its authority to buy back up to 14.99 per cent. of the Shares currently in issue at the Annual General Meeting and intends to renew this authority on an annual basis as appropriate. The Board may, subject to normal market conditions, seek to limit the discount to Net Asset Value at which the Shares trade through the prudent use of this authority to repurchase Shares in the market. Any buy back of Shares will be at the absolute discretion of the Board. It should be noted that this is a mechanism primarily to limit discount volatility and there is no guarantee that such limitation will be achieved or that any Shares will be bought back. Due to US regulatory requirements, the Board does not intend to undertake any Share buy backs between publication of this document and the close of the Tender Offer on 24 January 2019.

### **Tender Offer**

The Tender Offer enables those Shareholders (other than Restricted Shareholders and certain Overseas Shareholders) who wish to sell some or all of their Shares to elect to do so, subject to the overall limits of the Tender Offer. Shareholders who successfully tender Shares will receive the Tender Price per Share being a two per cent. discount to the fair value cum income NAV per Share on the Calculation Date, less their *pro rata* proportion of the direct costs and expenses of the Tender Offer (including stamp duty and portfolio realisation costs). The Tender Price has been set at this level to allow Shareholders who wish to realise a portion of their holding of Shares to do so at a price close to NAV whilst providing for a modest uplift to NAV per Share for continuing Shareholders.

Under the terms of the Tender Offer, which is being made by Winterflood, Shareholders (other than Restricted Shareholders and certain Overseas Shareholders) will be entitled to tender up to their Basic Entitlement, being 30 per cent. of the Shares they hold as at the Record Date. Shareholders may also be able to tender additional Shares, but any such excess tenders above the Basic Entitlement will only be satisfied, on a *pro rata* basis, to the extent that other Shareholders tender less than their aggregate Basic Entitlement.

Subject to the satisfaction of the conditions relating to the Tender Offer, Winterflood will purchase, as principal, Shares validly tendered under the Tender Offer at the Tender Price. Following completion of all those purchases, it will then sell the relevant Shares back to the Company pursuant to the Repurchase Agreement at the Tender Price by way of an on-market transaction on the London Stock Exchange. The Shares which the Company acquires from Winterflood will be cancelled or held in treasury. The repurchase of Shares by the Company under the Repurchase Agreement will be funded from the Company's distributable reserves.

The Tender Offer is subject to the terms and conditions set out in paragraph 3 of Part 3 of this document. The Tender Offer may also be terminated in certain circumstances as set out in paragraph 9 of Part 3 of this document. Shareholders' attention is drawn to the letter from Winterflood set out in Part 2 of this document, which, in the case of Shares held in certificated form, together with the Tender Form or in the case of Aberdeen Standard Savings Scheme Participants, together with the Savings Scheme Tender Form, sets out the principal terms and conditions of the Tender Offer, and to Part 4 of this document which contains a summary of certain risks associated with the Tender Offer. Details of how Shareholders will be able to tender Shares can be found in paragraph 5 of Part 3 of this document.

**Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.**

Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA.

The Company's authority to repurchase its own Shares, which was granted at the Annual General Meeting of the Company, in respect of up to 14.99 per cent. of the Company's issued share capital as at the date of that meeting, will remain in force and be unaffected by the Tender Offer. However, as noted above, in order to comply with applicable US securities law, the Company does not intend to repurchase any of its own Shares throughout the period of the Tender Offer.

**This letter is not a recommendation for Shareholders to tender their Shares under the Tender Offer.** Whether or not Shareholders tender their Shares will depend on, amongst other things, their view of the Company's prospects and their own individual circumstances, including their tax position, on which they should seek their own independent advice. **No Director will be tendering any of his or her Shares under the Tender Offer.**

#### **Estimated expenses**

The fixed costs relating to the Tender Offer are expected to be approximately £500,000 including VAT. The foregoing figure does not include portfolio realisation costs or stamp duty. All costs in relation to the Tender Offer will be borne by Shareholders participating in the Tender Offer. Shareholders should note that if the Board and Winterflood reasonably consider the fixed costs of the Tender Offer to be excessive relative to the number of Shares tendered, the Tender Offer may not proceed.

#### **Overseas Shareholders and Restricted Shareholders**

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands or the Isle of Man may be prohibited or affected by the laws of the relevant overseas jurisdictions. Shareholders with registered or mailing addresses outside the United Kingdom, the Channel Islands or the Isle of Man or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands and the Isle of Man should read carefully paragraph 11 of Part 3 of this document.

The Tender Offer is not being made to Shareholders who are resident in, or citizens of, Restricted Jurisdictions. Restricted Shareholders are being excluded from the Tender Offer in order to avoid offending applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of the Tender Form and the Savings Scheme Tender Forms are not being and must not be mailed or otherwise distributed in or into Restricted Jurisdictions.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Tender Offer.

## **Taxation**

The attention of Shareholders is drawn to Part 5 of this document which sets out a general guide to certain aspects of current UK taxation law and HMRC published practice. This information is a general guide and is not exhaustive. **Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser.**

## **General Meeting**

The proposed Tender Offer is subject to Shareholder approval. A notice convening the General Meeting which is to be held at the offices of Aberdeen Standard Investments, 1 George Street, Edinburgh EH2 2LL on Wednesday, 16 January 2019 at 12 noon is set out at the end of this document. At this meeting, at which Shareholders may attend, speak and vote, a special resolution will be proposed to approve the Tender Offer on the terms set out in this document and to give the Company authority to make market purchases pursuant to the Tender Offer. Should the resolution fail to be passed, the Tender Offer will not proceed.

In order to be passed, the resolution, which is proposed as a special resolution, will require the approval of Shareholders representing at least 75 per cent. of the votes cast at the General Meeting. The Company's articles of association provide that at the General Meeting each Shareholder present in person or by proxy or who (being a corporation) is present by a representative shall, on a show of hands, have one vote and on a poll, shall have one vote for each Share of which he/she is a holder.

The quorum for the General Meeting shall be two persons entitled to attend and to vote, each being a Shareholder or a proxy of a Shareholder or a duly authorised representative of a corporation which is a Shareholder.

## **Action to be taken**

### ***General Meeting***

Whether or not you wish to tender your Shares under the Tender Offer and regardless of whether you intend to be present at the General Meeting, Shareholders are requested to complete and return the accompanying Form of Proxy in accordance with the instructions printed thereon so as to be received by the Registrars as soon as possible but in any event by no later than 12 noon on 14 January 2019. Aberdeen Standard Savings Scheme Participants are requested to complete and return the accompanying Voting Direction Form in accordance with the instructions printed thereon so as to be received by the Registrars as soon as possible but in any event by no later than 5.00 p.m. on 7 January 2019. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish.

### ***Tender Offer***

Only Shareholders whose names appear on the Register as at 6.00 p.m. on 22 January 2019 are able to participate in the Tender Offer in respect of the Shares held as at that date.

Shareholders should refer to the section of this document entitled "Action to be taken by Shareholders" contained on page 5 for further information on the options available. Shareholders who hold their Shares in certificated form should note that they should return their share certificate(s) and/or other document(s) of title in respect of the Shares tendered with their Tender Form. A Tender Form submitted without the related share certificate representing the amount of shares to be tendered will be treated as invalid.

Aberdeen Standard Savings Scheme Participants should refer to the section of this document entitled "Action to be taken by Aberdeen Standard Savings Scheme Participants" contained on page 6.

**If you do not wish to sell any of your Shares in the Tender Offer, do not complete and return the Tender Form or the Savings Scheme Tender Form, or submit a TTE Instruction (as applicable).**

**The extent to which Shareholders participate in the Tender Offer is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and investment objectives. Shareholders should seek advice from an appropriately qualified independent financial adviser, authorised under FSMA if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of**

**the United Kingdom. All Shareholders are strongly advised to consult their professional advisers regarding their own tax position.**

**Recommendation**

The Board considers that the terms of the Tender Offer as set out in this document and the resolution to be proposed at the General Meeting are 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 resolution to be proposed at the General Meeting.

The Directors intend to vote in favour, or procure the vote in favour, of the resolution at the General Meeting in respect of their own beneficial holdings of Shares, which in aggregate amount to 63,882 Shares (representing approximately 0.03 per cent. of the issued Share capital (excluding Shares held in treasury) of the Company as at the date of this document).

**The Directors make no recommendation to Shareholders as to whether or not they should tender all or any of their Shares in the Tender Offer. Whether or not Shareholders decide to tender their Shares will depend, amongst other factors, on their view of the Company's prospects and their own individual circumstances, including their own tax position.**

**The Directors will not be tendering any of their Shares in the Tender Offer.**

Yours faithfully,

**Allan McKenzie**  
*Chairman*

## PART 2

### LETTER FROM WINTERFLOOD SECURITIES LIMITED

The Atrium Building  
Cannon Bridge House  
25 Dowgate Hill  
London EC4R 2GA

21 December 2018

Dear Shareholder

As explained in the letter from your Chairman in Part 1 of this document, Shareholders (other than Restricted Shareholders and certain Overseas Shareholders as explained in paragraph 11 of Part 3 of this document) are being given the opportunity to sell some or all of their Shares in the Tender Offer, subject to the scaling back of tenders in excess of the Basic Entitlement. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer. This letter is not, however, a recommendation to Shareholders to sell their Shares.

Winterflood hereby invites Shareholders on the Register on the Record Date (other than Restricted Shareholders and certain Overseas Shareholders) who wish to tender, to sell Shares for cash at the Tender Price. Each Shareholder will be entitled to have accepted in the Tender Offer valid tenders to Winterflood in respect of up to their Basic Entitlement. In addition, Shareholders may tender Shares for sale in excess of their Basic Entitlement but such excess tenders will only be satisfied to the extent that other Shareholders have not tendered all or any part of their Basic Entitlement, as the case may be. Tenders in excess of the Basic Entitlement will be satisfied *pro rata* in proportion to the excess over the Basic Entitlement tendered, rounded down to the nearest whole number of Shares.

The tendered Shares will be repurchased by the Company pursuant to the Repurchase Agreement (details of which are set out in paragraph 4 of Part 6 of this document).

The Tender Offer is made on the terms and subject to the conditions set out in Part 3 of this document and the Tender Form or the Savings Scheme Tender Form (as applicable), the terms of which will be deemed to be incorporated into this document and form part of the Tender Offer.

Winterflood, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Tender Offer and the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Winterflood or for providing advice in relation to the Tender Offer and the contents of this document or any matter referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Winterflood may have under FSMA or the regulatory regime established thereunder.

#### **Procedure for tendering Shares**

##### *Certificated Shares: Tender Form*

Certificated Shareholders (other than Restricted Shareholders and certain Overseas Shareholders) who wish to tender Shares should complete the personalised Tender Form in accordance with the instructions set out therein and return the completed Tender Form in the enclosed reply-paid envelope for use in the UK only or using their own envelope or delivering it by hand (during normal business hours) to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive as soon as possible and, in any event, by no later than 1.00 p.m. on 22 January 2019. Such Shareholders who hold their Shares in certificated form should also return the share certificate(s) and/or other document(s) of title in respect of the Shares tendered with their Tender Form.

##### *Uncertificated Shares: CREST arrangements*

Shareholders (other than Restricted Shareholders and certain Overseas Shareholders) holding Shares in uncertificated form who wish to tender Shares for purchase in the Tender Offer should submit the appropriate TTE Instruction in CREST as set out in paragraph 5.2 of Part 3 of this document so as to be received as soon as possible and, in any event by no later than 1.00 p.m. on 22 January 2019.

### *Aberdeen Standard Savings Scheme Participants*

Aberdeen Standard Savings Scheme Participants (other than Restricted Shareholders and certain Overseas Shareholders) who wish to tender their Shares should complete the personalised Savings Scheme Tender Form in accordance with the instructions set out therein and return the completed Savings Scheme Tender Form by post in the enclosed reply-paid envelope for use in the UK only or using their own envelope or delivering by hand to the Receiving Agent or by hand to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA (during normal business hours), so as to arrive by no later than 5.00 p.m. on 15 January 2019.

**Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.**

Full details of the procedure for tendering Shares are set out in Part 3 of this document, and in the case of Shares held in certificated form, on the Tender Form or in the case of Aberdeen Standard Savings Scheme Participants, on the Savings Scheme Tender Form.

### **Validity of Tender Forms, TTE Instructions or Savings Scheme Tender Forms**

Tender Forms or TTE Instructions which are received by the Receiving Agent after 1.00 p.m. on 22 January 2019 or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to relevant Shareholders or their appointed agents, together with any accompanying share certificate(s) and/or other document(s) of title.

Winterflood reserves the right to treat as valid Tender Forms or TTE Instructions which are not entirely in order and which are not accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof and shall be entitled (in its sole discretion) to accept late Tender Forms or TTE Instructions.

Savings Scheme Tender Forms which are received by the Receiving Agent after 5.00 p.m. on 15 January 2019 or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to the relevant Aberdeen Standard Savings Scheme Participants or their appointed agents.

### **Restricted Shareholders and Overseas Shareholders**

The Tender Offer is not available to Shareholders or Aberdeen Standard Savings Scheme Participants with registered or mailing addresses in any Restricted Jurisdiction, or who are citizens or nationals of, or resident in, a Restricted Jurisdiction and such Shareholders or Aberdeen Standard Savings Scheme Participants should read carefully paragraph 11 of Part 3 of this document.

Overseas Shareholders (not being Restricted Shareholders) who wish to accept the Tender Offer should also read paragraph 11 of Part 3 of this document and satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.

### **Conditions**

The Tender Offer is conditional on the terms specified in paragraph 3 of Part 3 of this document.

### **Termination of Tender Offer**

The Tender Offer may be terminated in the circumstances described in paragraph 9 of Part 3 of this document.

### **Settlement**

Subject to the Tender Offer becoming unconditional, payment of the Tender Price due to Shareholders whose tenders under the Tender Offer have been accepted will be made (i) by a Sterling cheque, to be despatched in the week commencing 4 February 2019 or (ii) by a CREST payment, to be made on 30 January 2019, as appropriate.

Payment of the Tender Price due to Aberdeen Standard Savings Scheme Participants whose tenders under the Tender Offer have been accepted will be made to participants' accounts and a letter confirming their payment will be despatched after the completion of the Tender Offer.



## **Takeover Code**

Shareholders should note the following important information relating to certain provisions of the Takeover Code, which will be relevant to purchases of Shares after the date of this document.

Under Rule 9 of the Takeover Code, any person or group of persons deemed to be acting in concert who acquires an interest in shares which carry 30 per cent. or more of the voting rights of a company to which the Takeover Code applies is normally required by the Takeover Panel to make a general offer to shareholders of that company to acquire their shares. Rule 9 of the Takeover Code also provides that any person or group of persons deemed to be acting in concert who is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights will be unable, without the Takeover Panel's consent, to acquire, either individually or together, any further voting rights in the company without being required to make a general offer to shareholders of that company to acquire their shares. An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares in the Company during the 12 months prior to the announcement of the offer.

Under Rule 37.1 of the Takeover Code, when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the Takeover Code (although a person who is neither a director (which for this purpose includes any investment manager of an investment trust) nor acting (or presumed to be acting) in concert with a director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code). However, this exception will not normally apply when a shareholder not acting in concert with a director or investment manager of an investment trust has acquired an interest in shares at a time when he had reason to believe that such a purchase of its own shares by the company would take place.

Therefore in respect of the Tender Offer, a Shareholder not acting in concert with the Directors or the Investment Manager may incur an obligation under Rule 9 of the Takeover Code to make a general offer to Shareholders to acquire their Shares if, as a result of the purchase by the Company of its own Shares from other Shareholders, he comes to hold or acquires an interest in 30 per cent. or more of the Shares following the Tender Offer or otherwise and he has purchased Shares or an interest in Shares when he had reason to believe that the Company would purchase its own Shares (under the Tender Offer or otherwise). The Company does not expect that any Shareholder will have an interest in 30 per cent. or more of the Shares following completion of the Tender Offer.

Under the Tender Offer, Winterflood will purchase, as principal, voting shares in the Company which could result in Winterflood coming to have an interest in such Shares carrying 30 per cent. or more of the voting rights of the Company. Winterflood has unconditionally undertaken under the Repurchase Agreement that, promptly following such purchase, it will sell all those Shares, acquired pursuant to the Tender Offer, to the Company for cancellation or to hold in treasury and the Company has unconditionally undertaken to buy all such Shares. Winterflood has undertaken that, so far as it is interested in the tendered Shares, it will not exercise any rights attached to those Shares. Accordingly, a waiver has been obtained from the Takeover Panel in respect of the application of Rule 9 of the Takeover Code to the purchase by Winterflood of the Shares under the Tender Offer.

## **Further information**

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part 3 of this document.

Yours faithfully,

**Joe Winkley**

*For and on behalf of Winterflood Securities Limited*

## PART 3

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### 1. The Tender Offer

- 1.1. All Shareholders (other than Restricted Shareholders and certain Overseas Shareholders) whose names appear on the Register at 6.00 p.m. on the Record Date may tender the Shares held by them as at that date for purchase by Winterflood on the terms and subject to the conditions set out in this document and the Tender Form or Savings Scheme Tender Form, as applicable (which together constitute the Tender Offer). **Shareholders are not obliged to tender any Shares.**
- 1.2. The Tender Offer is made at the Tender Price which will be calculated by the Company as at the Calculation Date in accordance with paragraph 4 of this Part 3. The calculations approved by the Directors will be conclusive and binding on all Shareholders.
- 1.3. The consideration for each tendered Share acquired by Winterflood pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 6 below. Winterflood will not be liable to pay the Tender Price to tendering Shareholders unless and until the Company has paid the amount necessary for it to purchase from Winterflood all the tendered Shares pursuant to the terms of the Repurchase Agreement.
- 1.4. Upon the Tender Offer becoming unconditional and unless the Tender Offer has been terminated or has lapsed in accordance with the provisions of paragraph 3.2 below, Winterflood will accept the tenders of Shareholders validly made in accordance with this Part 3.
- 1.5. Unless terminated in accordance with the provisions of this Part 3, the Tender Offer will close for Shareholders at 1.00 p.m. on 22 January 2019. Aberdeen Standard Savings Scheme Participants must return the Savings Scheme Tender Form by 5.00 p.m. on 15 January 2019. A Tender Form and/or TTE Instruction once submitted shall be irrevocable. Any tendered Shares will be placed in escrow and will not be able to be traded unless and until the Tender Offer is terminated or lapses in accordance with these terms and conditions.

#### 2. Basic Entitlement

- 2.1. Each Shareholder (other than a Restricted Shareholder and certain Overseas Shareholders) whose name appears on the Register at 6.00 p.m. on the Record Date will be entitled to sell to Winterflood up to their Basic Entitlement, being such number of Shares rounded down to the nearest whole number, as represents 30 per cent. of such Shareholder's holding of Shares as at the Record Date.
- 2.2. Shareholders will also be entitled to sell more Shares than their Basic Entitlement, but only to the extent to which other Shareholders tender less than their aggregate Basic Entitlement. In these circumstances, excess tenders will be satisfied, subject to the overall 30 per cent. limit on the number of Shares which may be purchased by the Company pursuant to the tender Offer *pro rata* and in proportion to the amounts of Shares tendered by each relevant Shareholder in excess of their Basic Entitlement (rounded down to the nearest whole number of Shares).
- 2.3. For the purposes of these calculations, Aberdeen Standard Savings Scheme Participants shall be treated as if they were a Shareholder holding Shares directly rather than through the Aberdeen Standard Savings Schemes.
- 2.4. The Basic Entitlement will apply to each registered Shareholder. Registered Shareholders who hold Shares for multiple beneficial owners may decide the allocation between such beneficial owners at their own discretion.
- 2.5. The maximum number of Shares Winterflood shall be obliged to purchase pursuant to the Tender Offer and which the Company will purchase pursuant to the Repurchase Agreement is 55,692,773 Shares (being equal to 30 per cent. of the Company's issued share capital (excluding Shares held in treasury) as at 19 December 2018).

### **3. Conditions**

3.1. The Tender Offer is conditional on the following Conditions being satisfied:

- 3.1.1. the passing as a special resolution, by no later than 30 April 2019, of the resolution to be proposed at the General Meeting authorising the Company to make market purchases of Shares purchased pursuant to the Tender Offer and such resolution remaining in full force and effect;
- 3.1.2. Winterflood being satisfied that the Company has procured payment of an amount equal to the Tender Price multiplied by the number of Shares successfully tendered into a designated bank account in accordance with the Repurchase Agreement;
- 3.1.3. Winterflood being satisfied that the Company has sufficient distributable profits (as defined in section 830 of the Companies Act) to effect the purchase of all Shares successfully tendered pursuant to the Repurchase Agreement;
- 3.1.4. the Company and Winterflood not having agreed to terminate the Tender Offer for any reason at their sole discretion;
- 3.1.5. Winterflood being satisfied, acting in good faith, that at all times up to and immediately prior to the announcement of the results of the Tender Offer, the Company has complied with its obligations, and is not in breach of any of the representations and warranties given by it, under the Repurchase Agreement;
- 3.1.6. the Tender Offer not having been terminated in accordance with paragraph 9 of this Part 3 prior to the fulfilment of the other Conditions; and
- 3.1.7. the Company being reasonably satisfied that no more than 40% of the Shares are held by US Shareholders.

3.2. Winterflood will not purchase (or enter into any commitment or contract to purchase) any Shares pursuant to the Tender Offer unless the Conditions have been satisfied in full or waived. The Conditions, other than those contained in paragraphs 3.1.3 and 3.1.6 above, may not be waived by Winterflood. If the Conditions are not satisfied prior to the close of business on 30 April 2019, the Tender Offer, if not then completed, will lapse.

### **4. Calculation of the Tender Price**

The Tender Price will be calculated as follows:

- 4.1 The Company will calculate its NAV as at the close of business on the Calculation Date which, for the purposes of the Tender Offer, shall mean the value of all the assets (including current year financial revenue items) less all the liabilities of the Company. Such NAV shall be calculated before taking account of the costs which are attributable to the Shares tendered under the Tender Offer. To the extent that any such expenses have already been paid for or accrued, the amount thereof shall be added back into the NAV. For this purpose, the following bases of valuation shall be adopted:
  - 4.1.1 the value of those investments of the Company which are listed, quoted or traded on a stock exchange shall be calculated by reference to the bid quotations or prices or the last trade prices recorded, as the case may be, as at the close of business on the Calculation Date, provided that if no price is available then the relevant investment shall be deemed to come within paragraph 4.1.2 below and not this paragraph 4.1.1;
  - 4.1.2 the value of all other investments of the Company shall be calculated as being their fair values (calculated in accordance with the normal accounting policies of the Company) as at the close of business on the Calculation Date as determined by the Directors;
  - 4.1.3 any value otherwise than in pounds Sterling shall be converted at the rate (whether official or otherwise) which the Directors deem appropriate in the circumstances, having regard to any relevant conversion costs;

- 4.1.4 an amount which reflects all other liabilities and obligations of the Company whatsoever (including a fair provision for any contingent liabilities (if any) but excluding liabilities under the Repurchase Agreement) or losses as at the Calculation Date shall be calculated, as determined by the Directors; and
- 4.1.5 notwithstanding the foregoing, the Directors may in their absolute discretion permit an alternative method of valuation to be used if they consider that such valuation better reflects the fair value of any asset or liability.

No party shall have any liability by reason of the fact that a price reasonably believed to be the appropriate price for any quoted or unquoted investment may be found subsequently not to be such.

- 4.2 The resulting NAV calculated in accordance with paragraph 4.1 above, will then be divided by the total number of Shares in issue or deemed to be in issue on the Calculation Date (excluding Shares held in treasury) and expressed in pence Sterling to four decimal places with 0.00005 pence being rounded downwards.
- 4.3 The Directors will, in their sole discretion, and having received advice from the Investment Manager, calculate the costs and expenses of the Tender Offer as at close of business on the Calculation Date. Such costs will then be divided by the number of Shares validly tendered under the Tender Offer and expressed in pence Sterling to four decimal places with 0.00005 pence being rounded upwards.
- 4.4 The Tender Price will be the amount equivalent to 98 per cent. of the NAV per Share, calculated on the basis of paragraphs 4.1 and 4.2 above, and expressed in pence Sterling to four decimal places with 0.00005 pence being rounded downwards less the *pro rata* costs of the Tender Offer as calculated on the basis of paragraph 4.3 above, as at close of business on the Calculation Date.
- 4.5 Except as otherwise stated, all assets and liabilities will be taken into account in accordance with the Company's normal accounting policies.

## **5. Procedure for tendering Shares**

### **5.1. Shares held in certificated form (that is, not in CREST)**

#### *5.1.1. Completion of Tender Forms*

If you hold Shares in certificated form, you should complete separate Tender Forms for Shares held under different designations. Additional Tender Forms will be available from Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone number 0371 384 2731 (from within the UK) and +44 121 415 0167 (from outside the UK) between the hours of 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline can provide information only regarding the completion of Forms of Proxy and Tender Forms and cannot provide you with advice on the merits of the Tender Offer nor give financial, tax investment or legal advice.

#### *5.1.2. Return of Tender Forms*

The completed and signed personalised Tender Form should be sent either by post, using the reply-paid envelope (for use in the UK only) enclosed or by using your own envelope to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or by hand (during normal business hours) to the same address, so as to arrive by no later than 1.00 p.m. on 22 January 2019. No Tender Forms received after this time will be accepted. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked from a Restricted Jurisdiction or otherwise appearing to Winterflood or its agents to have been sent from any Restricted Jurisdiction may be rejected as an invalid tender. Further provisions relating to Restricted Shareholders are contained in paragraph 11 of this Part 3.

The completed and signed personalised Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent), the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent by no later than 1.00 p.m. on 22 January 2019 together with any share certificate(s) and/or other document(s) of title you may have available, accompanied by a letter stating that the (remaining) share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 22 January 2019.

The Receiving Agent, acting as your agent, will effect such procedures as are required to transfer your Shares to Winterflood under the Tender Offer.

If you have lost your share certificate(s) and/or other document(s) of title, you should either call the Registrars using the telephone numbers provided in paragraph 5.1.1 above or write to the Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, for a letter of indemnity in respect of the lost share certificate(s) and/or any other document(s) of title which, when completed in accordance with the instructions given, should be returned to Equiniti at the address referred to in paragraph 5.1.2 so as to be received by no later than 1.00 p.m. on 22 January 2019.

## **5.2. Shares held in uncertificated form (that is, in CREST)**

### **5.2.1. Completion of TTE Instruction**

If the Shares which you wish to tender are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender in the Tender Offer to an escrow balance, specifying the Registrars in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles by no later than 1.00 p.m. on 22 January 2019.

If you are a CREST sponsored member, you should refer to your CREST Sponsor before taking any action. Your CREST Sponsor will be able to confirm details of your participant ID and the member account ID under which your Shares are held. In addition, only your CREST Sponsor will be able to submit the TTE Instruction to Euroclear in relation to the Shares which you wish to tender.

You should submit (or, if you are a CREST sponsored member, procure that your CREST Sponsor submits) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the ISIN number for the Shares. This is GB0002945029;
- the number of Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, Equiniti Limited, in its capacity as a CREST receiving agent, this is RA6RA67;
- the member account ID of the escrow agent, Equiniti Limited. This is RA309501;
- the Corporate Action Number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event by no later than 1.00 p.m. on 22 January 2019; and
- input with standard delivery instruction priority of 80.

After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be

held by the Registrars as your escrow agent until completion, termination or lapse of the Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for purchase by Winterflood to itself as your agent for onward sale to Winterflood. You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST Sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 1.00 p.m. on 22 January 2019. In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

#### *5.2.2. Deposits of Shares into, and withdrawals of Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfer to an escrow balance as described above) prior to 1.00 p.m. on 22 January 2019.

#### **5.3. Shares held through the Aberdeen Standard Savings Schemes**

Aberdeen Standard Savings Scheme Participants who wish to participate in the Tender Offer should complete the Savings Scheme Tender Form in accordance with the instructions set out therein and return it by post to the Receiving Agent or by hand to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA (during normal business hours) so as to arrive by no later than 5.00 p.m. on 15 January 2019. Savings Scheme Tender Forms received after that time may not be accepted. A reply-paid envelope for use in the UK only is enclosed with this document.

#### **5.4 Validity of Tender Forms and TTE Instructions**

Notwithstanding the powers in paragraph 10 below, Winterflood reserves the right to treat as valid only Tender Forms and TTE Instructions which are received entirely in order by 1.00 p.m. on 22 January 2019, which are accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof in respect of the entire number of Shares tendered. The Record Date for the Tender Offer is 6.00 p.m. on 22 January 2019.

Notwithstanding the powers in paragraph 10 below, Winterflood reserves the right to treat as valid only Savings Scheme Tender Forms which are received entirely in order by 5.00 p.m. on 15 January 2019.

Notwithstanding the completion of a valid Tender Form, Savings Scheme Tender Form or TTE Instruction, the Tender Offer may be suspended, terminate or lapse in accordance with the terms and conditions set out in this Part 3.

The decision of Winterflood as to which Shares have been validly tendered shall be conclusive and binding on the Shareholders who participate in the Tender Offer.

If you are in any doubt as to how to complete the Tender Form or Savings Scheme Tender Form or how to submit a TTE Instruction or as to the procedures for tendering Shares, please call the Receiving Agent on 0371 384 2731 (from within the UK) and +44 121 415 0167 (from outside the UK) between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please note that Equiniti cannot provide any financial, tax, investment or legal advice and

calls may be recorded and monitored for security and training purposes. You are reminded that, if you are a CREST sponsored member, you should contact your CREST Sponsor before taking any action.

## **6. Announcement of the Tender Price, results of the Tender and Settlement**

- 6.1. Unless terminated in accordance with the provisions of this Part 3, the Tender Offer will close for Shareholders at 1.00 p.m. on 22 January 2019. Subject to the Conditions being satisfied, it is expected that on 28 January 2019 the Company will make a public announcement of the total number of Shares tendered and, if applicable, either the extent to which tenders will be scaled back, or the number of tendered Shares in excess of the Basic Entitlement which will be purchased by Winterflood from Shareholders who have tendered Shares in excess of their Basic Entitlement.
- 6.2. Delivery of cash to Shareholders for the Shares to be purchased pursuant to the Tender Offer will be made by the Receiving Agent. The Receiving Agent will act as agent for tendering Shareholders for the purpose of receiving the cash and transmitting such cash to tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company, Winterflood or the Receiving Agent regardless of any delay in making such payment.
- 6.3. If any tendered Shares are not purchased because of an invalid tender, the termination of the Tender Offer or otherwise, relevant share certificate(s) and/or other document(s) of title, if any, will be returned or sent as promptly as practicable, without expense to, but at the risk of, the relevant tendering Shareholder, or in the case of Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow balances by TFE Instruction to the original available balances to which those Shares came.
- 6.4. Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Winterflood is expected to be made as follows:

### *6.4.1. Shares held in certificated form (that is, not in CREST)*

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched at the Shareholder's own risk by the Receiving Agent by first class post to the person or agent whose name and address is set out in Box 5 of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder shown in Box 1 of the Tender Form or, in the case of joint holders, the address of the Shareholder first named in the Register. All cash payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank.

### *6.4.2. Shares held in uncertificated form (that is, in CREST)*

Where an accepted tender relates to Shares held in uncertificated form, the consideration due will be paid by means of CREST by the Receiving Agent (on behalf of Winterflood) procuring the creation of a CREST payment obligation in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

### *6.4.3. Timing of settlement*

The payment of any consideration to Shareholders for Shares tendered in the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of the share certificate(s) and/or other requisite document(s) of title evidencing such Shares and any other documents required under the Tender Offer.

### *6.4.4. Shares held in the Aberdeen Standard Savings Schemes*

Where an accepted tender relates to Shares held through any of the Aberdeen Standard Savings Schemes, the consideration due will be transferred to the Aberdeen Standard Savings Scheme Participant's account and a letter confirming the Aberdeen Standard Savings Scheme Participant's payment will be despatched following the completion of the Tender Offer.

- 6.5. If only part of a holding of Shares is sold pursuant to the Tender Offer or if, because of scaling back, any tendered Shares in excess of a Shareholder's Basic Entitlement are not purchased pursuant to the terms of the Tender Offer, then:
- 6.5.1. where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares; or
  - 6.5.2. where the Shares are held in uncertificated form (that is, in CREST) the unsold Shares will be transferred by the Receiving Agent by means of a TFE Instruction to the original available balance from which those Shares came; or
  - 6.5.3. where the Shares are beneficially held by an Aberdeen Standard Savings Scheme Participant, the unsold beneficial holding of Shares will be recorded in the relevant Aberdeen Standard Savings Scheme Participant's account.

## **7. Tender Form and TTE Instruction**

Each Shareholder by whom, or on whose behalf, a Tender Form or TTE Instruction (as applicable) is executed or submitted, irrevocably undertakes, represents, warrants and agrees to and with Winterflood (for itself and for the benefit of the Company, as the case may be and so as to bind himself, herself or itself, and his, her or its respective personal representatives, heirs, successors and assigns) that:

- 7.1. the execution of the Tender Form or the submission of a TTE Instruction shall constitute an offer to sell to Winterflood such Shareholder's Basic Entitlement or, if relevant, the number of Shares inserted in Box 2B of the Tender Form or submitted in the TTE Instruction (as applicable), on and subject to the terms and conditions set out or referred to in this document and, once a Tender Form and/or TTE Instruction is submitted, such offer shall be irrevocable;
- 7.2. such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Winterflood, Winterflood will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- 7.3. the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Winterflood as such Shareholder's attorney and/or agent ("**attorney**"), and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in paragraph 6.1 above in favour of Winterflood or such other person or persons as Winterflood may direct and to deliver such instrument(s) of transfer and/or other document(s) at the discretion of the attorney, together with the share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest such Shares in Winterflood or its nominee(s) or such other person(s) as Winterflood may direct;
- 7.4. the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as such Shareholder's escrow agent and an irrevocable instruction and authority to the escrow agent, to transfer to itself and then to transfer to Winterflood by means of CREST (or to such person or persons as Winterflood may direct) all of the Relevant Shares (as defined below) accepted under the Tender Offer or where there are Shares which have not been successfully tendered under the Tender Offer, to transfer the Relevant Shares to the original available balances from which those Shares came. For the purposes of this paragraph 7.4, "Relevant Shares" means Shares held in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part 3;
- 7.5. each Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Winterflood or the Receiving Agent (in the case of Shares tendered through CREST)



or any of their respective directors or officers or any person nominated by Winterflood or the Receiving Agent (in the case of Shares tendered through CREST) in the proper exercise of its or his or her powers and/or authorities hereunder;

- 7.6. if such Shareholder holds Shares in certificated form, he, she or it will deliver to the Receiving Agent his, her or its share certificate(s) and/or other document(s) of title in respect of the Shares, or an indemnity acceptable to Winterflood in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 22 January 2019;
- 7.7. such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Winterflood to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 7.8. such Shareholder, if an Overseas Shareholder, (a) is not in any Restricted Jurisdiction or in any territory in which it is unlawful to make or accept the Tender Offer or to use the Tender Form in any manner in which such person has used or will use it, (b) has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the invitation under the Tender Offer may lawfully be made to and accepted by him, her or it under the laws of the relevant jurisdiction;
- 7.9. such Shareholder has not received or sent copies or originals of the Tender Form to a Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Jurisdiction, that the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Jurisdiction (or the TTE Instruction has not been sent from a Restricted Jurisdiction in the case of Shares held in uncertificated form (that is, in CREST)) and that such Shareholder is not accepting the Tender Offer from any Restricted Jurisdiction;
- 7.10. in the case of Shares held in certificated form, the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- 7.11. in the case of Shares held in certificated form, the despatch of a cheque in respect of the Tender Price to a Shareholder at his, her or its respective registered addresses or such other address as is specified in the Tender Form will constitute a complete discharge by Winterflood of its obligations to make such payment to such Shareholders;
- 7.12. in the case of Shares held in uncertificated form (that is, in CREST) the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5.2.1 above will, to the extent of the obligations so created, discharge fully any obligation of Winterflood to pay to such Shareholder the cash consideration to which he, she or it is entitled in the Tender Offer;
- 7.13. on execution, the Tender Form takes effect as a deed;
- 7.14. the execution of the Tender Form or the submission of a TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the English courts in relation to all matters arising out of or in connection with the Tender Offer;
- 7.15. in the case of Shares held in uncertificated form (that is in CREST), if, for any reason any Shares in respect of which a TTE Instruction has been made are, prior to 1.00 p.m. on 22 January 2019, converted into certificated form, the; tender(s) through CREST in respect of such Shares shall cease to be valid;
- 7.16. if the appointment of the attorney and/or agent under paragraph 7.3 above shall be unenforceable or invalid or shall not operate so as to afford to Winterflood the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed, do all such acts and things and execute all such documents that may be required to enable Winterflood to secure the full benefits of paragraph 7.3 above; and

- 7.17 in the case of Shares held in uncertificated form (that is in CREST), such Shareholder shall not take any action which would prevent the Company or the Registrars from cancelling the Shares to which the TTE Instructions relate.

A reference in this paragraph 7 to a Shareholder who holds Shares in certificated form includes a reference to the person or persons executing the Tender Form and, in the event of more than one person executing the Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

## **8. Additional provisions**

- 8.1. Shareholders (other than a Restricted Shareholder and certain Overseas Shareholders) will be entitled to have accepted in the Tender Offer valid tenders to Winterflood up to his, her or its Basic Entitlement. In addition, Shareholders may tender Shares in excess of their Basic Entitlement where other Shareholders tender less than their Basic Entitlement and subject to the scaling back of tenders, as set out in paragraph 2 above. If in Winterflood's determination (in its absolute discretion) Box 2 of any Tender Form has not been validly completed in respect of the number of Shares to be tendered, provided that that Tender Form is otherwise in order and accompanied by all other relevant documents, the relevant Shareholders may be deemed to have tendered such amounts of Shares as that equal to their respective Basic Entitlements.
- 8.2. Shares acquired by Winterflood in the Tender Offer and by the Company from Winterflood pursuant to the Repurchase Agreement will be market purchases in accordance with the rules of the FCA, the London Stock Exchange and the UK Listing Authority.
- 8.3. Shares sold by Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date.
- 8.4. Each Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of Winterflood agreeing to process his, her or its tender, such Shareholder will not revoke his, her or its tender or withdraw his, her or its Shares. Shareholders should note that once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 8.5. Any omission to despatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 8.6. No acknowledgement of receipt of any Tender Form, TTE Instruction, Savings Scheme Tender Form share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) and Aberdeen Standard Savings Scheme Participants (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) and Aberdeen Standard Savings Scheme Participants (or their designated agents) at their own risk.
- 8.7. All powers of attorney and authorities on the terms conferred by or referred to in this Part 3 or in the Tender Form or Savings Scheme Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 8.8. Subject to paragraphs 10 and 12 below, all tenders in relation to certificated holders must be made on the personalised Tender Form or Savings Scheme Tender Form (as applicable), fully completed in accordance with the instructions set out thereon which constitute part of the terms and conditions of the Tender Offer and, for uncertificated holders, a TTE Instruction must be submitted in accordance with the instructions provided in paragraph 5.2 above. A Tender Form, Savings Scheme Tender Form or TTE Instruction will only be valid when the procedures contained in the terms and conditions of the Tender Offer and in the Tender Form or Savings Scheme Tender Form (as applicable) are complied with. The Tender Offer will be governed by and construed in accordance with English law.

Delivery or posting of a Tender Form, Savings Scheme Tender Form or the transmission of a TTE Instruction in CREST, as applicable, will constitute submission to the jurisdiction of the English courts in respect of all matters arising out of or in connection with the Tender Offer (including the Tender Form, Savings Scheme Tender Form or the transmission of a TTE Instruction in CREST).

- 8.9. If the Tender Offer does not become unconditional, is terminated or lapses, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 5 of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder shown in Box 1 of the Tender Form or, in the case of joint holders, the address of the Shareholder first named in the Register. In the case of Shares held in uncertificated form, Equiniti in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer terminating or lapsing, give instructions to Euroclear to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Shares came. In any of these circumstances, Tender Forms and TTE Instructions will cease to have any effect.
- 8.10. The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form or Savings Scheme Tender Form shall constitute part of the terms of the Tender Offer. The definitions set out in this document apply to the terms and conditions of the Tender Offer, including the Tender Form and the Savings Scheme Tender Form.
- 8.11. Subject to paragraph 11 below, the Tender Offer is open to those Shareholders whose names appeared on the Register at 6.00 p.m. on the Record Date. The Tender Offer will close at 1.00 p.m. on 22 January 2019. Subject to paragraph 10.5 below, no Tender Form, share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after that time will be accepted. Subject to paragraph 10.5 below, no Savings Scheme Tender Form will be accepted after 5.00 p.m. on 15 January 2019.
- 8.12. All documents and remittances despatched to or from Shareholders or their appointed agents in connection with the Tender Offer will be despatched at the Shareholder's own risk and no acknowledgement will be issued in respect of receipt of Forms of Proxy, Voting Direction Forms, Tender Forms or Savings Scheme Tender Forms.
- 8.13. Further copies of this document and copies of the Tender Form or Savings Scheme Tender Form may be obtained on request from the Receiving Agent at the addresses set out in the Tender Form and Savings Scheme Tender Form respectively.

## **9. Termination of the Tender Offer**

- 9.1. If the Company (acting through the Directors) shall, at any time prior to Winterflood effecting the purchase as principal of the successfully tendered Shares pursuant to the Repurchase Agreement, notify Winterflood in writing that in the Directors' reasonable opinion: (i) as a result of any change in national or international financial, economic, political or market conditions, the cost of realisation of assets to fund the Tender Offer has become prohibitive; or (ii) the completion of the repurchase of Shares tendered pursuant to the Tender Offer could have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, Winterflood and/or the Company shall be entitled to terminate the Tender Offer at their complete discretion.
- 9.2. If the Tender Offer is terminated, the Company will make an announcement through a Regulatory Information Service that such is the case and the Tender Offer shall cease and determine absolutely, without any liability on the part of the Company or Winterflood.

## **10. Miscellaneous**

- 10.1. Any changes to the terms, or any extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof by no later than 1.00 p.m. on the Business Day following the date of such changes. In this case, the definitions, times and dates mentioned throughout this document shall be deemed to be adjusted accordingly. Such an announcement will be released to a Regulatory Information Service. References to the making of an announcement by the Company includes the release of an announcement on behalf of the

Company by Winterflood to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to a Regulatory Information Service.

- 10.2. Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from Winterflood by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and such Shares will subsequently be cancelled or held in treasury.
- 10.3. The expenses of the Tender Offer (including stamp duty, commission payable to Winterflood and portfolio realisation costs) together with the applicable VAT will be borne by the tendering Shareholders and will be reflected in the Tender Price.
- 10.4. Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Winterflood or the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 10.5. Winterflood reserves the absolute right to inspect (either itself or through its agents or through the Receiving Agent) all Tender Forms, Savings Scheme Tender Forms and TTE Instructions and may consider void and reject any tender that does not in Winterflood's sole judgement meet the requirements of the Tender Offer. Winterflood also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form or Savings Scheme Tender Form (in whole or in part) which is not entirely in order or which is not accompanied by (in the case of Shares held in uncertificated form) the relevant TTE Instruction or (in the case of Shares held in certificated form), the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to Winterflood in lieu thereof. However, in that event, the consideration payable under the Tender Offer for successfully tendered Shares held in certificated form will only be despatched when the relevant Tender Form is entirely in order and the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Winterflood has/have been received. None of Winterflood, the Company, the Registrars or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 10.6. The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.

## **11. Restricted Shareholders and Overseas Shareholders**

- 11.1. The provisions of this paragraph 11 and any other terms of the Tender Offer relating to Restricted Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Winterflood in consultation with the Company but only if Winterflood and the Company are satisfied that such a waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other laws.
- 11.2. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Shares to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection herewith, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholders will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Winterflood and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Forms in any territory outside the United Kingdom.
- 11.3. The Tender Offer is not being made to Restricted Shareholders. Restricted Shareholders are being excluded from the Tender Offer in order to avoid breaching applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of the Tender Form are not being and must

not be mailed or otherwise distributed into a Restricted Jurisdiction, including to Shareholders with registered addresses in Restricted Jurisdictions, or to persons whom the Company or Winterflood knows to be custodians, nominees or trustees holding Shares for persons in Restricted Jurisdictions. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them in or into a Restricted Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, as so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked from a Restricted Jurisdiction or otherwise despatched to a Restricted Jurisdiction and accepting Shareholders must not provide Restricted Jurisdiction addresses for the remittance of cash or return of Tender Forms.

- 11.4. A Shareholder will be deemed not to have made a valid tender if:
- 11.4.1. such Shareholder is unable to make the representations and warranties set out in paragraphs 7.8 and 7.9 of this Part 3; or
  - 11.4.2. such Shareholder inserts in Box 5 of the Tender Form the name and address of a person or agent in a Restricted Jurisdiction to whom he, she or it wishes the consideration to which such Shareholder is entitled in the Tender Offer to be sent; or
  - 11.4.3. the Tender Form received from him, her or it is in an envelope postmarked in, or which otherwise appears to Winterflood or its agents to have been sent from, a Restricted Jurisdiction. Winterflood reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraphs 7.8 and 7.9 of this Part 3 given by any Shareholder are correct and, if such investigation is undertaken and as a result Winterflood determines (for any reason) that such representations and warranties are not correct, such acceptance shall not be valid.
- 11.5. If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related offering documents in or into a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in, a Restricted Jurisdiction in connection with such forwarding, such person should:
- 11.5.1. inform the recipient of such fact;
  - 11.5.2. explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - 11.5.3. draw the attention of the recipient to this paragraph 11.
- 11.6. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.
- 11.7. The provisions of this paragraph 11 supersede any terms of the Tender Offer inconsistent herewith.
- 11.8. **Overseas Shareholders (who are not Restricted Shareholders) should inform themselves about and observe any applicable legal or regulatory requirements. The comments set out in this document are intended as a general guide only and Shareholders who are in any doubt about their position should consult their professional adviser in the relevant territory.**

## 12. Modifications

The terms of the Tender Offer shall have effect subject to such non-material modifications or additions as the Company and Winterflood may from time to time approve in writing. The times and dates referred to in this document may be amended by agreement between the Company and Winterflood and any such amendment shall be publicly announced as promptly as practicable by way of an RIS.

## PART 4

### RISKS ASSOCIATED WITH THE TENDER OFFER

Shareholders should consider carefully all of the information set out in this document including, in particular, the risks associated with the Tender Offer described below, as well as their own personal circumstances, prior to making any decision as to whether or not to tender any Shares in the Tender Offer.

The Company's business, financial condition or operations could be materially and adversely affected by the occurrence of any of the risks described below. In such circumstances, the market price of the Shares could decline and investors could lose all or part of their investment. In particular, Shareholders should note that the past performance of the Shares should not be used as a guide to their future performance.

Additional risks and uncertainties which were not known to the Board at the date of this document or that the Board considers at the date of this document to be immaterial (based on the assumption that the resolution is passed at the General Meeting and the Tender Offer is implemented) may also materially and adversely affect the Company's business, financial condition or results or prospects.

Shareholders should be aware of the following considerations relating to the Tender Offer:

- Implementation of the Tender Offer is conditional, *inter alia* upon the passing as a special resolution, by no later than 30 April 2019, of the resolution to be proposed at the General Meeting authorising the Company to make market purchases of Shares purchased pursuant to the Tender Offer. In the event that the Resolution is not passed, the Tender Offer will not proceed and the Company would have to bear the abortive costs of having proposed the Tender Offer.
- In order to pay the consideration to which Shareholders are entitled pursuant to valid tenders of Shares accepted by Winterflood (and which the Company will then be obliged to repurchase from Winterflood), the Company may use a significant amount of its available cash and other liquid funds. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Company and therefore, to the extent that the Company is required to sell any of its portfolio holdings to fund the Tender Offer, the price obtained for such sale may be lower than the current market value of the investment in question.
- If the Tender Offer does not proceed for any reason, the Company would bear the fixed costs in relation to the Tender Offer.
- Shareholders tendering Shares for sale under the Tender Offer will receive the Tender Price per Share, which may be less than the price at which they bought their Shares or the price or value at which they might ultimately realise their Shares should they continue to hold them.
- Tender Forms, Savings Scheme Tender Forms and TTE Instructions, once submitted, are irrevocable. Shareholders should note that all Shares tendered will be held in escrow by the Registrars and may not be switched, sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer. The price of the Shares and the Company's Net Asset Value may rise or fall following submission of a Tender Form, Savings Scheme Tender Form and/or TTE Instruction. If the Tender Offer lapses or is terminated in accordance with the terms and conditions set out in this document, all tendered Shares will be returned to the relevant Shareholders.
- The Tender Price will depend on the number of Shares tendered. The greater the number of Shares tendered the lower the fixed costs of the Tender Offer will be as a proportion of the value received by those Shareholders who successfully tender Shares. Shareholders should note that if the Board and Winterflood reasonably consider the fixed costs of the Tender Offer to be excessive relative to the number of Shares tendered, the Tender Offer may not proceed.

- If any Shares permitted to be tendered pursuant to the Tender Offer are tendered, the issued share capital of the Company will be reduced as a result of the Tender Offer (and associated repurchase) and the Company will be smaller. As a result, the funds used to repurchase the Shares acquired by Winterflood pursuant to the Tender Offer will no longer be available for application in the ordinary course of the Company's business or to meet contingencies, and the fixed costs of the Company will be spread over fewer Shares.
- The lower number of Shares in issue following completion of the Tender Offer may reduce secondary market liquidity in the Shares, which could, accordingly, adversely affect a Shareholder's ability to sell their Shares in the market.
- There can be no guarantee that the investment objective of the Company will be achieved or that any appreciation of the Company's assets will occur.
- The Company's past investment performance is not a reliable indicator of its future investment performance.
- Changes in economic conditions (including, for example, changes in interest rates, rates of inflation, industry conditions and competition), political, diplomatic, social and demographic events and trends, tax laws and other factors could substantially and adversely affect the value of the Company's portfolio and, as a consequence, the Company's investment performance, Share price, and prospects.
- Any change in the Company's tax status, or in taxation legislation or in the interpretation or application of taxation legislation, could affect the value of investments held by the Company, the Company's ability to achieve its investment objective, the ability of the Company to provide returns to Shareholders and/or alter the post-tax returns of Shareholders. Shareholders should refer to the information contained in the Part 5 of this document in relation to any tax consequences relating to the Tender Offer.

**The foregoing factors are not exhaustive and do not purport to be a complete explanation of all risks and significant considerations relating to the Tender Offer and the Company. Accordingly, additional risks and uncertainties not presently known to the Board may also have an adverse effect on the Tender Offer and/or the Company's business, financial condition or results or prospects.**

## PART 5

### TAXATION

#### A. UK Taxation

**The following comments are intended only as a general guide to certain aspects of current UK law and HMRC published practice, and do not constitute tax advice. They are of a general nature and apply only to Shareholders who are resident in the UK (except where otherwise indicated) and who hold their Shares as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities or Shareholders who have acquired their Shares by virtue of an office or employment.**

A Shareholder who sells Shares in the Tender Offer should be treated, for the purposes of UK taxation, as though the Shareholder has sold them in the normal way to a third party. Accordingly, and subject to the comments in the next paragraph, any such Shareholder who is UK resident for tax purposes may, depending on that Shareholder's particular circumstances, be subject to UK capital gains tax (or, in the case of a corporate Shareholder, UK corporation tax on chargeable gains) in respect of any gain arising on such sale.

Individual Shareholders may have gains reduced by the annual exemption which is £11,700 for 2018/2019 or allowable losses, whereas corporate Shareholders subject to UK corporation tax may have their gains reduced by indexation allowance but this allowance will not create or increase an allowable loss. Under measures enacted in Finance Act 2018, indexation allowance (which applied solely to corporate bodies and not individuals) was frozen as at 31 December 2017 and therefore no longer accrues past this date.

The rate of UK capital gains tax will usually be 10 per cent. for individual Shareholders who are chargeable to UK income tax at the basic rate and will usually be 20 per cent. for individual Shareholders taxable at rates other than the basic rate. Corporate Shareholders may be subject to UK corporation tax at the current rate of 19 per cent.

Shareholders who are not resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from the sale of their Shares although they may be subject to taxation in a jurisdiction other than the UK depending on their particular circumstances. Individual Shareholders who are temporarily not resident in the UK for tax purposes may be liable to capital gains tax under tax anti-avoidance legislation.

**Shareholders who are subject to tax in a jurisdiction other than the UK or who are in any doubt as to the potential tax consequences of selling their Shares are strongly recommended to consult their own professional advisers before making any such sales.**

Application has not been made to HMRC for clearance under section 748 of the CTA 2010 or section 701 of the ITA 2007 given that the anti-avoidance provisions of Part 15 of the CTA 2010 or Part 13 of the ITA 2007 should not apply to the Tender Offer. Part 15 of the CTA 2010 and Part 13 of the ITA 2007 permit HMRC to counteract tax advantages arising from certain transactions in securities by for example treating some or all of the proceeds of capital disposals as distributions of income. However, these sections do not apply where it can be shown, in the case of any corporation tax advantage, that the transactions in question were entered into for genuine commercial reasons and did not involve as one of their main objects the obtaining of any corporation tax advantage and, in the case of any income tax advantage, that the transactions in question did not involve the receipt of consideration in connection with a distribution by or assets of a close company (as set out in section 685 of the ITA 2007) or did not involve as one of their main purposes the obtaining of any income tax advantage.

Stamp duty or stamp duty reserve tax at the rate of 0.5 per cent. of the Tender Price (rounded up to the nearest £5 in the case of stamp duty only) will be payable by the Company on Shares repurchased by it pursuant to the Tender Offer.

**If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay. The information relating to taxation set out above is a general guide and is not exhaustive. It is based on law and practice currently in force in the UK and is subject to changes therein possibly with retrospective effect.**



## **B. US Taxation**

The following is a summary of certain material US federal income tax consequences of the acceptance of the Tender Offer by a US Holder. This summary deals only with US Holders who tender Shares held as capital assets. The discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acceptance of the Tender Offer by particular Shareholders, and does not address state, local, foreign or other tax laws. This summary also does not address tax considerations applicable to Shareholders that own (directly or indirectly) 10 per cent. or more of the voting stock of the Company, nor does this summary discuss all of the tax considerations that may be relevant to certain types of Shareholders subject to special treatment under the US federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax deferred accounts, tax-exempt organizations, dealers in securities or currencies, Shareholders who hold the Shares as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes, Shareholders whose functional currency is not the US Dollar, or former citizens or long-term residents of the United States).

As used herein, the term “US Holder” means a beneficial owner of Shares that is, for US federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation created or organized under the laws of the United States or any State thereof; (iii) an estate the income of which is subject to US federal income tax without regard to its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner in a partnership that holds Shares will depend on the status of the partner and the activities of the partnership. Partnerships should consult their tax advisers concerning the US federal income tax consequences to their partners of the acceptance of the Tender Offer by the partnership.

The summary is based on the tax laws of the United States, including the Code, its legislative history, existing and proposed US Treasury regulations, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. The Company has not sought, and will not seek, any ruling from the US Internal Revenue Service (the “IRS”) with respect to the tax consequences discussed herein, and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained.

**THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS FOR GENERAL INFORMATION ONLY. ALL SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACCEPTING THE TENDER OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

### **Passive Foreign Investment Company**

Special US federal income tax rules apply to US Holders owning shares of a passive foreign investment company (a “PFIC”). A corporation organized outside the United States generally will be classified as a PFIC for US federal income tax purposes in any taxable year in which, after applying certain look-through rules, either: (i) at least 75 per cent. of its gross income is “passive income”; or (ii) on average, at least 50 per cent. of the gross value of its assets is attributable to assets that produce “passive income” or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents, annuities, the excess of gains over losses from commodities and securities transactions, and the excess of gains over losses from the disposition of assets that produce passive income. For the purposes of applying the foregoing tests, a company’s proportionate share of the assets and gross income of the company’s 25 per cent. or greater owned direct and indirect subsidiaries are attributed to the company. If a corporation is a PFIC (other than a QEF, as defined below) at any time during a shareholder’s holding period, it will continue to be treated as a PFIC with respect to such shareholder in future years unless the shareholder makes an election to purge the PFIC status. The Company believes that it was a PFIC for its fiscal year ended 31 August 2018 and will continue to be a PFIC in the future.

A US Holder who owns Shares while the Company was a PFIC may be subject to increased tax liability upon the sale, exchange or other disposition of the Shares or upon the receipt of certain distributions. However, these adverse tax consequences may not apply, in whole or in part, if the US Holder timely made or makes, as the case may be, a mark-to-market election as described below. These adverse tax consequences include the application of the “excess distribution” regime under the Code and the regulations thereunder. An “excess distribution” generally is the excess of the amount a PFIC distributes to a shareholder during a taxable year over 125 per cent. of the average amount it distributed to the shareholder during the three preceding taxable years or, if shorter, the part of the shareholder’s holding period before the taxable year. Distributions with respect to the Shares made by the Company during the taxable year to a US Holder that are excess distributions must be allocated ratably to each day of the US Holder’s holding period. The amount allocated to the current taxable year and to taxable years prior to the first year in which the Company was classified as a PFIC are included as ordinary income in a US Holder’s gross income for the current year. The amount allocated to each other taxable year is taxed at the highest applicable tax rate in effect for the US Holder in that prior taxable year (without offset by any net operating loss for such year) and the tax is subject to an interest charge at the rate applicable to deficiencies in income taxes (the “**special interest charge**”). The entire amount of any gain realized upon the sale or other disposition of the Shares will be treated as an excess distribution made in the year of sale or other disposition and as a consequence will be treated as ordinary income and, to the extent allocable to years prior to the year of sale or disposition (other than years prior to the first year in which the Company was classified as a PFIC), will be subject to the rules described above (including the special interest charge). If the Company is classified as a PFIC for a taxable year, and, at any time during such taxable year, owns shares in another foreign corporation that is classified as a PFIC, US Holders generally would be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability under the excess distribution regime described above if the Company receives an excess distribution from or disposes of all or part of its interest in the lower tier PFIC or the US Holder disposes of any interest in the Company. US Holders should consult their tax advisers with respect to the potential application of the excess distribution rules with respect to lower-tier PFICs.

A US Holder of “marketable stock” (as defined below) may make a mark-to-market election for such stock to generally elect out of the adverse PFIC tax treatment discussed above. If a US Holder makes a mark-to-market election for the shares of a PFIC, the holder will include in income each year an amount equal to the excess, if any, of the fair market value of the shares as of the close of the holder’s taxable year over the holder’s adjusted tax basis in such shares. A US Holder is allowed a deduction for the excess, if any, of the adjusted tax basis of the shares over their fair market value as of the close of the taxable year, but only to the extent of any net mark-to-market gains on the shares included in the holder’s income for prior taxable years. Amounts included in a US Holder’s income under a mark-to-market election, as well as gain on the actual sale or other disposition of mark-to-market PFIC shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the shares, as well as to any loss realized on the actual sale or disposition of the shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such shares. A US Holder’s basis in the shares will be adjusted to reflect any such income or loss amounts. However, the special interest charge and other adverse tax consequences described above for non-electing holders may continue to apply on a limited basis if the US Holder makes the mark-to-market election after such holder’s holding period for the PFIC mark-to-market shares has begun if the foreign corporation was a PFIC for any taxable year during such holding period prior to the first taxable year for the which the mark-to-market election is effective.

The mark-to-market election is available only for “marketable stock”, which is defined as stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter (“**regularly traded**”) on a qualified exchange or other market, as defined in applicable US Treasury regulations. The Shares are admitted to trading on the London Stock Exchange, which should constitute a “qualified exchange” under applicable US Treasury regulations. US Holders should consult their tax advisers as to whether the Shares would qualify for the mark-to-market election, the potential application of the excess distribution regime to them with respect to any lower-tier PFICs that the Company may own and the obligation to file IRS Form 8621.

The adverse PFIC tax treatment discussed above may also generally be avoided if a US Holder is able to make a Qualified Electing Fund (“**QEF**”) election with respect to shares owned in a PFIC. The effect of a QEF election is that a US Holder generally will be currently taxable on its pro rata share of a company’s ordinary earnings and net capital gains (at ordinary income and capital gains rates,

respectively) for each taxable year of such company in which it is classified as a PFIC, even if no dividend distributions are received by such US Holder, unless such US Holder makes an election to defer such taxes. A QEF election may be made only by a US Holder if the Company provides such holder with certain information that allows such holder to report and pay any current or deferred taxes due with respect to its pro rata share of the Company's net ordinary earnings and net capital gains for such taxable year. The Company does not make such information available. Therefore, the Company does not anticipate that US Holders will be able to make a QEF Election with respect to their Shares. The remainder of this discussion assumes, except as otherwise noted, that the Company is a PFIC and that the QEF election is not available. The applicability and consequences of the PFIC rules are very complex and, in some respects, unclear. US Holders are strongly advised to consult their tax advisers regarding the application of the PFIC rules to the Tender Offer.

### **US Holders whose Shares are purchased in the Tender Offer**

The Tender of Shares and receipt of cash by US Holders pursuant to the Tender Offer will be treated for US federal income tax purposes as a redemption of the tendered Shares by the Company.

A redemption of shares is treated for US federal income tax purposes as either: (i) a "sale or exchange" of such shares; or (ii) a distribution by the Company in respect of Shares held by such holder.

Under Section 302 of the Code, a US Holder whose Shares are purchased under the Tender Offer will be treated as having sold those Shares if the purchase:

- is "not essentially equivalent to a dividend" with respect to the US Holder;
- results in a "complete termination" of the US Holder's equity interest in the Company; or
- results in a "substantially disproportionate" redemption with respect to the US Holder.

Each of these tests (collectively, the "**Section 302 tests**"), and the consequences of satisfying any of them, is explained in more detail below.

### **Tax treatment of distribution in respect of Shares**

If a US Holder does not satisfy any of the Section 302 tests explained below, the purchase of a US Holder's Shares under the Tender Offer will not be treated as a sale or exchange. Instead, the entire amount received by a US Holder with respect to the purchase of its Shares under the Tender Offer will be treated as a distribution. If a US Holder has timely made a mark-to-market election, such distribution will be a dividend to the extent of the US Holder's share of the available current and accumulated earnings and profits (within the meaning of the Code) of the Company and, to the extent that the amount of the distribution exceeds the Company's current and accumulated earnings and profits, the excess first will be treated as a tax-free return of capital that will reduce the holder's tax basis in the holder's Shares, and to the extent of any remaining portion in excess of such tax basis, the excess will be taxable as gain from the sale or exchange of such Shares. US Holders should consult their tax advisers on the character of any such gain. If a US Holder has not timely made a mark-to-market election, under proposed Treasury regulations regarding the treatment of PFICs, a purchase of Shares under the Tender Offer that does not satisfy any of the Section 302 tests and hence is treated as a distribution will be treated in its entirety as a distribution for PFIC purposes (and will be subject to the excess distribution rules) regardless of whether there are any earnings and profits. A dividend received by a corporate US Holder generally will not be eligible for a dividends-received deduction. In addition, a dividend received by a non-corporate US Holder will not qualify for the 20 per cent. reduced maximum rate.

To the extent that a purchase of a US Holder's Shares under the Tender Offer is treated as the receipt by the US Holder of a dividend or as a distribution under the PFIC excess distribution rules, the US Holder's remaining adjusted tax basis in the purchased Shares will be added to the basis of any Shares retained by the US Holder. Amounts treated as dividends or distributions under the PFIC excess distribution rules paid pursuant to the Tender Offer in Sterling should be included in a US Holder's income or taken into account under the PFIC excess distribution rules in a US Dollar amount calculated by reference to the exchange rate in effect on the date the amounts are received by such US Holder, regardless of whether the payment is in fact converted into US Dollars. If the amounts treated as dividends or distributions under the PFIC excess distribution rules are converted into US Dollars on the date of receipt, a US Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income or distributions.

## Section 302 tests

One of the following tests must be satisfied in order for the purchase of Shares under the Tender Offer to be treated as a sale or exchange rather than a distribution for US federal income tax purposes:

- ***“Not essentially equivalent to a dividend” test***

The purchase of a US Holder’s Shares under the Tender Offer will be treated as “not essentially equivalent to a dividend” if the purchase in the Tender Offer results in a “meaningful reduction” of the shareholder’s proportionate interest in the corporation. Whether the receipt of cash by a US Holder who sells Shares under the Tender Offer will be “not essentially equivalent to a dividend” will depend upon the US Holder’s particular facts and circumstances. The IRS has indicated in a published revenue ruling that even a small reduction in the percentage interest of a stockholder whose relative stock interest in a publicly held corporation is minimal (for example, an interest that represents a small fraction of one percent) and who exercises no control over corporate affairs should constitute a “meaningful reduction”. US Holders should consult their tax advisers as to the application of this test in their particular circumstances.

- ***“Complete termination” test***

The purchase of a US Holder’s Shares under the Tender Offer will result in a “complete termination” of the US Holder’s equity interest in the Company if all of the Shares that are actually owned by the US Holder are sold under the Tender Offer and all of the Shares that are constructively owned by the US Holder, if any, are sold under the Tender Offer or, with respect to Shares owned by certain related individuals, the US Holder is entitled to and effectively waives attribution of the Shares which otherwise would be considered as constructively owned by the US Holder. US Holders wishing to satisfy the “complete termination” test through waiver of the constructive ownership rules should consult their tax advisers.

- ***“Substantially disproportionate” test***

Generally, the purchase of a US Holder’s Shares under the Tender Offer will result in a “substantially disproportionate” redemption with respect to the US Holder if the percentage of the then outstanding Shares actually and constructively owned by the US Holder immediately after the purchase is less than 80 per cent. of the percentage of the Shares actually and constructively owned by the US Holder immediately before the purchase (treating as outstanding before the purchase all Shares purchased under the Tender Offer).

The Company cannot predict whether or the extent to which a US Holder that has tendered a number of Shares in excess of such US Holder’s Basic Entitlement will be accepted for purchase under the Tender Offer. Therefore, no assurance can be given that a sufficient number of a US Holder’s Shares will be purchased under the Tender Offer to ensure that the US Holder receives sale or exchange treatment, rather than dividend treatment, for US federal income tax purposes under the rules discussed above.

In applying each of the Section 302 tests explained above, US Holders must take into account not only Shares that they actually own but also Shares they are treated as owning under the constructive ownership rules of the Code. Under the constructive ownership rules, a US Holder is treated as owning any Shares that are owned (actually and in some cases constructively) by certain related individuals and entities as well as Shares that the US Holder has the right to acquire by exercise of an option or by conversion or exchange of a security. In connection with options or warrants to acquire additional shares from the Company (including as a result of securities convertible into shares), the IRS takes the position that only options of the stockholders being tested under Section 302 of the Code are taken into account. However, there is both contrary and supporting case law with respect to this issue.

In addition, other contemporaneous acquisitions or dispositions of Shares by the US Holder may be taken into account.

Due to the factual nature of the Section 302 tests explained above, US Holders should consult their tax advisers to determine whether the purchase of their Shares under the Tender Offer qualifies for sale or exchange treatment in their particular circumstances.

**Medicare tax**

A 3.8 per cent. Medicare tax will be imposed on certain net investment income (including ordinary dividends and net gains from redemptions or other taxable dispositions of shares) of US individuals, estates and trusts. The tax applies to the lesser of: (i) such net investment income (or, in the case of an estate or trust, its undistributed net investment income); and (ii) the excess, if any, of such person's "modified adjusted gross income" (or, in the case of an estate or trust, its "adjusted gross income") over a threshold amount. Recently proposed regulations address the application of the Medicare tax to distributions on, and gains from the sale of, shares in a PFIC. Non-corporate US Holders are strongly advised to consult their tax advisers with respect to the Medicare tax consequences to them of acceptance of the Tender Offer.

**Backup withholding and information reporting**

Payments with respect to the Tender Offer paid by a US paying agent or other US intermediary will be reported to the IRS and to the US Holder as may be required under applicable regulations. Backup withholding (at a rate currently equal to 24 per cent.) may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Certain US Holders (including, among others, corporations) are not subject to information reporting or backup withholding. If backup withholding applies, the amount withheld is not an additional tax, but is credited against the US Holder's US federal income tax liability. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

**The discussion set forth above is included for general information only. US Holders are urged to consult their tax advisers to determine the particular tax consequences to them of the Tender Offer, including the applicability and effect of US state, local and non-US tax laws.**

## PART 6

### ADDITIONAL INFORMATION

#### 1. Directors' interests

As at 19 December 2018 (being the latest practicable date prior to the publication of this document), the interests of each Director in the voting rights of the Company were as follows:

	<i>No of. Shares</i>	<i>Percentage of issued share capital</i>
Allan McKenzie ( <i>Chairman</i> )	34,291	0.02%
Iain McLaren	17,091	0.01%
Kathryn Langridge	5,000	0.002%
Peter Maynard	2,500	0.001%
Charles Ricketts	5,000	0.002%
James Will	0	0.00%

#### 2. Major Shareholders

As at 19 December 2018 (being the latest practicable date prior to the publication of this document), the Company was aware of the following interests in three per cent. or more of the issued share capital of the Company:

	<i>No of. Shares</i>	<i>Percentage of issued share capital</i>
City of London Investment Management	42,952,850	23.1%
Wells Capital Management	16,622,386	9.0%
Lazard Asset Management	16,357,629	8.8%
Derbyshire County Council	12,300,000	6.6%
1607 Capital Partners	8,932,812	4.8%
Investec Wealth & Investment Ltd	7,415,460	4.0%
Rathbones	6,348,929	3.4%
Aberdeen Retail Plans	5,868,263	3.2%

The Directors are not aware of any person or persons who, following the Tender Offer, will or could, directly or indirectly, jointly or severally, exercise control over the Company. There are no different voting rights for any Shareholder.

#### 3. No significant change

There has been no significant change in the financial or trading position of the Company since 31 August 2018 (being the last financial period of the Company for which financial information has been published).

#### 4. Repurchase Agreement

The Company and Winterflood entered into a repurchase agreement on 21 December 2018 pursuant to which the Company has agreed, subject to the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms, to purchase from Winterflood, on the London Stock Exchange, such number of Shares as Winterflood shall purchase pursuant to the Tender Offer, at an aggregate price equal to the amount paid by Winterflood for its purchase of the tendered Shares. The Tender Offer may be terminated if Winterflood receives notice from the Company that, in the Board's reasonable opinion, any of the circumstances set out in paragraph 9.1 or 9.2 of Part 3 of this document has arisen or in the event that the Repurchase Agreement is terminated in accordance with its terms.

In acquiring Shares pursuant to valid tenders made under the Tender Offer and in selling such Shares to the Company, Winterflood will act as principal.

The Repurchase Agreement contains certain representations, warranties and undertakings from Winterflood in favour of the Company concerning its authority to enter into the agreement and to make the purchase of Shares pursuant thereto.

The agreement also contains representations and warranties from the Company in favour of Winterflood and incorporates an indemnity in favour of Winterflood in respect of any liability which it may suffer in relation to its performance under the Tender Offer.

The Repurchase Agreement, which is stated not to create a relationship of agency between Winterflood and the Company, is governed by and construed in accordance with English law.

#### **5. Consent**

Winterflood, which is authorised and regulated in the UK by the FCA, has given and not withdrawn its written consent to the issue of this document with its letter and with the references to its name in the form and context in which they are included.

#### **6. Documents available for inspection**

Copies of this document will be available for inspection at the Company's registered office during normal business hours from the date of this document until the completion, lapse or termination of the Tender Offer:

**21 December 2018**

## DEFINITIONS

Unless the context otherwise requires, the following words and expressions have the following meanings in this document:

<b>Aberdeen Asset Management PLC</b>	a public limited company incorporated in Scotland with registered number SC082015, which merged with Standard Life plc on 14 August 2017 to form Standard Life Aberdeen plc
<b>Aberdeen Standard Savings Scheme Participants</b>	holders of Shares through one or more of the Aberdeen Standard Savings Schemes
<b>Aberdeen Standard Savings Schemes</b>	the Aberdeen Standard Investment Trust Share Plan, the Aberdeen Standard Investment Trust ISA and the Aberdeen Standard Investment Plan for Children
<b>Annual General Meeting</b>	the annual general meeting of the Company, held at the offices of Aberdeen Standard Investments on Monday, 17 December 2018 at 12 noon
<b>Aberdeen Standard Investments</b>	the brand name for the asset management businesses of Aberdeen Asset Management PLC and Standard Life plc
<b>Basic Entitlement</b>	the entitlement of a Shareholder to tender up to 30 per cent. of the Shares registered in that Shareholder's name as at the Record Date, rounded down to the nearest whole number
<b>Board or Directors</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>Business Day</b>	any day other than a Saturday, Sunday or public holiday in England and Wales
<b>Calculation Date</b>	close of business on 24 January 2019, the day as at which the Company will calculate the Tender Price for the purposes of the Tender Offer
<b>City of London Investment Management</b>	City of London Investment Management Company Limited, a company incorporated in England and Wales with registered number 02851236
<b>Closing Date</b>	22 January 2019
<b>Code</b>	United States Internal Revenue Code of 1986, as amended from time to time
<b>Companies Act</b>	the Companies Act 2006, as amended
<b>Company</b>	Edinburgh Dragon Trust plc, a company incorporated in Scotland with registered number SC106049
<b>Conditions</b>	the conditions of the Tender Offer set out in paragraph 3 of Part 3 of this document
<b>Continuation Vote</b>	the ordinary resolution passed by Shareholders at the Annual General Meeting that the Company continues as an investment trust within the meaning of Chapter 4 of Part 24 of the CTA 2010



<b>CREST</b>	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
<b>CREST Manual</b>	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
<b>CREST Settlement Date</b>	the date by which the consideration for Shares purchased in the Tender Offer will be settled by a CREST payment, expected to be on 30 January 2019
<b>CREST Sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations)
<b>CTA 2010</b>	the Corporation Tax Act 2010, as amended
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom including any replacement or substitute thereof, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
<b>Form of Proxy</b>	the form of proxy for use by Shareholders at the General Meeting, which accompanies this document
<b>FSMA</b>	Financial Services and Markets Act 2000, as amended
<b>General Meeting</b>	the general meeting of the Company, notice of which is set out at the end of this document, at which a special resolution will be proposed to approve the Tender Offer
<b>HMRC</b>	HM Revenue & Customs
<b>Investment Manager</b>	Aberdeen Standard Investments (Asia) Limited
<b>ITA 2007</b>	the Income Tax Act 2007, as amended
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Net Asset Value or NAV</b>	the net asset value of the Company which shall be the total value of all of the assets of the Company less its liabilities as determined by the Board and calculated in accordance with the Company's accounting policies (for the avoidance of doubt, this includes accumulated revenue reserves and current period revenue and is after the deduction of any borrowings at their fair value)
<b>Net Asset Value per Share or NAV per Share</b>	the Net Asset Value divided by the number of Shares then in issue (excluding treasury shares)
<b>Overseas Shareholders</b>	Shareholders who are resident in, or citizens of, territories outside the United Kingdom, the Channel Islands and the Isle of Man and not resident in, or citizens of, any of the Restricted Jurisdictions

<b>Receiving Agent or Registrars or Equiniti</b>	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom
<b>Record Date</b>	6.00 p.m. on 22 January 2019
<b>Register</b>	the register of Shareholders
<b>Regulatory Information Service or RIS</b>	any of the regulatory information services set out in Appendix 3 of the listing rules of the FCA
<b>Repurchase Agreement</b>	the agreement dated 21 December 2018 between the Company and Winterflood relating to the repurchase by the Company on the London Stock Exchange of all the Shares purchased by Winterflood pursuant to the Tender Offer as summarised in paragraph 4 of Part 6 of this document
<b>Restricted Jurisdiction</b>	any of the following territories: Australia, Canada, Japan, New Zealand and South Africa
<b>Restricted Shareholders</b>	Shareholders who are resident in, or citizens of, a Restricted Jurisdiction
<b>Savings Scheme Tender Form</b>	the tender form to be used by Aberdeen Standard Savings Scheme Participants in connection with the Tender Offer
<b>SEC</b>	the United States Securities and Exchange Commission
<b>Shareholders</b>	holders of Shares
<b>Shares or Ordinary Shares</b>	ordinary shares of 20 pence each in the capital of the Company
<b>South Africa</b>	the Republic of South Africa
<b>Sterling or £</b>	the lawful currency of the United Kingdom
<b>Takeover Code</b>	the UK City Code on Takeovers and Mergers
<b>Takeover Panel</b>	the Panel on Takeovers and Mergers
<b>Tender Form</b>	the personalised tender form enclosed with this document for use by Shareholders who hold their Shares in certificated form in connection with the Tender Offer
<b>Tender Offer</b>	the invitation by Winterflood to each Shareholder (other than Restricted Shareholders and certain Overseas Shareholders) to tender up to their Basic Entitlement of Shares, and the acceptance of such tenders by Winterflood on the terms and subject to the conditions set out in this document and, in the case of Shares held in certificated form, the Tender Form or the Savings Scheme Tender Form (as applicable), or any one or more of such invitation, tender or acceptance as the context requires
<b>Tender Price</b>	the fair value cum income NAV per Share (inclusive of undistributed revenue reserves) on the Calculation Date, less a two per cent. discount and the amount equal to the direct costs and expenses of the Tender Offer (including stamp duty and portfolio realisation costs) divided by the number of Shares successfully

	tendered as calculated in accordance with paragraph 4 of Part 3 of this document
<b>TFE Instruction</b>	a transfer from escrow instruction, as defined by the CREST Manual
<b>TTE Instruction</b>	a transfer to escrow instruction, as defined by the CREST Manual
<b>UK Listing Authority</b>	the FCA acting in its capacity as the competent authority for listing pursuant to Part VI of FSMA
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction
<b>US Dollars</b>	the lawful currency of the United States
<b>US Exchange Act</b>	the United States Securities Exchange Act of 1934, as amended from time to time
<b>US Shareholders</b>	Shareholders who are located in the United States
<b>Voting Direction Form</b>	the voting direction form for use by Aberdeen Standard Savings Scheme Participants at the General Meeting, which accompanies this document
<b>Winterflood</b>	Winterflood Securities Limited, which is authorised and regulated in the United Kingdom in the conduct of investment business by the FCA

## NOTICE OF GENERAL MEETING

# EDINBURGH DRAGON TRUST PLC

*(Incorporated in Scotland with registered number SC106049)*

*(An investment company within the meaning of section 833 of the Companies Act 2006)*

Notice is hereby given that a general meeting of Edinburgh Dragon Trust plc (the “**Company**”) will be held at the offices of Aberdeen Standard Investments, 1 George Street, Edinburgh EH2 2LL on Wednesday, 16 January 2019 at 12 noon to consider and, if thought fit, pass the following resolution.

### SPECIAL RESOLUTION

**THAT**, without prejudice to, and in addition to, and not in substitution for, any existing authorities, the Company be and is hereby authorised for the purpose of section 701 of the Companies Act 2006 (the “**Companies Act**”) to make market purchases (within the meaning of section 693 of the Companies Act of its issued ordinary shares of 20 pence each (the “**Shares**”) following completion of the tender offer to all shareholders in the Company made by Winterflood Securities Limited on the terms set out in the circular to shareholders of the Company dated 21 December 2018 (the “**Circular**”) provided that:

- (i) the maximum aggregate number of Shares hereby authorised to be purchased is 55,692,773 Shares;
- (ii) the price which shall be paid for a Share shall be the Tender Price (as defined in the Circular) (which shall be both the maximum and the minimum price for the purposes of section 701 of the Companies Act);
- (iii) unless previously renewed, revoked or varied the authority hereby conferred shall expire at midnight on 30 April 2019 save that the Company may before such expiry make a contract or contracts to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed or executed wholly or partly after such expiry and may make a purchase of Shares in pursuance of any such contract or contracts.

*By order of the Board*

**Aberdeen Asset Managers Limited**  
*Company Secretary*

*Registered office:*  
7th Floor  
40 Princes Street  
Edinburgh, EH2 2BY

Dated: 21 December 2018

#### Notes:

1. A member is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share.
2. A form of proxy for use by shareholders is enclosed with this document. Completion and return of the form of proxy will not prevent any shareholder from attending the meeting and voting in person. To be valid, the form of proxy should be lodged, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority at the address stated thereon, so as to be received not later than 12 noon on 14 January 2019.
3. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend and vote at the Meeting a member must first have his or her name entered in the Company’s register of members by not later than 6.30 p.m. on 14 January 2019 (or, in the event that the Meeting is adjourned, at 6.30 p.m. on the day which is two business days before the time of the adjourned Meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the Meeting referred to above.
4. 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 and by logging on to the website [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.

5. 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 Euroclear UK & Ireland Limited's specifications, 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 Company's Registrar (ID RA19) no later than 12 noon on 14 January 2019 (or in the event the meeting is adjourned no later than 48 hours (excluding non-working days) before the time of the adjourned 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 Company's Registrar 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.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited 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(s), 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.
7. 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.
8. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company.
9. As at close of business on 19 December 2018 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 185,642,579 Ordinary shares of 20 pence each and there were a further 29,661,774 shares held in treasury. Each Ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at close of business on 19 December 2018 is 185,642,579. Treasury shares represent 13.7 per cent. of the total issued Ordinary share capital (inclusive of treasury shares).
10. Any person holding 3 per cent. or more of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy will need to ensure that both he/she and such third party complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
11. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
13. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
15. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.edinburghdragon.co.uk](http://www.edinburghdragon.co.uk).
16. There are special arrangements for holders of shares through the Aberdeen Standard Investment Trust Share Plan, the Standard Aberdeen Investment Trust ISA and the Aberdeen Standard Investment Plan for Children. These are explained in the 'Voting Direction Form' which such holders will have received with this report.