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If you have disposed of all your Ordinary Shares in the Company, please pass this document (and the enclosed Form of Proxy) as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom you made the disposal for onward transmission to the purchaser or transferee. The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken by the Company or Numis Securities Limited that would permit an offer of the Ordinary Shares or possession or distribution of this document or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy any shares.

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## **TWENTYFOUR INCOME FUND LIMITED**

*(a non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law 2008, as amended, with registered number 56128 and registered as a Registered Closed-ended Collective Investment Scheme with the Guernsey Financial Services Commission)*

### **Circular to Shareholders and Notice of Extraordinary General Meeting**

**relating to proposals for changes to the Articles, changes of the Company's investment policy, Directors' authority to issue new shares and disapply pre-emption rights**

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Notice of an Extraordinary General Meeting of the Company to be held at 11 a.m. on Friday, 10 May 2019 at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL is set out at the end of this document. The proposals described in this document are conditional upon Shareholder approval of the Resolutions at the Extraordinary General Meeting. Shareholders are requested to complete and return their Form(s) of Proxy.

**To be valid, Forms of Proxy for use at the Extraordinary General Meeting must be completed and returned in accordance with the instructions printed thereon to the office of the Company's Registrar or delivered by hand (during office hours only) to the same address as soon as possible and in any event so as to arrive by not later than 11 a.m. on Wednesday, 7 May 2019.**

**The whole of this document should be read. Your attention is drawn in particular to the risk factors and other special considerations set out under the heading "Risk Factors" on page 24 of this document.**

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# SUMMARY

## Background

The Company has delivered strong performance in recent years with total return on the Ordinary Shares of 62.8 per cent. and 61.0 per cent. in NAV and Share price terms respectively in the period from launch to 11 April 2019, being the latest practicable date prior to publication of this document.

The Company believes that UK and European ABS continues to offer attractive, risk-adjusted returns.

## Proposals

The Company proposes in this Circular that:

1. The Directors be provided with authority to issue New Ordinary Shares on a non pre-emptive basis in order to facilitate the Issue and Placing Programme as described in the Prospectus.
2. The investment policy of the Company is amended as more particularly described in Parts I and II of this document.
3. The Articles are changed to (i) provide the Company with more flexibility with regard to the way in which it can deliver Realisation Opportunities for Shareholders; (ii) amend the borrowing powers of the Company; and (iii) reflect Guernsey law, as currently in force and Guernsey and UK current best practice.

## Action to be taken

**The only action that you need to take is to complete the accompanying Form of Proxy for use at the Extraordinary General Meeting.**

Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon to, or deliver it by hand (during office hours only) to the same address so as to be received as soon as possible and in any event by not later than 11 a.m on Wednesday, 7 May 2019.

Full details of the Issue and Placing Programme are contained in the Prospectus of the Company published on the date of this Circular. **In the event that Shareholders wish to participate in the Issue, Shareholders should follow the instructions set out in the Prospectus.**

Full details of the 2019 Realisation Opportunity will be provided in a separate circular to be published in July in advance of the 2019 AGM.

**Shareholders are requested to complete and return a Form of Proxy whether or not they wish to attend the Extraordinary General Meeting.**

**The Company recommends that Shareholders read this document in its entirety and, in particular, that Shareholders read the Risk Factors set out in Part IV of this document.**

## DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

<b>2019 AGM</b>	the annual general meeting of the Company to be held on 5 September 2019 in accordance with the Law or any adjournment thereof
<b>2019 Realisation Opportunity</b>	the realisation opportunity to be effective on the 2019 Reorganisation Date
<b>2019 Reorganisation Date</b>	the date falling 5 Business Days after the 2019 AGM
<b>Admission</b>	the dates on which admission of New Ordinary Shares to listing on the premium segment of the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities first becomes effective
<b>AGM</b>	an annual general meeting of the Shareholders of the Company held in accordance with the Law or any adjournment thereof
<b>Articles</b>	the Articles of Incorporation of the Company as applicable from time to time
<b>Asset Backed Securities or ABS</b>	any security that entitles the holder to receive payments that depend primarily on the cash flow from, the market value of, or the credit exposure to, a specified pool of financial assets, either fixed or revolving (including, but not limited to, residential and commercial mortgages, credit card receivables, automobile, boat and recreational vehicle leases and loans, instalment sales contracts, bank loans, leases, corporate debt securities and various types of accounts receivable), together with rights or other assets designed to assure the servicing or timely distribution of proceeds to the holder of the security
<b>Board</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>Business Day</b>	any day on which banks are open for business in London and Guernsey (excluding Saturdays and Sundays)
<b>Company</b>	TwentyFour Income Fund Limited
<b>Continuing Ordinary Shares</b>	Ordinary Shares in respect of which no Realisation Elections have been made and/or, as the case may require, in respect of which Realisation Elections have been made and the Elected Shares have been placed
<b>CREST</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations
<b>CREST Regulations</b>	Uncertificated Securities (Guernsey) Regulations; 2009
<b>Directors</b>	the directors of the Company or any duly constituted committee thereof
<b>Elected Shares</b>	Ordinary Shares in respect of which Realisation Elections have been made
<b>Election Period</b>	the period beginning 28 days before the Reorganisation Date and ending 7 days before the Reorganisation date (or, if that

	date is not a Business Day, on the next subsequent Business Day)
<b>Euroclear</b>	Euroclear UK & Ireland Limited, being the operator of CREST
<b>Extraordinary General Meeting or Meeting</b>	the extraordinary general meeting of the Company to consider the Resolutions, convened for Friday, 10 May 2019 11 a.m. or any adjournment thereof
<b>Financial Conduct Authority or FCA</b>	the Financial Conduct Authority
<b>Form of Proxy</b>	the form of proxy provided with this document for use in connection with the Extraordinary General Meeting
<b>FSMA</b>	Financial Services and Markets Act 2000; as amended
<b>Law</b>	Companies (Guernsey) Law, 2008, as amended
<b>Listing Rules</b>	the listing rules issued by the UK Listing Authority
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>NAV or Net Asset Value</b>	in relation to an Ordinary Share or a Realisation Share, as the case may be, its net asset value, in relation to Ordinary Shares or Realisation Shares, the net asset value per Ordinary Share or Realisation Share, as the case may be, multiplied by the number of shares of that class in issue (excluding, for the avoidance of doubt, any Shares held in treasury) and in relation to the Company, the net asset value of the Company as a whole, in each case calculated in accordance with the Company's normal accounting policies from time to time
<b>New Articles</b>	the Articles to be adopted under the Proposals
<b>New Ordinary Shares</b>	the new ordinary redeemable shares of 1p each in the capital of the Company to be issued pursuant to the Issue or the Placing Programme, as the case may be
<b>Northern Europe</b>	the UK, the Netherlands, the Republic of Ireland, France, Germany, Switzerland, Sweden, Norway, Denmark, Belgium, Finland and Luxembourg
<b>Notice of Extraordinary General Meeting or Notice</b>	the notice of the Extraordinary General Meeting as set out at the end of this document
<b>Numis</b>	Numis Securities Limited
<b>Official List</b>	the Official List maintained by the UK Listing Authority
<b>Ordinary Shares</b>	ordinary shares of £0.01 each in the capital of the Company
<b>Ordinary Shareholders</b>	holders of Ordinary Shares
<b>Placing Programme</b>	the proposed programme of placings as more particularly described in the Prospectus
<b>Portfolio</b>	the Company's portfolio of assets
<b>Portfolio Manager</b>	TwentyFour Asset Management LLP (a limited liability partnership incorporated in England and Wales with registered number OC335015)
<b>Proposals</b>	the proposals set out in this document

<b>Prospectus</b>	the prospectus to Shareholders published by the Company on the date of this Circular
<b>Realisation Election</b>	an instruction sent by an Ordinary Shareholder during the Election Period determined in accordance with the Articles, either requesting that:
	(i) all or part of the Ordinary Shares held by such holder be sold and if not so sold shall be converted into Realisation Shares, provided that the Company has first communicated to Shareholders that there is an opportunity for Elected Shares to be sold; or
	(ii) in the event that the communication referred to in (i) above is not made by the Company to Shareholders, all or part of the Ordinary Shares held by such holder be converted into Realisation Shares, with effect from the Reorganisation Date
<b>Realisation Opportunity</b>	an opportunity for Shareholders to realise their Shares in accordance with the Articles
<b>Realisation Shares</b>	ordinary redeemable realisation shares of £0.01 each in the capital of the Company
<b>Registrar</b>	Computershare Investor Services (Guernsey) Limited
<b>Reorganisation Date</b>	the close of business on the date which is 5 Business Days after the date of the 2019 AGM or the AGM held in any third year thereafter
<b>Reporting Period</b>	the period running from 1 April 2018 to 31 March 2019, and each period thereafter in respect of which the Company publishes audited financial statements
<b>Resolutions</b>	the special resolution, the extraordinary resolution and the ordinary resolutions as detailed in Part VI of this Circular
<b>RMBS</b>	residential mortgage backed securities issued in a securitisation
<b>Share</b>	an Ordinary Share and/or, as the case may require, a Realisation Share
<b>Shareholder</b>	a holder of a Share
<b>UK Listing Authority</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of admissions to the Official List
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland

## **PART I**

### **Letter from the Chairman of the Company**

#### **TWENTYFOUR INCOME FUND LIMITED**

*(a non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law, 2008, as amended, with registered number 56128 and registered as a Registered Closed-ended Collective Investment Scheme with the Guernsey Financial Services Commission)*

*Directors:*

Trevor Ash (*Chairman*)  
Ian Burns  
Richard Burwood  
Joanne Fintzen

*Registered Office:*

PO Box 255  
Trafalgar Court  
Les Banques  
St. Peter Port  
Guernsey  
GY1 3QL

15 April 2019

*To Shareholders*

Dear Sir or Madam

**Introduction**

On the date of this Circular, the Company has also published a Prospectus in order to enable it to raise further funding for investment in accordance with the Company's investment policy.

It is proposed that up to 150 million New Ordinary Shares may be issued by the Company through the Issue at a price equal to a premium of 2 per cent. to the NAV per Ordinary Share calculated as at the close of business on Friday, 10 May 2019. Up to a further 150 million New Ordinary Shares may be issued through the Placing Programme at a price equal to a premium of at least 2 per cent. to the announced Net Asset Value per Ordinary Share at the time of issue.

In order to facilitate the Issue and the Placing Programme the Company has convened the Extraordinary General Meeting in order to seek authority for the Directors to issue New Ordinary Shares on a non pre-emptive basis.

At the Extraordinary General Meeting it is also proposed that the Company's investment policy be amended in order to enable the Portfolio Manager to maximise risk adjusted returns.

In particular, the Portfolio Manager wishes to have the ability to utilise borrowings for investment purposes, subject to a limit of 25 per cent. of the Company's Net Asset Value at the time of drawdown (increased from the existing limit of 10 per cent.). The Portfolio Manager intends to use borrowings to finance opportunistic investments in specific markets conditions where the Company is unlikely to be able to raise capital in the short term. The Portfolio Manager intends to use borrowings to enable the Company to invest in tranches of Asset Backed Securities, which may then, in the opinion of the Portfolio Manager, be attractively priced due to prevailing market circumstances.

The Portfolio Manager is also seeking to increase the proportion of the Portfolio that may be invested in instruments not deemed securities for the purposes of FSMA. While the Portfolio Manager's preference continues to be to invest in bonds, the Portfolio Manager anticipates there being increased investment competition in the ABS sector in the coming years and is of the view that having a broader ability to invest by way of loan, where it judges such investment to be in the economic interest of the Company, will optimise its ability to achieve the Company's investment objective going forward.

Finally, the Articles provide for a Realisation Opportunity under which Shareholders may elect to realise all or part of their holdings of Ordinary Shares at three yearly intervals. The next Realisation Opportunity will take place around the time of the 2019 AGM. The Directors have considered the structure of the 2019 Realisation Opportunity and have decided to put forward for Shareholder approval a proposal to change the Articles to (i) provide the Company with more flexibility with regard to the way in which it can

deliver Realisation Opportunities for Shareholders; (ii) amend the borrowing powers of the Company; and (iii) make technical changes to enable the Articles to conform to Guernsey law, as currently in force and Guernsey and UK current best practice.

**The Company will only implement the Proposals if each of the Resolutions is passed at the Extraordinary General Meeting.**

This document sets out the background to and details of the Proposals, explains the reasons why the Board considers that the Proposals are in the best interests of Shareholders as a whole, and convenes the Extraordinary General Meeting at which the resolutions required by the Law and the Listing Rules to implement the Proposals will be proposed.

**The Board is recommending that Shareholders vote in favour of the Proposals.**

### **Background to the Proposals**

Since launch the Company has delivered strong performance for Shareholders:

- the total return of the Shares (based on NAV) from launch to close of business on 11 April 2019, being the latest practicable date prior to the publication of the Prospectus was 62.8 per cent., or 8.3 per cent. per annum, which compares favourably with the Company's current target annual total return of 6 to 9 per cent. per annum;
- the income return to Shareholders has been ahead of the Company's targets at launch. The IPO Prospectus stated a target dividend of at least 5p per Ordinary Share in respect of the year to 31 March 2014 and at least 6p per Ordinary Share thereafter. The Company met these targets by paying dividends of 6.38p in respect of the period ended 31 March 2014, 6.65p per Ordinary Share in respect of the period ended 31 March 2015, 7.14p per Ordinary Share in respect of the year ending 31 March 2016, 6.99p per Ordinary Share in respect of the year ending 31 March 2017, 7.23p per Ordinary Share in respect of the year ending 31 March 2018 and the Board currently estimates a total dividend in respect of the year ending 31 March 2019 of more than 6p per Ordinary Share\*; and
- the Ordinary Shares have predominantly traded at a premium to NAV since launch, reflecting net demand in the market from a broad range of existing and new investors. The premium to NAV was 2.27 per cent. as at close of business on 11 April 2019, being the latest practicable date prior to the publication of the Circular.

The Company believes that UK and European ABS continue to offer attractive, risk-adjusted returns. Recent sentiment across fixed income has been affected by a number of negative events, including but not limited to Brexit, global trade wars, US rate changes, a potential slow-down in China and decrease in oil prices. This has led to more attractive yields in the European ABS market as prices have been suppressed by a lower risk tolerance.

### **Details of the Proposals**

#### ***Share Issue and Disapplication of pre-emption rights***

The Company has on the date of this Circular published the Prospectus, which details the Company's wish, in response to market demand, to raise further funding for investment in accordance with the Company's investment policy through the Issue and the Placing Programme.

In order to facilitate the Issue and the Placing Programme, the Board has proposed extraordinary resolution 2 and ordinary resolution 3 in order to seek Shareholder approval for the allotment on a non-pre-emptive basis of up to (i) 150 million New Ordinary Shares issued through the Issue at a price equal to a premium of 2 per cent. to the NAV per Ordinary Share calculated as at the close of business

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\* This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target return should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue, the number of Ordinary Shares in respect of which Realisation Elections are made and the Company's total expense ratio. Potential investors should decide for themselves whether or not the return is reasonable and achievable in deciding whether to invest in or retain or increase their investment in the Company. See further "Risk Factors" in Part V.

on Friday, 10 May 2019 and (ii) up to a further 150 million New Ordinary Shares issued through the Placing Programme at a price that is not less than the announced Net Asset Value per Ordinary Share at the time of issue. Further details of the Issue and the Placing Programme are set out in the Prospectus.

Application will be made to the UK Listing Authority for up to 150 million New Ordinary Shares to be issued pursuant to the Issue and admitted to the premium segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on its Main Market. It is expected that Admission will occur and that dealing in the New Ordinary Shares will commence, on 17 May 2019. Applications will also be made to the FCA for the New Ordinary Shares issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the Main Market.

The New Ordinary Shares issued pursuant to the Issue and the Placing Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the issue of the relevant New Ordinary Shares). They will be issued fully paid and in registered form, and may be delivered into CREST or in certificated form. Fractions of New Ordinary Shares will not be issued.

The authority conferred by Resolutions 2 and 3 will lapse on 14 April 2020. If the authority conferred by Resolutions 2 and 3 is exhausted either before or after the 2019 AGM, the Directors intend to seek Shareholder authority to issue further Ordinary Shares on a non-pre-emptive basis at one or more subsequent extraordinary general meetings.

### ***Amendments to the Investment Policy***

The Portfolio Manager has advised the Board that in order to enhance the Company's ability to continue to achieve its investment objective, it would be optimal to make certain changes to the investment policy to provide the Company with greater investment flexibility.

The key elements of the proposed changes to the investment policy are set out below.

#### *Amendment to investment restrictions*

The existing restriction that:

- (i) no more than 5 per cent. of the Portfolio value will be exposed to any single Asset Backed Security or issuer of Asset Backed Securities shall be amended so that no more than 10 per cent. of the Portfolio value will be exposed to any single Asset Backed Security or issuer of Asset Backed Securities, but provided that where more than 5 per cent. of the Portfolio value is exposed to a single Asset Backed Security, these Asset Backed Securities in respect of which more than 5 per cent. of the Portfolio value is exposed, may not, in aggregate, make up more than 40 per cent. of the total Portfolio value of the Company;
- (ii) no more than 10 per cent. of the Portfolio value will be exposed in aggregate to instruments not deemed securities for the purposes of FSMA shall be amended so that no more than 15 per cent. of the Portfolio value will be exposed in aggregate to instruments not deemed securities for the purposes of FSMA, provided that no more than 3 per cent. of the Portfolio value will be exposed to any single such instrument; and
- (iii) the Company may only invest in UK and European Asset Backed Securities will be relaxed so that up to 10 per cent. of the Portfolio value may be exposed to Asset Backed Securities backed by collateral from several countries where, in addition to countries within the UK and Europe, one or more of the countries is outside of the UK and Europe.

The existing exceptions to the restrictions set out above are amended so that the exception enabling the Portfolio Manager to purchase new investments at any time when the Portfolio does not comply with one or more of those restrictions so long as, at the time of investment the asset purchased would be compliant with the single Asset Backed Security/issuer exposure restriction above (even where following the purchase more than 5 per cent. of the Portfolio value will be exposed to another single Asset Backed Security or issuer due to market movements) is amended so that it instead applies even where following the purchase more than 10 per cent. of the Portfolio value will be exposed to any single Asset Backed Security or issuer of Asset Backed Securities, provided that Asset Backed Securities

within the Portfolio to which more than 5 per cent. of the Portfolio value is exposed may not make up more than 40 per cent. of the total Portfolio value of the Company).

#### *Amendment to gearing policy*

The Company currently does not employ gearing or derivatives for investment purposes. It is proposed that the Company may employ gearing and/or derivatives for investment purposes. In addition, it is proposed that the restriction limiting the Company's ability to borrow in excess of 10 per cent. of the Company's Net Asset Value at the time of drawdown be relaxed so that the Company may borrow up to 25 per cent. of the Company's Net Asset Value at the time of drawdown. It is also proposed that the Company may have more than one loan, repurchase or stock loan facility in place.

The existing investment policy and the existing investment policy marked-up to show the proposed changes are set out in Part II of this Circular.

The proposed amendments, which constitute a material change of the Company's investment policy, require the approval of the Ordinary Shareholders at the forthcoming annual general meeting under the Listing Rules.

The ordinary resolution numbered 4 to be proposed at the forthcoming Extraordinary General Meeting will, if passed, approve the adoption of the new investment policy set out in Part II of this Circular.

#### ***Amendments to the Articles***

It is proposed to amend the Articles to provide the Directors with more flexibility with regard to the way in which they can deliver Realisation Opportunities for Shareholders, specifically by enabling the Directors to deliver Realisation Opportunities (in whole or in part) by causing Elected Shares to be placed out in the market by the Company's broker, purchased by a market maker or redeemed or repurchased or purchased by the Company from cash sources available to it, in addition to any cash raised in the market for the purposes of or including financing the redemption or repurchase of Elected Shares. Directors may also continue to deliver Realisation Opportunities for Shareholders by offering to purchase Elected Shares through a tender offer.

In addition, the Company wishes to amend the borrowing restriction in the Articles to increase the limit on borrowings from 10 per cent. to 25 per cent. of the NAV of the Company as at the time of drawdown. This will enable the Company to implement the proposed new investment policy described above and in Part II of this document.

Finally, other technical changes have been made so that the Articles conform to Guernsey law, as currently in force and Guernsey and UK current best practice.

Further details of the proposed amendments to the Articles are set out in Part III of this document.

If the New Articles are adopted, the Board will be able to put forward tailored proposals in relation to each subsequent Realisation Opportunity to ensure that the Realisation Opportunity can be delivered efficiently and in accordance with the best interests of the Company, at the relevant point in time.

#### **Extraordinary General Meeting**

Resolution 1 will be proposed as a special resolution to adopt the New Articles.

Resolution 2 will be proposed as an extraordinary resolution to authorise the Company to disapply pre-emption rights in relation to the New Ordinary Shares to be issued pursuant to resolution 3 below.

Resolution 3 will be proposed as an ordinary resolution to authorise the Company to issue New Ordinary Shares.

Resolution 4 will be proposed as an ordinary resolution to approve the proposed amendments to the investment policy of the Company described above and in Part II of this Circular.

**Each Resolution is conditional on the other Resolutions being passed. If one or more Resolutions are not passed then all Resolutions will fail.**

All Shareholders are entitled to attend and vote at the Extraordinary General Meeting. In accordance with the Articles, all Shareholders present in person or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Ordinary Share held. In order to ensure that a quorum is present at the Extraordinary General Meeting, it is necessary for two Shareholders entitled to attend and vote to be present, whether in person or by proxy (or, if a corporation, by a representative). The formal notice convening the Extraordinary General Meeting is set out on pages 27 to 29 of this document.

All Shareholders are entitled to vote on the Resolutions.

### **Risk Factors**

Please refer to Part IV of this document for an overview of the relevant Risk Factors.

### **Action to be taken**

**The only action that you need to take is to complete the accompanying Form of Proxy for use at the Extraordinary General Meeting.**

Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon, or deliver it by hand (during office hours only) to the same address so as to be received as soon as possible and in any event by not later than 11 a.m on Wednesday, 7 May 2019.

Full terms and conditions of the Issue and Placing Programme are contained in the Prospectus of the Company published on the same date as this Circular.

Full details of the 2019 Realisation Opportunity will be provided in a separate circular to be published in July in advance of the 2019 AGM.

**Shareholders are requested to complete and return a Form of Proxy whether or not they wish to attend the Extraordinary General Meeting.**

### **Recommendation**

The Board considers the Proposals to be in the best interest of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting. The Directors intend to vote in favour of the Resolutions in respect of their holdings of Shares amounting to 84,242 Shares in aggregate (representing approximately 0.02 per cent. of the issued Share capital of the Company, as at 11 April 2019, the latest practicable date prior to the publication of this document).

Yours faithfully

**Trevor Ash**  
*Chairman*

## PART II

### Summary of Proposed Changes to the Investment Policy

#### **1. Existing investment policy**

The Company's current investment policy is as follows:

The Company's investment policy is to invest in a diversified portfolio of UK and European Asset Backed Securities.

##### **1.1 *Diversification***

The Company will maintain a Portfolio diversified by issuer concentration, it being anticipated that the Portfolio will comprise at least 50 Asset Backed Securities at all times.

##### **1.2 *Investment restrictions***

The Portfolio must comply, as at each date an investment is made, with the following restrictions:

- (i) no more than 20 per cent. of the Portfolio value will be backed by collateral in any single country (save that this restriction will not apply to Northern European countries);
- (ii) no more than 5 per cent. of the Portfolio value will be exposed to any single Asset Backed Security or issuer of Asset Backed Securities; and
- (iii) no more than 10 per cent. of the Portfolio value will be exposed in aggregate to instruments not deemed securities for the purposes of FSMA.

As an exception to the requirements set out above the Portfolio Manager will be permitted to purchase new investments at any time when the Portfolio does not comply with one or more of those restrictions so long as, at the time of investment:

- the asset purchased would be compliant with the single country restriction above (even where following the purchase more than 20 per cent. of the Portfolio will be backed by collateral in another single country due to market movements);
- the asset purchased would be compliant with the single Asset Backed Security/issuer exposure restriction above (even where following the purchase more than 5 per cent. of the Portfolio value will be exposed to another single Asset Backed Security or issuer due to market movements); and
- such purchase does not make the Portfolio, in aggregate, less compliant with any of (i), (ii) and (iii) above.

##### **1.3 *Cash management***

Uninvested cash or surplus capital or assets may be invested on a temporary basis in:

- cash or cash equivalents, namely money market funds or short term money market funds (as defined in the 'Guidelines on a Common Definition of European Money Market Funds' published by the Committee of European Securities Regulators (CESR) and adopted by the European Securities and Markets Authority (ESMA)) and other money market instruments (including certificates of deposit, floating rate notes and fixed rate commercial paper of banks or other counterparties having a "single A" or higher credit rating as determined by any internationally recognised rating agency selected by the Board which, may or may not be registered in the EU); and
- any "government and public securities" as defined for the purposes of the FCA Rules.

##### **1.4 *Gearing and derivatives***

The Company currently does not employ gearing or derivatives for investment purposes.

The Company may, from time to time, use borrowing for short-term liquidity purposes, which could be achieved through a loan facility or other types of collateralised borrowing instruments including repurchase transactions or stock lending. The Company is permitted to provide security to lenders in order to borrow money, which may be by way of mortgages, charges or other security interests or by way of outright transfer of title to the Company's assets. In this case, the Directors will restrict borrowing to an amount not exceeding 10 per cent. of the Company's Net Asset Value at the time of drawdown. Derivatives may be used for currency hedging purposes as set out below and for efficient portfolio management.

## **2. Proposed amendments to the investment policy**

The Board recommends that the Company adopts a new investment policy. The changes to the existing investment policy are shown marked-up to the existing investment policy as follows:

The Company's investment policy is to invest in a diversified portfolio of predominantly UK and European Asset Backed Securities.

### **2.1 *Diversification***

The Company will maintain a Portfolio diversified by issuer concentration, it being anticipated that the Portfolio will comprise at least 50 Asset Backed Securities at all times.

### **2.2 *Investment restrictions***

The Portfolio must comply, as at each date an investment is made, with the following restrictions:

- (i) no more than 20 per cent. of the Portfolio value will be backed by collateral in any single country (save that this restriction will not apply to Northern European countries);
- (ii) no more than 510 per cent. of the Portfolio value will be exposed to any single Asset Backed Security or issuer of Asset Backed Securities, but provided that where more than 5 per cent. of the Portfolio value is exposed to a single Asset Backed Security, these Asset Backed Securities in respect of which more than 5 per cent. of the Portfolio value is exposed, may not, in aggregate, make up more than 40 per cent. of the total Portfolio value of the Company; and
- (iii) no more than 4015 per cent. of the Portfolio value will be exposed in aggregate to instruments not deemed securities for the purposes of FSMA, provided that no more than 3 per cent. of the Portfolio value will be exposed to any single such instrument; and
- (iv) up to 10 per cent. of the Portfolio value may be exposed to Asset Backed Securities backed by collateral from several countries where, in addition to countries within the UK and Europe, one or more of the countries is outside of the UK and Europe.

As an exception to the requirements set out above the Portfolio Manager will be permitted to purchase new investments at any time when the Portfolio does not comply with one or more of those restrictions so long as, at the time of investment:

- the asset purchased would be compliant with the single country restriction above (even where following the purchase more than 20 per cent. of the Portfolio will be backed by collateral in another single country due to market movements);
- the asset purchased would be compliant with the single Asset Backed Security/issuer exposure restriction above (even where following the purchase more than 510 per cent. of the Portfolio value will be exposed to another single Asset Backed Security or issuer of Asset Backed Securities, provided that Asset Backed Securities within the Portfolio to which more than 5 per cent. of the Portfolio value is exposed, may not make up more than 40 per cent. of the total Portfolio value of the Company due to market movements); and
- such purchase does not make the Portfolio, in aggregate, less compliant with any of (i), (ii), and (iii) and (iv) above.

## 2.3 ***Cash management***

Uninvested cash or surplus capital or assets may be invested on a temporary basis in:

- cash or cash equivalents, namely money market funds or short term money market funds (as defined in the 'Guidelines on a Common Definition of European Money Market Funds' published by the Committee of European Securities Regulators (CESR) and adopted by the European Securities and Markets Authority (ESMA)) and other money market instruments (including certificates of deposit, floating rate notes and fixed rate commercial paper of banks or other counterparties having a "single A" or higher credit rating as determined by any internationally recognised rating agency selected by the Board which, may or may not be registered in the EU); and
- any "government and public securities" as defined for the purposes of the FCA Rules.

## 2.4 ***Gearing and derivatives***

The Company ~~currently does not~~may employ gearing or derivatives for investment purposes.

The Company may, from time to time, use borrowing for investment opportunities and short-term liquidity purposes, which could be achieved through a loan facility or other types of collateralised borrowing instruments including repurchase transactions or stock lending. The Company may have more than one, loan, repurchase or stock loan facility in place. The Company is permitted to provide security to lenders in order to borrow money, which may be by way of mortgages, charges or other security interests or by way of outright transfer of title to the Company's assets. In this case, the Directors will restrict borrowing to an amount not exceeding 4025 per cent. of the Company's Net Asset Value at the time of drawdown. Derivatives may be used for currency hedging purposes as set out below and for efficient portfolio management.

## Part III

### Summary of Proposed Changes to the Articles

The changes to the Articles proposed to be made by Resolution 1 as a special resolution at the Extraordinary General Meeting are to (*inter alia*) amend the provisions of Articles 1, 8, 9 and 26 relating to Ordinary Shares, Realisation Shares and the Company's borrowing powers.

#### 1. Current Articles

Articles 1, 8, 9 and 26 are currently as follows:

#### 1. DEFINITIONS

##### **Realisation Sale Election**

An instruction sent by a Member during the Election Period in accordance with Article 8.1 requesting that all or part of the Ordinary Shares held by such holder be redeemed or repurchased or purchased out of the proceeds of a Realisation Issue or purchased under a tender offer and if not so redeemed shall be converted into Realisation Shares.

#### 8. REALISATION

- 8.1 The Company may at its discretion make available to Members during an Election Period the opportunity to make a Realisation Sale Election on such basis as the Company shall notify to Members before or at the time that the Company sends to Members a reminder notice in accordance with Article 8.2 below.
- 8.2 Unless the Company makes available to Members a Realisation Sale Election in accordance with Article 8.1, Members shall be entitled to serve a Realisation Share Election during the Election Period requesting that all or a part, provided such part be rounded up to the nearest whole Ordinary Share, of the Ordinary Shares held by them be redesignated to Realisation Shares with effect from the Reorganisation Date together with, in the case of Certificated shares, the certificates (if any) of such Ordinary Shares to be redesignated and any other evidence that the Board may reasonably require to prove the title of the holder and the due execution by him of the Realisation Share Election or, if the Realisation Share Election is executed by some other person on his behalf, the authority of that other person to do so and in the case of Uncertificated shares in accordance with, and otherwise in compliance with, the procedures prescribed by the Board.
- 8.3 The Company will not less than 56 days prior to the Reorganisation Date remind Ordinary Share holders of their right to make a Realisation Election and, if required by applicable law or regulation, shall issue a prospectus to enable the Company to issue Realisation Shares.
- 8.4 A Realisation Election, once given, is irrevocable, unless the Board agrees otherwise.
- 8.5 Members who do not submit a valid and complete Realisation Election during the Election Period in respect of their Ordinary Shares will be deemed not to have made a Realisation Election in respect of such Ordinary Shares. Ordinary Shares held by Members who do not submit a Realisation Election in respect of those Ordinary Shares will remain Ordinary Shares.
- 8.6 Subject to the aggregate Net Asset Value of the Ordinary Shares held by Members who do not submit Realisation Elections in respect of those Ordinary Shares ("continuing Ordinary Shares") at the close of business on the last Business Day before any Reorganisation Date being not less than £100 million (or in the case of Realisation Sale Elections the aggregate of the Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Reorganisation Date and the gross proceeds of the Realisation Issue), Ordinary Shares the holders of which have made a Realisation Share Election (where this is available in accordance with Article 8.2) or any Ordinary Shares the holders of which have made Realisation Sale Elections but which are not redeemed or repurchased or purchased out of the proceeds of the Realisation Issue or purchased under a tender offer will be redesignated as Realisation Shares and the Portfolio will be split into two separate and distinct Pools namely the Continuation Pool comprising the assets attributable to the continuing Ordinary Shares and the Realisation Pool

comprising the assets attributable to the Realisation Shares (which assets will be managed in accordance with an orderly realisation programme with the aim of making progressive returns of cash to holders of Realisation Shares as soon as practicable) with effect from the Reorganisation Date. The Board shall divide and allocate the assets and liabilities of the Company on a Reorganisation Date in the following manner:

- 8.6.1 The assets of the Company, or on any Reorganisation Date (a “Subsequent Reorganisation Date”) on which Realisation Shares (“Preceding Realisation Shares”) redesignated with effect from a preceding Reorganisation Date are still in issue, the assets attributable to the Ordinary Shares in issue immediately before the Subsequent Reorganisation Date, shall be divided as at the opening of business on a Reorganisation Date into two pools which will be accounted for as two separate sub-portfolios, being respectively the Continuation Pool and the Realisation Pool. Each of the Company’s holdings of investments (excluding assets attributable to holders of Preceding Realisation Shares) shall be split between the Continuation Pool and the Realisation Pool *pro rata* as nearly as practicable to the numbers of Ordinary Shares and Realisation Shares (excluding any Preceding Realisation Shares) respectively in existence immediately following Realisation and the remainder of the assets and liabilities (excluding assets and liabilities attributable to holders of Preceding Realisation Shares) being apportioned to the Continuation Pool. Assets and liabilities shall be allocated between the Continuation Pool and the Realisation Pool in such manner as in the Board’s opinion best achieves the objective of splitting the Company’s assets fairly between the Continuation Pool and the Realisation Pool.
- 8.6.2 Costs and expenses of the realisation of assets comprising the Realisation Pool will be attributed to the Realisation Pool and the costs and expenses of reorganising the Company’s assets into the Continuation Pool and the Realisation Pool may be apportioned as between the Continuation Pool and the Realisation Pool in the proportion that the Board in its sole discretion deems fair and reasonable. In particular, the Board may increase the proportion of cash to be allocated to a particular Pool if they consider it would be equitable to both the holders of Realisation Shares and the holders of Ordinary Shares to do so, or if they determine it is necessary or desirable to retain cash for the Company’s working capital purposes, they may decrease the proportion of cash to be so allotted and the Board may choose an alternative allocation, or subsequently rebalance the Pools, in respect of non-cash assets if they consider a *pro rata* allocation to be impracticable or that to do so would be equitable to both holders of Realisation Shares and the holders of Ordinary Shares.
- 8.7 Ordinary Shares which are redesignated as Realisation Shares will not rank for any dividend or other distribution declared, paid or made on the Ordinary Shares after their redesignation.
- 8.8 The Board is authorised to cause the Company to repurchase, redeem, convert or otherwise acquire and hold all or any Realisation Shares in such manner and on such terms as the Board may determine, and to redeem any such Realisation Shares *inter alia* for any reason or for no reason at the Board’s absolute discretion. The price of shares purchased by the Company may be paid out of the share capital, share premium or retained earnings to the fullest extent permitted under the Law.
- 8.9 A certificate for new Realisation Shares will be sent within two months of the Reorganisation Date to each holder without charge, with a new certificate for any balance of Ordinary Shares comprised in the surrendered certificate. To the extent that the Realisation Shares are redeemed on Realisation, the Board need not issue or despatch any certificate in respect thereof.
- 8.10 Existing Certificates for Ordinary Shares that have been redesignated will cease to be valid.
- 8.11 If one or more Realisation Elections are duly made and the Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Reorganisation Date (and where applicable the gross proceeds of any Realisation Issue) is less than £100 million, no Ordinary Shares will be realised or redesignated as Realisation Shares and the Portfolio will not be split into the Continuation Pool and the Realisation Pool and with effect from the Reorganisation Date, unless the Directors have previously been released from this obligation

by an Extraordinary Resolution, the investment objective and investment policy of the Company will be to realise the Company's assets on a timely basis with the aim of making progressive returns of cash to Members as soon as practicable. The Directors will seek to liquidate the Company's assets as efficiently and at as much value as is possible.

- 8.12 The provisions of Articles 8 and 9 shall override all other provisions of the Articles that may be inconsistent with Articles 8 and 9.
- 8.13 The Board may make such alterations to the timetable and procedures as set out in Article 8 as it in its absolute discretion considers appropriate to give effect to the intent of Article 8.

## **9. RIGHTS OF SHARES FOLLOWING THE REALISATION**

- 9.1 The rights of continuing Ordinary Shares in the event of redesignation of Ordinary Shares as Realisation Shares, are as follows:

### *9.1.1 As to dividends*

All profits of the Company, available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Continuation Pool (including accumulated revenue reserves forming part of the Continuation Pool) and resolved to be distributed shall be distributed to the holders of the Ordinary Shares by way of dividends and/or distributions in accordance with Article 37.

### *9.1.2 As to capital*

Subject to Article 44 on a return of assets on a winding up of the Company, the Ordinary Shares carry a right to a return of the nominal amount paid up in respect of such Ordinary Shares and a right to share, *pari passu* and in proportion to the number of Ordinary Shares held, in the surplus assets of the Company remaining in the Continuation Pool after payment of the nominal amount paid up on the Ordinary Shares and after payment of all liabilities attaching to the Continuation Pool and any excess of those liabilities over the amount of the assets in the Continuation Pool will be paid out of the assets in the Realisation Pool.

### *9.1.3 As to voting*

Subject to any terms as to voting upon which any new Ordinary Shares may be issued, or may for the time being be held, and to the provisions of the Articles, each Ordinary Shareholder shall be entitled to receive notice of, attend and vote at general meetings and shall have one vote for each Ordinary Share held save that at any time when Realisation Shares are in issue, Ordinary Shareholders shall not, unless required by the Listing Rules, be entitled to vote on any resolution proposed at any general meeting of the Company to give effect to the provisions in Article 9.2 below.

### *9.1.4 As to class rights*

Other than with respect to the Realisation, or in the case of any Continuation resolution or if the Company is wound up pursuant to the Articles, separate approval of the holders of Ordinary Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Ordinary Shares including for these purposes any resolution to wind up the Company, or to approve a reconstruction or takeover of the Company or any material change to the investment policy applicable to the Continuation Pool, in which circumstances the prior approval of the holders of Ordinary Shares as a class is required by the passing of a resolution at a separate class meeting.

- 9.2 The Realisation Shares shall have the following rights in the event that the Realisation takes place:

### *9.2.1 As to dividends*

All profits of the Company available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Realisation Pool (including

accumulated revenue reserves by way of dividend forming part of the Realisation Pool), and resolved to be distributed shall be distributed to the holders of Realisation Shares by way of dividend and, for the avoidance of doubt Ordinary Shares which are redesignated as Realisation Shares will not rank for any dividend declared or paid on the Ordinary Shares after their redesignation.

#### 9.2.2 *As to capital*

On a return of assets on a winding up of the Company, the Realisation Shares carry a right to a return of the nominal amount paid up in respect of such Realisation Shares and a right to share, *pari passu* and in proportion to the number of Realisation Shares held, in the surplus assets of the Company remaining in the Realisation Pool after payment of the nominal amount paid up on the Realisation Shares and after payment of all liabilities attaching to the assets in Realisation Pool and any excess of those liabilities over the amount of the assets in Realisation Pool will be paid out of the assets in the Continuation Pool.

#### 9.2.3 *As to voting*

The holders of Realisation Shares shall, subject to any terms on which any new Realisation Shares may be issued, or may for the time being be held, and to the provisions of the Articles, receive notice of, attend and vote at general meetings and shall have one vote for each Realisation Share held, provided that they may not vote on any proposed resolutions other than any resolution proposed at any general meeting of the Company at any time at which Realisation Shares are listed on the Premium segment of the Official List (a) to give effect to the provisions in Article 9.2 and (b) in respect of any matter prescribed by the Listing Rules as requiring approval of the Shareholders of the Company.

#### 9.2.4 *As to class rights*

Other than with respect to the Realisation or a winding-up in the case of any proposals drawn up by the Board pursuant to Article 50.1, or if the Company is to be wound up pursuant to Article 8.12, separate approval of the holders of Realisation Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Realisation Shares including for these purposes (a) any resolution to wind up the Company, or to approve a takeover of the Company or any material change to the investment policy applicable to the Realisation Pool and (b) any proposal to issue or create Realisation Shares other than pursuant to Realisation Elections (in respect of any Reorganisation Date), in which circumstances the prior approval of the holders of Realisation Shares as a class is required by the passing of a resolution at a separate class meeting.

#### 9.2.5 *As to redemption*

The cash received by the Company as a result of the realisation of assets comprised in the Realisation Pool will be returned to the holders of Realisation Shares as soon as practicable through any of the following means or a combination thereof, at the discretion of the Directors: capital distributions, share repurchases and/or redemptions. For the purpose of giving effect to this provision the Board is authorised subject to the provisions of the Articles, to cause the Company to repurchase, redeem, convert or otherwise acquire and hold all or any Realisation Shares in such manner and on such terms as the Board may determine, and to redeem any such Realisation Share *inter alia* for any reason or no reason at the Board's discretion, provided that the price paid per Realisation Share is equal to or greater than the Net Asset Value per Realisation Share, calculated as at the close of business on the first Business Day following the date of the relevant Board decision, less any fiscal charges, fees and expenses incurred by the Company as a result of such purchase, redemption, conversion and/or acquisition. The price of shares purchased and/or redeemed by the Company may be paid out of share capital, share premium or retained earnings or any other reserve forming part of the Realisation Pool to the fullest extent permitted under the Companies Law.

Any return of cash received by the Company as a result of the realisation of the assets attributable to the Realisation Pool and the terms and procedure relating thereto will be notified to Members by way of an RIS announcement.

## **26. BORROWING POWERS OF THE BOARD**

The Directors may exercise all the powers of the Company to borrow money for short-term liquidity purposes, to give guarantees, hypothecate, mortgage, charge or pledge all or part of the Company's assets, property present or future) or undertaking and uncalled capital, or any part thereof for the purposes of financing capital distributions pursuant to the Realisation, share repurchases or redemptions, making investments or satisfying working capital requirements provided that borrowings of the Company may not exceed 10 per cent. of the NAV of the Company as at the time of drawdown (unless approved by the Company by an Ordinary Resolution), and, subject to compliance with the Memorandum and these Articles, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

## **2. New Articles**

The Board recommends that the Company adopts the New Articles. The changes to the existing Articles 1, 8, 9 and 26 are shown marked-up as follows:

### **1. DEFINITIONS**

#### **Realisation Sale Election**

An instruction sent by a Member during the Election Period in accordance with Article 8.1 requesting that all or part of the Ordinary Shares held by such holder be placed out in the market by the Company's broker, redeemed or repurchased or purchased out of the proceeds of a Realisation Issue or such other cash sources as may be available to the Company from time to time or purchased under a tender offer or by a market maker and if not so redeemed or purchased shall be converted into Realisation Shares.

## **8. REALISATION**

- 8.1 The Company may at its discretion make available to Members during an Election Period the opportunity to make a Realisation Sale Election on such basis as the Company shall notify to Members before or at the time that the Company sends to Members a reminder notice in accordance with Article 8.2 below.
- 8.2 Unless the Company makes available to Members a Realisation Sale Election in accordance with Article 8.1, Members shall be entitled to serve a Realisation Share Election in writing to the Company at such address as the Company shall specify or if none is specified at the Office or in such other manner as the Board may determine during the Election Period requesting that all or a part, provided such part be rounded up to the nearest whole Ordinary Share, of the Ordinary Shares held by them be redesignated to Realisation Shares with effect from the Reorganisation Date together with, in the case of Certificated shares, the certificates (if any) of such Ordinary Shares to be redesignated and any other evidence that the Board may reasonably require to prove the title of the holder and the due execution by him of the Realisation Share Election or, if the Realisation Share Election is executed by some other Person on his behalf, the authority of that other Person to do so and in the case of Uncertificated shares in accordance with, and otherwise in compliance with, the procedures prescribed by the Board.
- 8.3 The Company will not less than 56 days prior to the Reorganisation Date remind Ordinary Share-holders of their right to make a Realisation Election and, if required by applicable law or regulation, shall issue a prospectus to enable the Company to issue Realisation Shares.
- 8.4 A Realisation Election, once given, is irrevocable, unless the Board agrees otherwise.
- 8.5 Members who do not submit a valid and complete Realisation Election during the Election Period in respect of their Ordinary Shares will be deemed not to have made a Realisation Election in

respect of such Ordinary Shares. Ordinary Shares held by Members who do not submit a Realisation Election in respect of those Ordinary Shares will remain Ordinary Shares.

8.6 Subject to the aggregate Net Asset Value of the Ordinary Shares held by Members who do not submit Realisation Elections in respect of those Ordinary Shares ("continuing Ordinary Shares") at the close of business on the last Business Day before any Reorganisation Date being not less than £100 million (or in the case of Realisation Sale Elections the aggregate of the Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Reorganisation Date and the gross proceeds of ~~the any~~ Realisation Issue), Ordinary Shares the holders of which have made ~~a~~the Realisation Share Election (where this is available in accordance with Article 8.2) or any Ordinary Shares the holders of which have made Realisation Sale Elections but which are not placed out in the market by the Company's broker, redeemed or repurchased or purchased out of the proceeds of the Realisation Issue or such other cash sources as may be available to the Company from time to time or purchased under a tender offer or by a market maker will be redesignated as Realisation Shares and the Portfolio will be split in accordance with Article 8.7 into two separate and distinct Pools namely the Continuation Pool comprising the assets attributable to the ~~Continuing~~ Ordinary Shares and the Realisation Pool comprising the assets attributable to the Realisation Shares (which assets will be managed in accordance with an orderly realisation programme with the aim of making progressive returns of cash to holders of Realisation Shares as soon as practicable) with effect from the Reorganisation Date. In the event that some but not all of the Ordinary Shares the holders of which have made Realisation Share Elections (where this is available in accordance with Article 8.2) or any Ordinary Shares the holders of which have made Realisation Sale Elections are placed or repurchased by the Company or purchased by a market maker, the Company shall ensure that so far as is practicable, those Ordinary Shares are placed or repurchased or purchased pro rata to the number of Ordinary Shares in respect of which Shareholders have made Realisation Elections.

8.68.7 The Board shall divide and allocate the assets and liabilities of the Company on ~~a~~the Reorganisation Date in the following manner:

8.6.18.7.1 The assets of the Company, or on any Reorganisation Date (a "Subsequent Reorganisation Date") on which Realisation Shares ("Preceding Realisation Shares") redesignated with effect from a preceding Reorganisation Date are still in issue, the assets attributable to the Ordinary Shares in issue immediately before the Subsequent Reorganisation Date, shall be divided as at the opening of business on ~~a~~the Reorganisation Date into two pools which will be accounted for as two separate sub-portfolios, being respectively the Continuation Pool and the Realisation Pool. Each of the Company's holdings of investments (excluding assets attributable to holders of Preceding Realisation Shares) shall be split between the Continuation Pool and the Realisation Pool *pro rata* as nearly as practicable to the numbers of Ordinary Shares and Realisation Shares (excluding any Preceding Realisation Shares) respectively in existence immediately following Realisation and the remainder of the assets and liabilities (excluding assets and liabilities attributable to holders of Preceding Realisation Shares) being apportioned to the Continuation Pool. Assets and liabilities shall be allocated between the Continuation Pool and the Realisation Pool in such manner as in the Board's opinion best achieves the objective of splitting the Company's assets fairly between the Continuation Pool and the Realisation Pool.

8.6.28.7.2 Costs and expenses of the realisation of assets comprising the Realisation Pool will be attributed to the Realisation Pool and the costs and expenses of reorganising the Company's assets into the Continuation Pool and the Realisation Pool (including without limitation the preparation and publication of any prospectus or other publication which may be required in connection with such reorganisation) may be apportioned as between the Continuation Pool and the Realisation Pool in the proportion that the Board in its sole discretion deems fair and reasonable. In particular, the Board may increase the proportion of cash to be allocated to a particular Pool if they consider it would be equitable to both the holders of Realisation Shares and the holders of Ordinary Shares to do so, or if they determine it is necessary or desirable to retain cash for the Company's working capital purposes,

they may decrease the proportion of cash to be so allotted and the Board may choose an alternative allocation, or subsequently rebalance the Pools, in respect of non-cash assets if they consider a *pro rata* allocation to be impracticable or that to do so would be equitable to both holders of Realisation Shares and the holders of Ordinary Shares.

**8.78.8** Ordinary Shares which are redesignated as Realisation Shares will not rank for any dividend or other distribution declared, paid or made on the Ordinary Shares after their redesignation.

**8.88.9** The Board is authorised to cause the Company to repurchase, redeem, convert or otherwise acquire and hold all or any Realisation Shares in such manner and on such terms as the Board may determine, and to redeem any such Realisation Shares *inter alia* for any reason or for no reason at the Board's absolute discretion. The price of shares purchased by the Company may be paid out of the share capital, share premium or retained earnings to the fullest extent permitted under the Law.

**8.98.10** A certificate for new Realisation Shares will be sent within two Months of the Reorganisation Date to each holder without charge, with a new certificate for any balance of Ordinary Shares comprised in the surrendered certificate. To the extent that the Realisation Shares are redeemed on Realisation, the Board need not issue or despatch any certificate in respect thereof.

**8.108.11** Existing Certificates for Ordinary Shares that have been redesignated will cease to be valid.

**8.118.12** If one or more Realisation Elections are duly made and the Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Reorganisation Date (and where applicable the gross proceeds of any Realisation Issue) is less than £100 million, the Realisation will not take place, no Ordinary Shares will be realised or redesignated as Realisation Shares and the Portfolio will not be split into the Continuation Pool and the Realisation Pool and with effect from the Reorganisation Date, unless the Directors have previously been released from this obligation by an Extraordinary Resolution, the investment objective and investment policy of the Company will be to realise the Company's assets on a timely basis with the aim of making progressive returns of cash to Members as soon as practicable. The Directors will seek to liquidate the Company's assets as efficiently and at as much value as is possible.

**8.128.13** The provisions of Articles 8 and 9 shall override all other provisions of the Articles that may be inconsistent with Articles 8 and 9.

**8.138.14** The Board may make such alterations to the timetable and procedures as set out in Article 8 as it in its absolute discretion considers appropriate to give effect to the intent of Article 8.

## **9. RIGHTS OF SHARES FOLLOWING THE REALISATION**

**9.1** The rights of continuing Ordinary Shares in the event of redesignation of Ordinary Shares as Realisation Shares, are as follows:

### **9.1.1 As to dividends**

All profits of the Company, available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Continuation Pool (including accumulated revenue reserves forming part of the Continuation Pool) and resolved to be distributed shall be distributed to the holders of the Ordinary Shares by way of dividends and/or distributions in accordance with Article 37.

### **9.1.2 As to capital**

Subject to Article 44 on a return of assets on a winding up of the Company, the Ordinary Shares carry a right to a return of the nominal amount paid up in respect of such Ordinary Shares and a right to share, *pari passu* and in proportion to the number of Ordinary Shares held, in the surplus assets of the Company remaining in the Continuation Pool after payment of the nominal amount paid up on the Ordinary Shares and after payment of all liabilities attaching to the Continuation Pool and any excess of those liabilities over the

amount of the assets in the Continuation Pool will be paid out of the assets in the Realisation Pool.

#### 9.1.3 *As to voting*

Subject to any terms as to voting upon which any new Ordinary Shares may be issued, or may for the time being be held, and to the provisions of the Articles, each Ordinary Shareholder shall be entitled to receive notice of, attend and vote at general meetings and shall have one vote for each Ordinary Share held save that at any time when Realisation Shares are in issue, Ordinary Shareholders shall not, unless required by the Listing Rules, be entitled to vote on any resolution proposed at any general meeting of the Company to give effect to the provisions in Article 9.2 below.

#### 9.1.4 *As to class rights*

Other than with respect to the Realisation, or in the case of any Continuation resolution or if the Company is wound up pursuant to the Articles, separate approval of the holders of Ordinary Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Ordinary Shares including for these purposes any resolution to wind up the Company, or to approve a reconstruction or takeover of the Company or any material change to the investment policy applicable to the Continuation Pool, in which circumstances the prior approval of the holders of Ordinary Shares as a class is required by the passing of a resolution at a separate class meeting.

### 9.2 The Realisation Shares shall have the following rights in the event that the Realisation takes place:

#### 9.2.1 *As to dividends*

All profits of the Company available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Realisation Pool (including accumulated revenue reserves by way of dividend forming part of the Realisation Pool), and resolved to be distributed shall be distributed to the holders of Realisation Shares by way of dividend and, for the avoidance of doubt Ordinary Shares which are redesignated as Realisation Shares will not rank for any dividend declared or paid on the Ordinary Shares after their redesignation.

#### 9.2.2 *As to capital*

On a return of assets on a winding up of the Company, the Realisation Shares carry a right to a return of the nominal amount paid up in respect of such Realisation Shares and a right to share, *pari passu* and in proportion to the number of Realisation Shares held, in the surplus assets of the Company remaining in the Realisation Pool after payment of the nominal amount paid up on the Realisation Shares and after payment of all liabilities attaching to the assets in the Realisation Pool and any excess of those liabilities over the amount of the assets in the Realisation Pool will be paid out of the assets in the Continuation Pool.

#### 9.2.3 *As to voting*

The holders of Realisation Shares shall, subject to any terms on which any new Realisation Shares may be issued, or may for the time being be held, and to the provisions of the Articles, receive notice of, attend and vote at general meetings and shall have one vote for each Realisation Share held, provided that they may not vote on any proposed resolutions other than any resolution proposed at any general meeting of the Company at any time at which Realisation Shares are listed on the Premium segment of the Official List (a) to give effect to the provisions in Article 9.2, and (b) in respect of any matter prescribed by the Listing Rules as requiring approval of the Shareholders of the Company.

#### 9.2.4 *As to class rights*

Other than with respect to the Realisation or a winding-up in the case of any proposals drawn up by the Board pursuant to Article 50.1, or if the Company is to be wound up

pursuant to Article 8.12, separate approval of the holders of Realisation Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Realisation Shares including for these purposes (a) any resolution to wind up the Company, or to approve a takeover of the Company or any material change to the investment policy applicable to the Realisation Pool and (b) any proposal to issue or create Realisation Shares other than pursuant to Realisation Elections (in respect of any Reorganisation Date), in which circumstances the prior approval of the holders of Realisation Shares as a class is required by the passing of a resolution at a separate class meeting.

#### 9.2.5 *As to redemption*

The cash received by the Company as a result of the realisation of assets comprised in the Realisation Pool will be returned to the holders of Realisation Shares as soon as practicable through any of the following means or a combination thereof, at the discretion of the Directors: capital distributions, and/or share repurchases and/or redemptions and/or tender offers. For the purpose of giving effect to this provision the Board is authorised subject to the provisions of the Articles, to cause the Company to repurchase, redeem, convert or otherwise acquire and hold all or any Realisation Shares in such manner and on such terms as the Board may determine, and to redeem any such Realisation Share *inter alia* for any reason or no reason at the Board's discretion, provided that the price paid per Realisation Share is equal to or greater than the Net Asset Value per Realisation Share, calculated as at the close of business on the first Business Day following the date of the relevant Board decision, less any fiscal charges, fees and expenses incurred by the Company as a result of such purchase, redemption, conversion and/or acquisition. The price of shares purchased and/or redeemed by the Company may be paid out of share capital, share premium or retained earnings or any other reserve forming part of the Realisation Pool to the fullest extent permitted under the Companies Law.

~~Any return of cash received by the Company as a result of the realisation of the assets attributable to the Realisation Pool and the terms and procedure relating thereto will be notified to Members by way of an RIS announcement.~~

The Realisation Shares created by the redesignation of Ordinary Shares with respect to any Reorganisation Date shall be a separate class of shares which shall be distinct from any Reorganisation Shares created by the redesignation of Ordinary Shares with respect to any Subsequent Reorganisation Date, the Realisation Pool created on any Reorganisation Date shall be a separate pool of assets which shall be distinct from any Realisation Pool created on any Subsequent Reorganisation Date and accordingly each class of Realisation Shares shall as a class have mutatis mutandis the rights attributable to Realisation Shares under Article 9.2.

## 26. BORROWING POWERS OF THE BOARD

The Directors may exercise all the powers of the Company to borrow money for investment opportunities and short-term liquidity purposes, to give guarantees, hypothecate, mortgage, charge or pledge all or part of the Company's assets, property present or future) or undertaking and uncalled capital, or any part thereof for the purposes of financing capital distributions pursuant to the Realisation, share repurchases or redemptions, making investments or satisfying working capital requirements provided that borrowings of the Company may not exceed 40-25 per cent. of the NAV of the Company as at the time of drawdown (unless approved by the Company by an Ordinary Resolution), and, subject to compliance with the Memorandum and these Articles, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The provisions of Article 8, 9, and 26 shall otherwise remain unchanged. However, further technical changes to Articles 1, 23 and 52 have been made so that the Articles conform to Guernsey law, as currently in force and Guernsey and UK current best practice.

## **PART IV**

### **Risk Factors**

The Directors consider that the following material factor should be taken into account by Shareholders when assessing whether to vote in favour of the Proposal:

1. Leverage – if the Resolutions are passed the Company will be able to borrow up to 25 per cent. of the Company's Net Asset Value at the time of drawdown and may use those borrowings for investment purposes. While the use of borrowings may amplify gains made by the Company by enhancing the Net Asset Value of the Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. This may increase the volatility of the Net Asset Value per Ordinary Share.

## PART V

### General Information

#### **1 Incorporation and Administration**

The Company was incorporated in Guernsey on 11 January 2013 with registered number 56128 as a non-cellular company limited by shares under the Law. The Company is registered as a registered closed-ended collective investment scheme under the POI Law and the Registered Collective Investment Scheme Rules 2018 made thereunder.

The Company is not regulated by the Financial Conduct Authority or any other regulator.

The address of the registered office and principal place of business of the Company is PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, with telephone number +44 (0)1481 745001.

#### **2 Major Shareholders**

As at 11 April 2019, being the latest practicable date prior to the publication of this document, other than as is set out below, the Company has been informed of the following notifiable interest in the Company's voting rights:

<b>Name of Shareholder</b>	<b>Number of issued Ordinary Shares</b>	<b>Percentage of issued Ordinary Shares</b>
Investec Wealth & Investment	43,851,798	9.68
Brewin Dolphin, stockbrokers	32,549,917	7.18
Premier Asset Management	27,035,113	5.97
Aviva	25,619,377	5.65
Fidelity International	22,683,124	5.01

#### **3 Share Capital**

The share capital of the Company consists of 453,064,151 Ordinary Shares of £0.01 each.

The Company has 453,064,151 Ordinary Shares in issue, as at 11 April 2019, being the latest practicable date prior to the publication of this document.

As at the date of this document, the Company has 39,000,000 shares held in treasury.

#### **4 Related Parties**

##### ***Service contracts***

None of the Directors has a service contract with the Company providing for benefits upon termination.

##### ***Interests in Shares***

The Directors have the following interests in the Company as at the date of this document:

<b>Director</b>	<b>Interest/Number of Ordinary Shares held</b>
Trevor Ash	50,000
Ian Burns	29,242
Richard Burwood	5,000

### **Related Party Transactions**

As at the date of this Circular, the Company was not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No. 1606/2002) at any time during the three financial years to 31 March 2018 or during the period from 1 April 2018 to the close of business on 11 April 2019, being the latest practicable date before the publication of this Circular.

### **5 No Significant Change**

Save for the (i) interim dividend of 1.5 pence per Ordinary Share announced on 11 October 2018 in respect of the 3 month period ending 30 September 2018 and resulting in a cash distribution of £5,937,212 paid on 30 October 2018; (ii) interim dividend of 1.5 pence per Ordinary Share announced on 9 January 2019 in respect of the 3 month period ending 31 December 2018 resulting in a cash distribution of £5,937,212 paid on 31 January 2019; (iii) interim dividend of 1.95 pence per Ordinary Share announced on 11 April 2019 in respect of the 3 month period ending 31 March 2019 which will result in a cash distribution of £8,834,751 to be paid on 30 April 2019; (iv) issuance of 20,000,000 new Ordinary Shares at a price of 115 pence per Ordinary Share, raising £23,044,000 (before costs and expenses) on 26 March 2019; and (v) issuance of 11,250,000 new Ordinary Shares at a price of 115.69 pence per Ordinary Share, raising £13,015,125 (before costs and expenses) on 10 April 2019, there has been no significant change in the financial or trading position of the Company since 30 September 2018, being the end of the last interim financial period for which unaudited financial information has been published.

### **6 Consent**

Numis has given and has not withdrawn its written consent to the issue of this document with reference to its name in the form and context in which such references appear.

### **7 Documents Available for Inspection**

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the Extraordinary General Meeting and will also be available for inspection at the Extraordinary General Meeting:

- 7.1 the existing Articles of Incorporation and the New Articles as proposed to be amended by the passing of Resolution 1 marked to show the amendments from the existing Articles of Incorporation proposed to be made by the adoption of the New Articles; and
- 7.2 the historical financial information of the company for the past three financial years.

## **PART VI**

### **Notice of Extraordinary General Meeting**

### **TWENTYFOUR INCOME FUND LIMITED**

*(a non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law, 2008, as amended, with registered number 56128 and registered as a Registered Closed-ended Collective Investment Scheme with the Guernsey Financial Services Commission)*

Notice is hereby given that an extraordinary general meeting (the “**Meeting**”) of TwentyFour Income Fund Limited (the “**Company**”) will be held on Friday, 10 May 2019 at 11 a.m. at the offices of Northern Trust International Fund Administration (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL, Channel Islands to consider and, if thought fit, approve resolution 1, which will be proposed as a special resolution, resolution 2, which will be proposed as an extraordinary resolution and resolutions 3 and 4, which will be proposed as ordinary resolutions (the “**Resolutions**”):

#### **Special Resolution**

1. THAT, conditional on all other Resolutions being passed, and subject to the Financial Conduct Authority (“**FCA**”) having approved the changes to be effected by this resolution pursuant to the applicable requirements of the Alternative Investment Fund Managers Directive (2011/61 EU) (“**AIFMD**”) as implemented in the FCA Handbook or the period specified pursuant to AIFMD having expired without the FCA having objected to such changes, the Articles of Incorporation in the form produced to the Meeting and initialled for identification by the Chairman of the Meeting be adopted as the Articles of Incorporation of the Company in substitution for and to the exclusion of all previous articles of incorporation.

#### **Extraordinary Resolution**

2. THAT, conditional on all other Resolutions being passed and in substitution of all existing powers (but in addition to any power conferred on them by ordinary resolution 3 below), the Directors be and are authorised generally and unconditionally in accordance with Article 6.7 of the Articles to exercise all powers of the Company to issue equity securities (as defined in Article 6.1.1(a)) for cash as if the members’ pre-emption rights contained in Article 6.2 of the Articles did not apply to any such issue pursuant to the general authority conferred on them by the ordinary resolution 3 below (as varied from time to time by the Company in a general meeting):
  - 2.1 pursuant to an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of ordinary redeemable shares of £0.01 each in the capital of the Company (“**Ordinary Shares**”) are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
  - 2.2 provided that (otherwise than pursuant to sub-paragraph (a) above) this power shall be limited to the allotment of equity securities of up to up to 150 million new Ordinary Shares in connection with the issue of new Ordinary Shares described in the prospectus relating to the Company published on or around 15 April 2019 (the “**Prospectus**”) (the “**Issue**”); and (ii) up to 150 million new Ordinary Shares in connection with the proposed placing programme of new Ordinary Shares described in the Prospectus (the “**Placing Programme**”) and such power hereby conferred shall expire on 14 April 2020, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance to such offers or agreements as if the authority conferred hereby had not expired.

## Ordinary Resolutions

3. THAT, conditional on all other Resolutions being passed, to, in substitution for all existing authorities, authorise the directors of the Company in accordance with Article 4 of the Articles, generally and unconditionally to issue and allot (i) up to up to 150 million new Ordinary Shares in connection with the Issue; and (ii) up to 150 million new Ordinary Shares in connection with the Placing Programme and such power hereby conferred shall expire on 14 April 2020, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance to such offers or agreements as if the authority conferred hereby had not expired.
4. THAT, conditional on all other Resolutions being passed, and subject to the FCA having approved the changes to be effected by this resolution pursuant to the applicable requirements of AIFMD co-implemented in the FCA Handbook or the period specified pursuant to AIFMD having expired without the FCA having objected to such changes, the investment policy of the Company be amended as described in the Circular, a copy of which will be signed for the purpose of identification by the Chairman of the Meeting, be and is hereby approved and adopted with immediate effect as the Company's investment policy in substitution for and to the exclusion of the Existing Investment Policy.

## BY ORDER OF THE BOARD

Northern Trust International Fund Administration Services (Guernsey) Limited

Company Secretary

Date: 15 April 2019

Registered Office:

PO Box 255

Trafalgar Court

Les Banques

St. Peter Port

Guernsey, GY1 3QL

## Notes

- (i) These notes should be read in conjunction with the notes on the enclosed Form of Proxy.
- (ii) All holders of Ordinary Shares are entitled to attend and vote at the meeting. An Ordinary Shareholder may appoint one or more proxies to exercise all or any of the rights of the shareholder to attend and speak and vote in his place at the meeting. A proxy need not be a member of the Company. If you wish to appoint a person other than the Chairman of the meeting or the Company Secretary, please insert the name of your chosen proxy holder in the space provided on the enclosed Form of Proxy. An Ordinary Shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If an Ordinary Shareholder wishes to appoint more than one proxy and so requires additional proxy forms, the shareholder should contact the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
- (iii) If a quorum is not present within thirty minutes after the time appointed for the commencement of the meeting, the Meeting will be adjourned to 11 a.m. on Friday, 17 May 2019.
- (iv) A vote withheld is not a vote in law, which means the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter put before the meeting.
- (v) Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
- (vi) In order to revoke a proxy instruction members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
- (vii) The Form of Proxy is enclosed with this notice for use by Ordinary Shareholders. To be valid, the Form of Proxy and any power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited with the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event, by no later than 11 a.m. on 7 May 2019. Amended instructions

must also be received by the Company's Registrar by the deadline for receipt of Forms of Proxy. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the enclosed Form of Proxy. If you have any queries in relation to the Form of Proxy you may call Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, on 0370 707 4040 from within the UK (or +44 (0)370 707 4040 from outside of the UK) between 9.00 a.m. and 5.00 p.m. on any Business Day. Completion and return of a Form of Proxy or the giving of a CREST Proxy Instruction (as described below) will not preclude an Ordinary Shareholder from attending and voting at the meeting if he or she wishes to do so.

- (viii) Pursuant to Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009 (the "**CREST Regulations**"), the Company has specified that only those Ordinary Shareholders entered on the register of members of the Company as at 5 p.m. on 7 May 2019 or, if the meeting is adjourned, on the register of members as at 5 p.m. two Business Days prior to the adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to the register of members after 5 p.m. on 7 May 2019 or, if the meeting is adjourned, 5 p.m. two Business Days prior to the adjourned meeting will be disregarded in determining the rights of any person to attend and vote at the meeting or adjourned meeting (as the case may be).
- (ix) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment thereof by using the procedures described in the CREST Manual on the Euroclear UK & Ireland Limited's website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to the CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.
- (x) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message ("**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to an 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 (Computershare Investor Services (Guernsey) Limited) not less than 48 hours before the time of the holding of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the 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 instruction to proxies appointed through CREST should be communicated to the appointee through other means.
- (xi) 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 messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure the 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 service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (xii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the CREST Regulations.
- (xiii) 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 5 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.
- (xiv) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (xv) As at 11 April 2019, being the latest practicable date prior to the printing of this notice, there were 453,064,151 Ordinary Shares in issue carrying one vote each. Therefore, the total voting rights in the Company as at 11 April 2019 are 453,064,151. The Company holds 39,000,000 Ordinary Shares in treasury.
- (xvi) Terms used in this notice shall have the same meaning as in the prospectus to shareholders of the Company dated the same date as this Circular unless otherwise defined.
- (xvii) The contents of this notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the meeting, the total voting rights members are entitled to exercise at the meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website <http://www.twentyfouram.com>.
- (xviii) You may not use any electronic address provided in this Notice of the Extraordinary General Meeting to communicate with the Company for any purposes other than those expressly stated.





