

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** It contains proposals relating to the reconstruction and voluntary winding up of Troy Income & Growth Trust plc (the “Company”) on which Shareholders are being asked to vote and in relation to which Shareholders have the right to make an Election. If you are in any doubt about the action you should take you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom, without delay.

If you sell or transfer, or have sold or transferred, all of your Ordinary Shares in the Company, please send this document together with the accompanying documents (but not the accompanying personalised Forms of Proxy or Form of Election) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, the prospectus (the “**STS Prospectus**”) published by STS Global Income & Growth Trust plc (“**STS**”) should not be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA Member State, or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions. Shareholders who are resident in, or citizens of, territories outside the United Kingdom should read the section titled “*Overseas Shareholders*” in Parts 3 and 4 of this document.

The New STS Shares are not and will not be registered under the U.S. Securities Act of 1933, as amended (the “**US Securities Act**”), and the New STS Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of “U.S. persons” as defined in Regulation S under the US Securities Act (“**US Persons**”) except pursuant to an exemption from the registration requirements of the US Securities Act. Additionally, STS is not, and does not intend to be, registered as an investment company under the U.S Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and STS Shareholders are not, and will not be, entitled to the benefits of the US Investment Company Act. No issuance, offer, purchase, sale or transfer of New STS Shares may be made except in a manner which would not require STS to register under the US Investment Company Act. There has been and will be no public offer of the New STS Shares in the United States.

Capitalised terms used in this document have the meanings ascribed to them in Part 7 of this document (unless the context otherwise requires).

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# **TROY INCOME & GROWTH TRUST PLC**

*(incorporated in Scotland with registered number SC111955)  
(an investment company under section 833 of the Companies Act 2006)*

## **Recommended proposals for the members’ voluntary liquidation of the Company and combination with STS Global Income & Growth Trust plc**

**and**

## **Notices of General Meetings**

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This document should be read in conjunction with the STS Prospectus. The STS Prospectus is available on STS’s website at [www.stsplc.co.uk](http://www.stsplc.co.uk). The Proposals described in this document are conditional, amongst other things, on Shareholder approval. Your attention is drawn to pages 39 to 41 of this document which summarise the risk factors associated with the Proposals. Your attention is further drawn to the letter from the Chair of the Company set out in Part 1 of this document which contains, among other things, the recommendation of the Directors that Shareholders vote in favour of the Resolutions to be proposed at the General Meetings referred to below. This document should be read in its entirety before deciding what action you should take.

Notices of two general meetings of the Company to be held on 13 March 2024 and on 27 March 2024 respectively (the “**General Meetings**”) are set out at the end of this document. Both General Meetings will be held at the offices of Troy Asset Management Limited, 33 Davies Street, London W1K 4BP.

All Shareholders are encouraged to vote in favour of the Resolutions to be proposed at the General Meetings. Investors who hold their Ordinary Shares through an investment platform or other nominee service are encouraged to contact their investment platform provider or nominee as soon as possible to arrange for votes to be lodged on their behalf. Forms of Proxy for use in connection with the General Meetings are enclosed.

To be valid for use at the General Meetings, the Forms of Proxy must be completed, signed and returned in accordance with the instructions printed thereon to the Registrar, Equiniti Limited (“Equiniti”), at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and, in any event, by no later than 48 hours (excluding any part of a day that is not a Business Day) before the time of the relevant General Meeting. Alternatively, you may appoint a proxy or proxies electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions. In order to appoint a proxy using this website, members will need their Voting ID, Task ID and Shareholder Reference Number, each of which is printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website. Alternatively, Shareholders who have already registered with the Registrar’s online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using their user ID and password. Once logged in, click “View” on the “My Investments” page, click the link to vote and then follow the on-screen instructions. Proxy appointments must be submitted so as to be received by the Registrar by no later than 48 hours (excluding any part of a day that is not a Business Day) before the time of the relevant General Meeting. Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notices of the General Meetings set out at the end of this document). Proxies submitted via CREST for the General Meetings must be transmitted so as to be received by the Registrar as soon as possible and, in any event, by no later than 48 hours (excluding any part of a day that is not a Business Day) before the time of the relevant General Meeting.

Shareholders who hold Ordinary Shares in certificated form will also find enclosed with this document a Form of Election for use in connection with the Proposals. To be valid, Forms of Election must be completed and returned to the Receiving Agent, Equiniti, using the enclosed reply-paid envelope (with the blue flash printed thereon and for use within the UK only), at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive as soon as possible and, in any event, by no later than 1.00 p.m. on 13 March 2024. Shareholders who hold their Ordinary Shares in uncertificated form will not receive a Form of Election and should make their elections in accordance with the instructions contained in the section of this document titled “*Ordinary Shares held in uncertificated form (that is, in CREST)*”, which can be found in Part 3 of this document. Investors who hold their Ordinary Shares through an investment platform or other nominee service are encouraged to contact their investment platform provider or nominee as soon as possible to arrange for Elections to be lodged on their behalf. All Elections will be irrevocable and may not be withdrawn or amended without the consent of the Directors. Failure to return a Form of Election or to submit a TTE Instruction (being a transfer to escrow instruction (as described in the CREST Manual)) (as applicable) or the return of a Form of Election which is not validly completed will result in the relevant Shareholder (other than certain Overseas Shareholders) being deemed to have elected for the Rollover Option in respect of their entire holding of Ordinary Shares. Overseas Shareholders will not be sent a copy of the STS Prospectus and should read the sections titled “Overseas Shareholders” in Parts 3 and 4 of this document.

Numis Securities Limited (trading for these purposes as Deutsche Numis) (“**Deutsche Numis**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and no one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Deutsche Numis or for providing advice in relation to the Proposals, the contents of this document and the accompanying documents or any other matter referred to herein or therein. Neither Deutsche Numis nor any of its group undertakings or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with this document or any matter referred to herein. This does not exclude any responsibilities which Deutsche Numis may have under FSMA or the regulatory regime established thereunder.

## **NOTICE TO US SHAREHOLDERS**

The Scheme is being implemented subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US Shareholders should be aware that this document has been prepared in accordance with a UK format and style, which differs from the US format and style. In particular, parts of this document contain information concerning the Scheme required by UK disclosure requirements which may be material and may not have been summarised elsewhere in the document. Furthermore, the Scheme will be subject to other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

US Shareholders should note that STS Shares are not listed on a US securities exchange and STS is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the US Securities and Exchange Commission thereunder (the “SEC”). The Scheme is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act.

It may be difficult for US Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since STS is located in a foreign country, and all of its officers and directors are residents of a foreign country. US Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement. Whether located in the United States or elsewhere, US Shareholders will receive any cash consideration in Pounds Sterling.

**It is important that you complete and return the Forms of Proxy, appoint a proxy or proxies electronically or use the CREST electronic voting service in the manner referred to above, and return the Form of Election or submit a TTE Instruction (as applicable) as soon as possible. Your attention is drawn to the section titled "*Action to be Taken by Shareholders*" on pages 5 to 6 of this document.**

23 February 2024

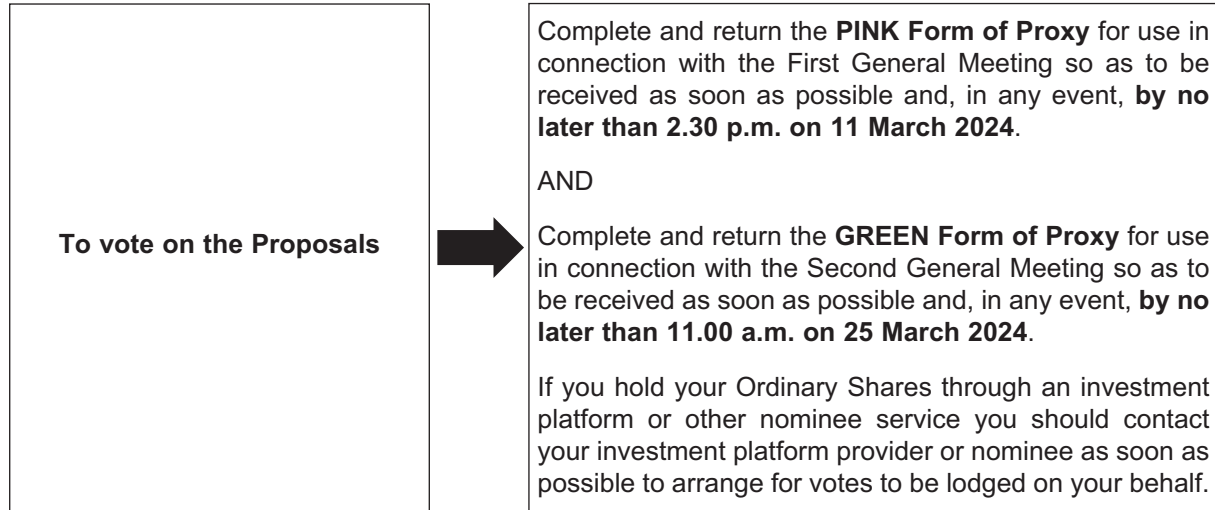
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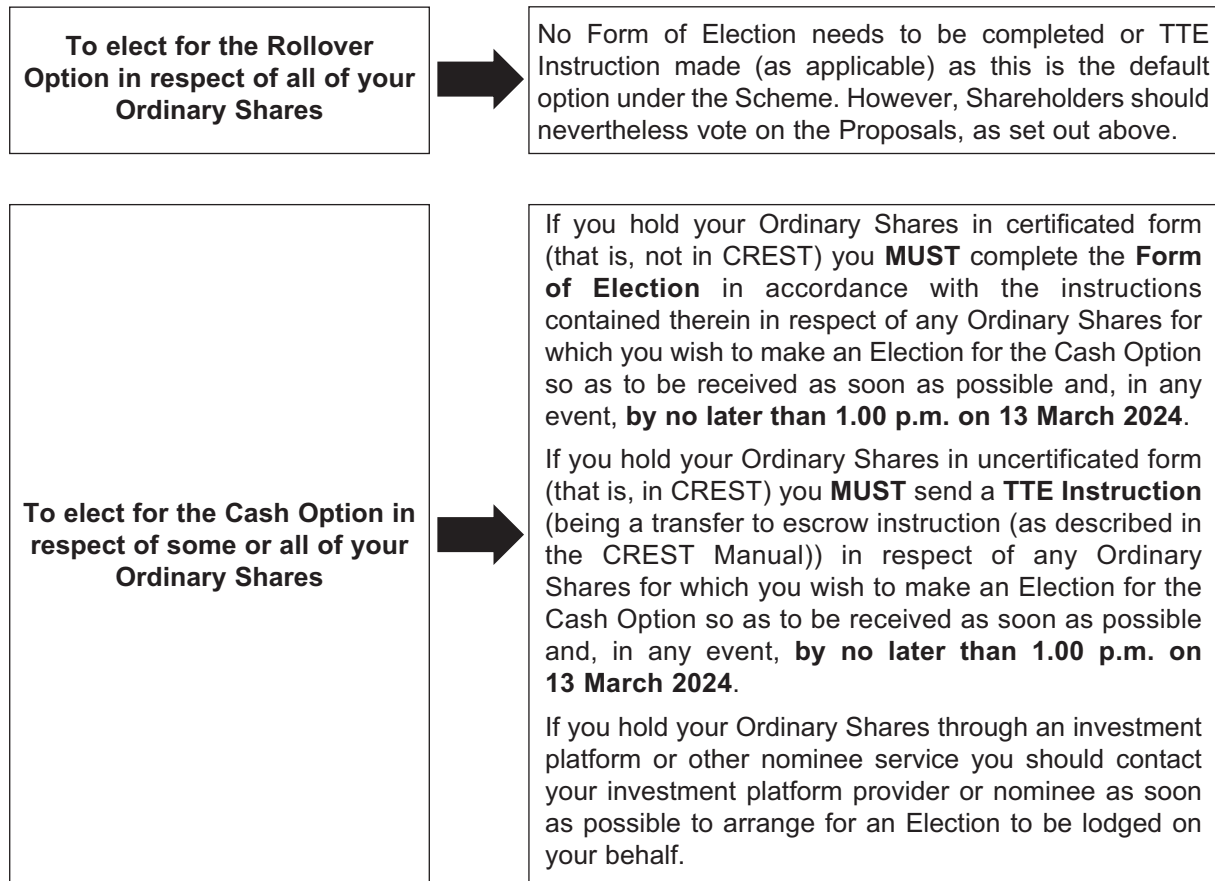
## ACTION TO BE TAKEN BY SHAREHOLDERS

Full details of the action to be taken by Shareholders are set out in the section of Part 1 of this document titled “Action to be taken” which can be found on pages 14 to 15 of this document and in the instructions contained in the Forms of Proxy and the Form of Election. You should read the whole of this document before deciding what action to take. The attention of Overseas Shareholders is drawn to the sections titled “Overseas Shareholders” in Parts 3 and 4 of this document.

### TO VOTE ON THE PROPOSALS



### TO MAKE AN ELECTION



If you have any questions relating to the completion and return of your Forms of Proxy and/or the Form of Election, please contact the Registrar, on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. The helpline is open between 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Registrar cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Only Shareholders who hold Ordinary Shares as at 6.00 p.m. on 13 March 2024 are able to elect for the Cash Option in respect of those Ordinary Shares. The extent to which a Shareholder elects for the Cash Option is a matter for each Shareholder to decide, and will be influenced by their own personal, financial and tax circumstances and investment objectives. Shareholders should seek advice from their own professional advisers.

### **Overseas Shareholders**

Shareholders who are resident in, or citizens of, territories outside the United Kingdom should read the section titled "*Overseas Shareholders*" in Parts 3 and 4 of this document.

**Overseas Shareholders who wish to receive New STS Shares under the Scheme should contact the Company directly as soon as possible and, in any event, by no later than 5.00 p.m. on 13 March 2024 if they are able to demonstrate, to the satisfaction of the Directors, the STS Directors and the Liquidators, that they can be issued New STS Shares without breaching any relevant securities laws. If an Overseas Shareholder does not contact the Company and provide the required evidence, such Overseas Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding of Ordinary Shares in accordance with paragraph 15 of Part 4 of this document.**

## EXPECTED TIMETABLE

2024

Ex-dividend date for the TIGT Final Interim Dividend	29 February
Record date for the TIGT Final Interim Dividend	1 March
Payment date for the TIGT Second Quarterly Interim Dividend	8 March
Latest time and date for receipt of PINK Forms of Proxy and CREST voting instructions in respect of the First General Meeting	2.30 p.m. on 11 March
Latest time and date for receipt of the Forms of Election and/or TTE Instructions (being transfer to escrow instructions for CREST holders)	1.00 p.m. on 13 March
<b>First General Meeting</b>	<b>2.30 p.m. on 13 March</b>
Record Date for entitlements under the Scheme	6.00 p.m. on 13 March
Settlement of Ordinary Shares disabled in CREST	6.00 p.m. on 13 March
Trading in the Ordinary Shares on the London Stock Exchange is suspended	7.30 a.m. on 14 March
Announcement of the results of the Elections under the Scheme	15 March
Calculation Date	Market Close on 21 March
Payment date for the TIGT Final Interim Dividend	22 March
Latest time and date for receipt of GREEN Forms of Proxy and CREST voting instructions in respect of the Second General Meeting	11.00 a.m. on 25 March
Reclassification of the Ordinary Shares (and commencement of dealings in Reclassified Shares)	8.00 a.m. on 26 March
Suspension of listing of Reclassified Shares and Company's Register closes	7.30 a.m. on 27 March
<b>Second General Meeting</b>	<b>11.00 a.m. on 27 March</b>
Appointment of Liquidators	27 March
Effective Date for implementation of the Scheme	27 March
Announcement of the TIGT FAV per Share, the Cash NAV per Share and the STS FAV per Share	27 March
CREST accounts credited with, and dealings commence in, New STS Shares	at, or soon after, 8.00 a.m. on 28 March
Share certificates in respect of New STS Shares despatched	no later than 10 Business Days from the Effective Date
Cheques despatched to Shareholders who elect, or are deemed to elect, for the Cash Option in accordance with their Cash Entitlements and CREST accounts credited with cash	no later than 10 Business Days from the Effective Date
Cancellation of listing of Reclassified Shares	as soon as practicable after the Effective Date

**Notes:**

- (1) All references to time in this document are to London (UK) time, unless otherwise stated.
- (2) The timetable set out above and referred to throughout this document and in any accompanying documents may be subject to change. If any of the above times and/or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

## PART 1

### LETTER FROM THE CHAIR

# TROY INCOME & GROWTH TRUST PLC

*(incorporated in Scotland with registered number SC111955)  
(an investment company under section 833 of the Companies Act 2006)*

#### *Directors*

Bridget Guerin (*Chair*)  
David Garman  
Roger White  
Brigid Sutcliffe

#### *Registered Office*

28 Walker Street  
Edinburgh  
EH3 7HR

23 February 2024

Dear Shareholder

### **Recommended proposals for the members' voluntary liquidation of the Company and combination with STS Global Income & Growth Trust plc**

#### **Introduction**

As announced by the Company on 28 November 2023, the Board has agreed terms with the board of STS Global Income & Growth Trust plc ("**STS**") in respect of a proposed combination of the assets of the Company with STS. If approved, the combination will be implemented by way of a scheme of reconstruction and members' voluntary liquidation of the Company under section 110 of the Insolvency Act (the "**Scheme**") and the associated transfer of part of the Company's cash, assets and undertaking to STS in exchange for the issue of New STS Shares to Shareholders who are deemed to have elected to roll over their investment in the Company into STS (the "**Rollover Option**") (altogether, the "**Proposals**"). Under the Proposals, the Company's Shareholders are being offered the option to elect to receive cash in respect of up to 100 per cent. of their holding of Ordinary Shares in the Company (the "**Cash Option**").

Following the implementation of the Proposals, STS will continue to be managed by Troy Asset Management Limited ("**Troy**") and it is intended that the STS Portfolio will continue to be managed on the same basis as it is currently. In particular, STS's investment objective and policy, to achieve rising income and long-term capital growth which it seeks to deliver for shareholders through investment in a balanced portfolio constructed from global equities, will not be amended in connection with the Proposals.

The Proposals are conditional upon, amongst other things, the approval of Shareholders at the General Meetings and the approval by STS Shareholders at the STS General Meeting of the issue of the New STS Shares.

The purpose of this document is to explain the Proposals and the actions required to be taken in order for them to be implemented and to convene the General Meetings (notices of which are set out at the end of this document). Further details of the Resolutions to be proposed at the General Meetings are set out on page 14 below. The expected timetable associated with the Proposals is provided on page 7 of this document.

**The Board considers the Proposals to be in the best interests of Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions required to implement the Proposals at the General Meetings.**



## The Proposals

### **Background to the Proposals**

Further to the Company's announcement on 2 November 2023, the Board has been exploring the strategic options available to the Company. After due and careful consideration of the various options, including possible combinations with other investment trusts, the Board has decided that a combination with STS offers the most compelling proposal for Shareholders. The Board announced on 28 November 2023 that heads of terms for such a combination had been agreed between the Company and STS.

Further information on STS, including details of the portfolio management team's investment strategy and STS's performance track record, is provided in Part 2 of this document and in the STS Prospectus, which is available on STS's website at [www.stsplc.co.uk](http://www.stsplc.co.uk). In addition, answers to questions on key themes relating to the Proposals are available *via* a "Questions and Answers" document, which is available to view on the Company's website ([www.tigt.co.uk](http://www.tigt.co.uk)).

### **Benefits of the Proposals**

The Board believes that the Proposals provide continuity for Shareholders wishing to remain invested in the following respects:

- **Investment objective and approach:** Like the Company, STS is also an equity income investment trust which targets a growing level of income and steady capital growth over the long term and seeks to limit downside volatility. STS also provides continued exposure to Troy's investment ethos and process. STS is managed by Troy's global income management team, led by James Harries who has managed global equity portfolios since 2002, following a quality focussed, long-term, conservative investment approach.
- **Rollover into a global portfolio:** STS has a global approach to achieving its investment objective, providing greater opportunity to invest in Troy's highest conviction stocks globally and to diversify sources of income. STS has a similar view to the Company's that the UK is currently an undervalued market, particularly compared to the US market. Shareholders that roll over will continue to benefit from owning companies, both in the UK and overseas, with robust international businesses, thereby accessing diversified underlying global revenue streams.
- **Discount control mechanism ("DCM"):** Like the Company in the ordinary course, STS aims to provide liquidity to its shareholders through its DCM, which it has operated since November 2020, by buying back shares when there is excess supply in the market and issuing shares when there is excess demand. Through the DCM, STS aims to ensure, in normal market conditions, that the STS Shares trade consistently close to the NAV per STS Share.
- **Management fees:** As part of the Proposals, Troy has agreed to reduce the annual management fees payable by the enlarged STS to align with those currently payable by the Company (the "**New Fee Arrangements**"). As a result of the combination of assets under the Scheme, shareholders in STS, including TIGT's Shareholders that roll over, are expected to benefit from the lower marginal management fee rate charged on the value of net assets above £250 million.<sup>(1)</sup> Neither the Company nor STS currently meet that threshold.

Furthermore, the Board believes that the Proposals will provide the following additional benefits to Shareholders that roll over their investment:

- **Lower ongoing charge ratio:** As the enlarged STS will be able to spread its fixed costs over a larger asset base and because of STS's New Fee Arrangements, the Proposals are expected to result in a decrease of approximately 22 per cent.<sup>(2)</sup> in the ongoing charge ratio ("**OCR**") for TIGT's Shareholders who remain invested, based on the *pro forma* OCR of the enlarged STS compared and the most recently published OCR of the Company (as at 30 September 2023).

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<sup>(1)</sup> Based on a combination of the net assets of the Company and STS as at 20 February 2024 (£171.2 million and £202.9 million respectively), current cost estimates and assuming there are no Dissenting Shareholders and 25 per cent. of Ordinary Shares are elected, or deemed to be elected, for the Cash Option.

<sup>(2)</sup> All figures are illustrative only, using currently available information and estimates. All figures are subject to change. The value of investments, and the income or capital entitlement which may derive from them, if any, may go down as well as up and is not guaranteed. Figures assume 25 per cent. of Ordinary Shares are elected, or are deemed to be elected, for the Cash Option and exclude any impact from the Company's portfolio realisation or reinvestment costs in connection with the Scheme.

- **Narrower discount:** Shareholders that roll over are expected to benefit from an uplift in the valuation of their investment. As at 20 February 2024 (being the latest practicable date prior to the publication of this document), the Company's discount to NAV per Share was 4.97 per cent., whereas STS's discount to its NAV per STS Share was 1.59 per cent.
- **Low cost Rollover Option:** Shareholders that roll over their investment are expected to receive value, through their new STS shareholding, at a level very close to 100 per cent. of the underlying net asset value of their Ordinary Shares in the Company. As illustration, Shareholders would receive equivalent to 99.86 per cent. of the underlying net asset value of their Ordinary Shares so elected if there is a 20 per cent. take up of the Cash Option, and 100.04 per cent. of the underlying net asset value of their Ordinary Shares so elected if there is a 30 per cent. take up of the Cash Option), based on current transaction assumptions. This is due to the effect of the Troy Cost Contribution, the Cash Option Discount, and the New STS Shares being issued on a nil-premium basis.
- **Enhanced marketability:** Shareholders receiving New STS Shares will have exposure to a larger investment trust which is expected to have improved marketability.
- **Ability to stay invested in a tax efficient manner:** Pursuant to the Scheme, Shareholders who roll over their investment in the Company into STS may do so without triggering a charge to capital gains tax.

The Proposals include the following additional features which are expected to have a beneficial effect for Shareholders:

- **Uncapped Cash Option:** Shareholders who do not wish to roll over their investment in the Company have the option to elect to receive cash equal to the Company NAV per Share as at the Calculation Date less 2 per cent. (the "**Cash Option Discount**"). This is intended to mirror the exit a Shareholder might have achieved through the Company's DCM under normal circumstances.
- **Troy Cost Contribution:** Troy will make a significant contribution to the costs of the Proposals equivalent to an eighteen-month fee waiver on the assets transferred to STS under the Scheme. As described in the section titled "*Costs of implementing the Scheme*" below, this is expected to reduce Shareholders' exposure to the costs of the Proposals.
- **Notice Period Waiver:** Troy has undertaken to waive, in full, the period of notice to which it is contractually entitled under the TIGT Investment Management Delegation Agreement and has agreed that no compensation will be payable by the Company to Troy in respect of such waiver, provided that the Scheme is implemented.

## **Dividends**

### *TIGT dividends*

On 26 January 2024, the Company announced the TIGT Second Quarterly Interim Dividend in respect of the financial year ending 30 September 2024 of 0.5304 pence per Ordinary Share. The TIGT Second Quarterly Interim Dividend is due to be paid on 8 March 2024 to Shareholders whose names were on the Register on 16 February 2024.

On 22 February 2024, the Company announced the TIGT Final Interim Dividend in respect of the financial year ending 30 September 2024 of 0.1 pence per Ordinary Share. The TIGT Final Interim Dividend is due to be paid on 22 March 2024 to Shareholders whose names are on the Register on 1 March 2024.

Shareholders' entitlement to the TIGT Second Quarterly Interim Dividend and/or the TIGT Final Interim Dividend will not be affected by whether they elect (or are deemed to elect) for the Rollover Option or the Cash Option under the Scheme.

### *STS dividends*

New STS Shares issued in connection with the Scheme will rank fully *pari passu* with existing STS Shares for all dividends declared by STS with a record date falling after the date of the issue of those New STS Shares.

For the avoidance of doubt, Shareholders receiving New STS Shares in connection with the Scheme will not be entitled to receive STS's third interim dividend in relation to the financial year ending 31 March 2024, which was announced by the STS Board on 23 February 2024 and is due to be paid on 19 April 2024 to STS Shareholders whose names appear on STS's register of members on 15 March 2024 (the "**STS Third Quarterly Interim Dividend**").

Typically, STS pays a larger interim dividend in July each year. In the light of the Scheme, for the current financial year the STS Board decided to instead pay the larger interim dividend in April 2024. The Board has declared the TIGT Final Interim Dividend, which will be paid prior to liquidation.

### **Management of the Company's portfolio prior to implementation of the Scheme**

Following the Company's announcement of the Proposals, the Board instructed the Company's portfolio managers to liaise with STS's portfolio managers in order to agree the assets that would be transferred to STS by the Company pursuant to the Scheme. The Company and STS have a number of common holdings and, therefore, it is expected that a material portion of the assets in the Rollover Pool will comprise the Company's existing holdings.

Prior to the calculation date, it is intended that the Company's investment portfolio will be realigned and realised so as to ensure that the Company has sufficient cash to meet the amounts expected to be due under the Cash Option and assets suitable for transfer to STS, taking account of STS's investment objective and policy.

Assuming the Resolutions proposed at the First General Meeting are passed by Shareholders, the Company intends to repay and close its revolving credit facility in anticipation of the Scheme becoming effective.

### **Costs of implementing the Scheme**

The Company and STS have each agreed to bear their own costs in relation to the Proposals, save as described below.

The fixed direct costs of the Proposals payable by the Company are expected to be approximately £680,000 inclusive of VAT (which is assumed to be irrecoverable where applicable). Under the terms of the Proposals, any costs of realignment and/or realisation of the Company's portfolio will be borne by the Company. The anticipated costs of stamp duty, stamp duty reserve tax or other transaction tax for the acquisition of the Company's portfolio by STS (but not, for the avoidance of doubt, any stamp duty, stamp duty reserve tax or investment costs incurred by STS on the deployment of the cash therein upon receipt under the Scheme) will be borne by the Company, together with the London Stock Exchange admission fees payable by STS in respect of the admission of the New STS Shares issued under the Scheme. Such costs are not reflected in the estimate of costs above and, as set out in paragraph 4.5 of Part 4 of this document, the TIGT FAV (being the Company's formula asset value ("**FAV**") for the purposes of the Scheme) will be adjusted to reflect these. The above estimate of costs also excludes the Liquidators' retention (estimated at £100,000) to cover unknown or unascertained liabilities of the Company (the "**Liquidators' Retention**"), and does not take account of any dealing costs (including UK SDRT) which will be incurred by the Company in disposing of assets in order to meet Elections for the Cash Option and in realigning the Company's portfolio prior to the Effective Date so as to result in the Rollover Pool containing assets that are suitable for transfer to STS.

The fixed direct costs of the Proposals payable by STS are expected to be approximately £790,000 inclusive of VAT (which is assumed to be irrecoverable where applicable). Such costs are expected to be fully offset by the Troy Cost Contribution.

In the event that either Shareholders or STS Shareholders resolve not to proceed to implement the Scheme (including if Shareholders do not approve any of the Resolutions) or the STS Directors or the Company's Directors decide not to implement the Scheme on the terms described in this document, then each party will bear its own abort costs.

For the avoidance of doubt, in any event where the Scheme is not implemented, the listing fees and UK SDRT that would have been payable in respect of the transfer of the Rollover Pool, will not be payable, but dealing costs (including UK SDRT) may still have been incurred by the Company in disposing of assets in order to meet Elections for the Cash Option and in realigning the Company's portfolio in respect of the Rollover Pool to be established pursuant to the Scheme.

The Liquidators' Retention is in addition to any provisions made in the calculation of the TIGT FAV per Share in respect of known and ascertained liabilities of the Company. To the extent that some or all of the Liquidators' Retention remains at the conclusion of the liquidation, this will be returned to Shareholders on the Register as at the Record Date (excluding Dissenting Shareholders). If, however, any such amount payable to any Shareholder is less than £5.00, it will not be paid to the Shareholders but instead will be paid by the Liquidators to the Nominated Charity.

As noted above, Troy has agreed to make a contribution to the costs of the Proposals by means of a reduction in the management fee payable by STS to Troy under the STS Investment Management Delegation Agreement. The fee reduction will constitute a waiver of the management fee that would otherwise be payable by STS to Troy in respect of the assets transferred by the Company to STS pursuant to the Scheme for the first 18 months following the completion of the Scheme at the blended rate of the enlarged STS's New Fee Arrangements. The financial value of the Troy Cost Contribution will first be credited to the STS FAV against the STS Direct Costs (which for these purposes are capped at £900,000 (inclusive of VAT)) and, in the event that the Troy Cost Contribution exceeds the STS Direct Costs, an amount equal to the difference between the Troy Cost Contribution and the STS Direct Costs will be credited to the TIGT FAV. Based on the net assets of STS and the Company as at 20 February 2024, and assuming there are no Dissenting Shareholders, it is currently expected that between £180,000 (if there is a 30 per cent. take up of the Cash Option) and £310,000 (if there is a 20 per cent. take up of the Cash Option) will be credited to the TIGT FAV.

In the event the value of the Troy Cost Contribution is less than the value of the STS Direct Costs (which would occur, based on the assumptions above, in the event that approximately 44 per cent. of Ordinary Shares are elected, or deemed to be elected, for the Cash Option), the TIGT FAV will be adjusted downwards by the value of the difference between the STS Direct Costs and the Troy Cost Contribution (the "**TIGT FAV Adjustment**"), with such value being credited to the STS FAV.

In addition, in anticipation of the Scheme becoming effective, Troy has undertaken to waive, in full, the period of notice to which it is contractually entitled under the TIGT Investment Management Delegation Agreement and has agreed that no compensation will be payable by the Company to Troy in respect of such waiver, provided that the Scheme is implemented.

## **Further details of the Scheme**

### *Entitlements under the Scheme*

Under the Scheme, each Shareholder on the Register on the Record Date may elect, or be deemed to elect, to receive:

- such number of New STS Shares as have a value (at the STS FAV per Share) equal to the proportion of the Rollover Pool attributable to the number of Ordinary Shares so elected, being the Rollover Option; and/or
- an amount of cash equal to the Cash NAV per Share (being the Company NAV per Share as at the Calculation Date, less a discount of 2 per cent. (the "**Cash Option Discount**")) attributable to the number of Ordinary Shares so elected, being the Cash Option.

Shareholders can make different Elections in respect of different parts of their holdings of Ordinary Shares. There is no limit on the amount of Ordinary Shares which may be elected for the Cash Option. The value arising from the application of the Cash Option Discount will be applied for the benefit of Shareholders that roll over their investment under the Scheme.

The default option under the Scheme is for Shareholders to receive New STS Shares. As a result, Shareholders who, in respect of all or part of their holding of Ordinary Shares, do not make a valid election or who do not make an election at all under the Scheme will be deemed to have elected for New STS Shares in respect of such holding. However, Overseas Shareholders should ensure they have read the sections titled "*Overseas Shareholders*" in Parts 3 and Part 4 of this document. If an Overseas Shareholder does not contact the Company by no later than 5.00 p.m. on 13 March 2024 and demonstrate, to the satisfaction of the Directors, the STS Directors and the Liquidators, that they can be issued New STS Shares without breaching any relevant securities laws, such Overseas Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding of Ordinary Shares.

Cash Entitlements payable to Shareholders who elect (or are deemed to elect) for the Cash Option will be distributed by the Liquidators, through the Receiving Agent and pursuant to the Scheme, in cash to each such Shareholder in proportion to their respective holdings of Reclassified Shares with “B” rights which shall be equal to such Shareholder’s entitlement to the net realisation proceeds of the Cash Pool pursuant to the Scheme (the “**Cash Entitlement**”) and rounded down to the nearest penny.

After allocating cash and other assets to the Liquidation Pool to meet all known and unknown liabilities of the Company and other contingencies, including the Liquidators’ Retention and the entitlements of any Dissenting Shareholders, there shall be appropriated to the Cash Pool and the Rollover Pool the remaining assets of the Company in the manner described in paragraph 3.2 in Part 4 of this document.

The issue of New STS Shares under the Scheme will be effected on a FAV for FAV basis as at the Calculation Date, as described in detail in Part 4 of this document. The Calculation Date for determining the value of the Rollover Pool and Cash Entitlements under the Scheme is expected to be Market Close on 21 March 2024. The Record Date for the basis of determining Shareholders’ entitlements under the Scheme is 6.00 p.m. on 13 March 2024. It is expected that the Liquidators will distribute Cash Entitlements (rounded down to the nearest penny) no later than 10 Business Days following the Effective Date.

#### *Illustrative entitlements*

**For illustrative purposes only**, as at 20 February 2024, the Company’s and STS’s respective share price and net asset value per share were (subject to the adjustments set out below) as follows:

	TIGT <sup>(1)</sup>	STS <sup>(1)</sup>
Share price (pence) <sup>(2)</sup>	70.10	222.54
Net asset value per share (pence) <sup>(3)</sup>	73.56	225.66

**For illustrative purposes only**, had the Calculation Date been Market Close on 20 February 2024, and assuming there were no Dissenting Shareholders and 25 per cent. of the Company’s current issued share capital was elected, or deemed to be elected, for the Cash Option, the Company’s and STS’s respective FAV per share, and the Cash NAV per Share, would have been (subject to the adjustments set out below) as follows:

	TIGT <sup>(1)</sup>	STS <sup>(1)</sup>
FAV per share (pence)	73.52 <sup>(4)</sup>	225.66 <sup>(5)</sup>
Cash NAV per Share (pence) <sup>(6)</sup>	72.09	N/A

**For illustrative purposes only**, the TIGT FAV per Share and STS FAV per Share that would have been produced on the basis of the assumptions above would have resulted in, for the Rollover Option, an exchange ratio of approximately 0.33<sup>(1)</sup>. In aggregate, approximately 56.8 million New STS Shares would have been issued to Shareholders receiving New STS Shares under the Scheme, representing approximately 38.9 per cent. of the issued ordinary share capital of the enlarged STS immediately following completion of the Scheme (excluding STS Shares held in treasury).

#### **Notes:**

<sup>(1)</sup> This figure has been calculated to two decimal places (with 0.005 rounded down). For the purposes of the Scheme (and the calculation of the illustrative exchange ratio above), the TIGT FAV per Share, STS FAV per Share and Cash NAV per Share are calculated to six decimal places (with 0.0000005 rounded down).

<sup>(2)</sup> The closing mid-market price of a Share and a STS Share (as applicable) on 20 February 2024 adjusted on a pro forma basis for the deduction of the TIGT Final Interim Dividend (0.1 pence per Share) and the STS Third Quarterly Dividend (1.965 pence per STS Share), respectively.

<sup>(3)</sup> The NAV per Share and NAV per STS Share (as applicable) as at 20 February 2024 adjusted on a pro forma basis for the deduction of the TIGT Final Interim Dividend (0.1 pence per Share) and the STS Third Quarterly Dividend (1.965 pence per STS Share), respectively.

<sup>(4)</sup> The TIGT FAV per Share, which includes an adjustment for the deduction of the TIGT Final Interim Dividend, the Company’s costs in connection with the Proposals (which include the Acquisition Costs and the Admission Fees) and the application of the benefit of the Cash Option Discount and the Troy Cost Contribution that would be due to TIGT on the basis of these assumptions.

<sup>(5)</sup> The STS FAV per Share, which includes an adjustment for the deduction of the STS Direct Costs and the STS Third Quarterly Interim Dividend, and the application of the benefit of the Troy Cost Contribution due to STS.

<sup>(6)</sup> The Cash NAV per Share, which includes the application of the Cash Option Discount and an adjustment for the deduction of the TIGT Final Interim Dividend.

## Conditions of the Proposals

Implementation of the Proposals is subject to a number of conditions, including:

- the passing of the Resolutions to be proposed at the First General Meeting and the Resolution to be proposed at the Second General Meeting (or any adjournment of those General Meetings), and any conditions of such Resolutions being fulfilled;
- the STS Resolution being passed and becoming unconditional in all respects;
- the FCA agreeing to admit the New STS Shares to the Official List and the London Stock Exchange agreeing to admit the New STS Shares to trading on the Main Market, subject only to allotment; and
- the Directors and STS Directors resolving to proceed with the Scheme.

**If any condition is not satisfied, the Proposals will not become effective and the Company will not proceed with the members' voluntary liquidation. The Company will instead continue in existence and will continue to be managed under its current investment policy. In such circumstances the Directors would reassess the options available to the Company at that time.**

## General Meetings

As noted above, the Proposals are conditional upon, amongst other things, Shareholders' approval of the Resolutions to be proposed at the First General Meeting and the Second General Meeting. Both General Meetings will be held at the offices of Troy Asset Management Limited, 33 Davies Street, London W1K 4BP.

### *First General Meeting*

The First General Meeting will be held on 13 March 2024 at 2.30 p.m.

The Resolutions to be considered at the First General Meeting (each of which will be proposed as special resolutions) will, if passed, approve the terms of the Scheme set out in Part 4 of this document, amend the Articles to give effect to the Scheme and authorise the Liquidators to enter into and give effect to the Transfer Agreement with STS, distribute New STS Shares to Shareholders in accordance with the Scheme and purchase the interests of any Dissenting Shareholders. Each Resolution will require at least 75 per cent. of the votes cast in respect of it, whether in person or by proxy, to be voted in favour to be passed. The Scheme will not become effective unless and until, amongst other things, the Resolution to be proposed at the Second General Meeting has also been passed.

### *Second General Meeting*

The Second General Meeting will be held on 27 March 2024 at 11.00 a.m.

At the Second General Meeting, a special resolution will be proposed which, if passed, will place the Company into liquidation, appoint the Liquidators and agree the basis of their remuneration, instruct the Company Secretary to hold the books to the Liquidators' order, and provide the Liquidators with appropriate powers to carry into effect the amendments to the Articles made at the First General Meeting. The Resolution to be proposed at the Second General Meeting is conditional upon the passing of the Resolutions at the First General Meeting, the STS Resolution being passed and becoming unconditional in all respects, the approval of the Financial Conduct Authority and the London Stock Exchange of the Admission of the New STS Shares to the Official List and to trading on the Main Market, respectively, and the Directors and the STS Directors resolving to proceed with the Scheme. The Resolution will require at least 75 per cent. of the votes cast in respect of it, whether in person or by proxy, to be voted in favour to be passed.

## Action to be taken

Before taking any action, Shareholders are recommended to read the whole of this document and the STS Prospectus, which is available on STS's website at [www.stsplc.co.uk](http://www.stsplc.co.uk).

## **Elections**

The default option under the Scheme is to receive New STS Shares meaning that Shareholders who, in respect of all or part of their holding of Ordinary Shares, do not make a valid Election or who do not make an Election at all under the Scheme will be deemed to have elected for New STS Shares in respect of such holding. If you wish to receive New STS Shares in respect of all of your Ordinary Shares, there is no need to complete and return a Form of Election (which you will receive if you hold your Ordinary Shares in certificated form) or to submit a TTE Instruction (if you hold your Ordinary Shares in uncertificated form).

If you wish to receive cash in respect of all or part of your holding of Ordinary Shares, you must either complete and return a Form of Election or submit a TTE Instruction (depending on how your Ordinary Shares are held) in respect of the number of Ordinary Shares for which you wish to make an Election for the Cash Option. You will be deemed to have elected to receive New STS Shares in respect of the remainder of your holding of Ordinary Shares if you do not elect for the Cash Option in respect of your full holding of Ordinary Shares. Investors who hold their Ordinary Shares through an investment platform or other nominee service and who wish to elect for the Cash Option in full or in part are encouraged to contact their investment platform provider or nominee as soon as possible to arrange for Elections to be lodged on their behalf.

You are requested to complete the Form of Election in accordance with the instructions printed thereon and return it to the Receiving Agent at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 13 March 2024.

Overseas Shareholders should ensure they have read the sections titled “*Overseas Shareholders*” in Parts 3 and 4 of this document.

## **Appointment of proxies in respect of the General Meetings**

All Shareholders are encouraged to vote in favour of the Resolutions to be proposed at the General Meetings. Investors who hold their Ordinary Shares through an investment platform or other nominee service are encouraged to contact their investment platform provider or nominee as soon as possible to arrange for votes to be lodged on their behalf.

Shareholders are requested to complete and return proxy appointments to the Registrar by one of the following means:

- (i) by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) or, if you have already registered with Equiniti’s online portfolio service, [www.shareview.co.uk](http://www.shareview.co.uk), and following the relevant instructions; or
- (ii) by completing and signing the PINK Form of Proxy for use in relation to the First General Meeting and the GREEN Form of Proxy for use in relation to the Second General Meeting, in accordance with the instructions printed thereon and returning by post; or
- (iii) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the relevant Notice of General Meeting.

In each case, proxy appointments must be transmitted so as to be received by the Registrar as soon as possible and, in any event, by no later than 2.30 p.m. on 11 March 2024 in respect of the First General Meeting and 11.00 a.m. on 25 March 2024 in respect of the Second General Meeting.

Appointing a proxy (by any of the methods noted above) will not prevent you from attending and voting in person at the relevant General Meeting should you wish to do so.

If any of the Resolutions to be proposed at the General Meetings are not passed, the Proposals will not proceed and the Company will not be wound up. In these circumstances, the Board will reassess the options available to the Company at that time.

## **Taxation**

Shareholders are advised to read carefully the section titled “*Taxation*” in Part 3 of this document which sets out a general guide to certain aspects of current UK taxation law and HMRC published practice.

**Shareholders who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction other than the UK are strongly advised to consult their own professional advisers.**

### **Recommendation**

The Board, which has received financial advice from Deutsche Numis, considers the Proposals and the Resolutions to be proposed at the General Meetings to be in the best interests of Shareholders as a whole. In providing advice to the Board, Deutsche Numis has relied on the Board's commercial assessment of the Proposals.

**Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meetings, as the Directors intend to do in respect of their own beneficial holdings, which in aggregate amount to 627,730 Ordinary Shares, representing approximately 0.27 per cent. of the Company's issued share capital (excluding Ordinary Shares held in treasury) as at 20 February 2024. The Directors intend to roll over their entire beneficial holdings of Ordinary Shares into New STS Shares.**

The Board cannot, and does not, give any advice or recommendation to Shareholders as to whether, or as to what extent, they should elect for any of the options available under the Scheme. Choices in connection with the Scheme will be a matter for each Shareholder to decide and will be influenced by their individual investment objectives and by their personal, financial and tax circumstances. Accordingly, Shareholders should, before deciding what action to take, read carefully all the information in this document and in the STS Prospectus. **Shareholders who are in any doubt as to the contents of this document or the STS Prospectus or as to the action to be taken should seek their own personal financial advice from their financial adviser authorised under FSMA. Shareholders who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction other than the UK are strongly advised to consult their own professional advisers.**

Yours faithfully

**Bridget Guerin**  
*Chair*



## PART 2

### STS GLOBAL INCOME & GROWTH TRUST PLC

Any investment in STS will be governed by the STS Prospectus which is available on STS's website at [www.stsplc.co.uk](http://www.stsplc.co.uk). Accordingly, Shareholders should read the STS Prospectus and in particular the risk factors contained therein. The information in this Part 2 has been extracted, without material adjustment, from the STS Prospectus.

#### Background

STS Global Income & Growth Trust plc ("**STS**") is a closed-ended public limited company that was incorporated and registered in Scotland on 15 April 2005 with registered number SC283272. STS has an unlimited life and is registered as an investment company under section 833 of the Companies Act. The STS Shares are listed on the premium segment of the Official List and traded on the Main Market.

STS can trace its history back to 1889 when STS's predecessor, Securities Trust Of Scotland Public Limited Company ("**STOS**"), was formed. STOS went through several phases of stewardship before Martin Currie Investment Management Limited assumed the role of investment manager. In 2005 STS acquired the assets of STOS, pursuant to a scheme of reconstruction and members' voluntary liquidation of STOS, and was launched on the Main Market. Troy was appointed as STS's investment manager in November 2020.

STS is overseen by an independent board of directors. The STS Board has appointed Juniper Partners as STS's alternative investment fund manager for the purposes of the UK AIFMD Laws, as well as its company secretary and administrator. Juniper Partners has formally sub-delegated certain responsibilities, including the day-to-day management of the STS Portfolio, to Troy.

#### STS's AIFM and investment manager

Juniper Partners is a limited liability company, incorporated and registered in Scotland on 8 October 2009 with registered number SC366565. Troy is a limited liability company, incorporated and registered in England and Wales on 22 February 2000 with registered number 03930846. Both Juniper Partners and Troy are authorised and regulated by the FCA to conduct certain restricted activities in relation to collective investment schemes and general securities and derivatives.

Troy was established in 2000 and is an independent fund management company which seeks to protect and grow investors' capital by targeting superior risk adjusted returns. Troy aims to preserve and build investors' wealth by constructing conservative portfolios for the long term. As at 31 January 2024, Troy had approximately £12.65 billion of assets under management.

Since 2020, STS has been managed by Troy's Global Equity Income team and its lead investment managers are James Harries and Tomasz Boniek, supported by 12 other investment team members. Short biographies in respect of both lead investment managers are set out below.

#### *James Harries*

James is the senior fund manager responsible for Troy's Global Income Strategy. James has 28 years' investment experience, and has managed Global Equity portfolios since 2005. James joined Troy in June 2016 to launch the Trojan Global Income Fund, which he manages, and is a co-manager of the Trojan Ethical Global Income Fund.

James was previously a fund manager at Newton Investment Management where he established and managed the Newton Global Income Fund (since renamed the BNY Mellon Global Income Fund). During his tenure, the Newton Global Income Fund grew to be the largest fund in the Investment Association Global Equity Income sector, at £4.5 billion.

James graduated from Bristol University with a BSc in Politics, before completing his Masters in Finance at the London Business School. He holds the ASIP qualification and is an Associate Member of the CFA Society of the UK.

### ***Tomasz Boniek***

Tomasz is a co-manager of the Trojan Ethical Global Income Fund, Assistant Fund Manager of the Trojan Global Income Fund and has responsibility for the analysis of global companies and their selection for portfolios managed by Troy.

Tomasz joined Troy in 2017 from Susa Fund Management, a European equity fund and has 10 years' investment experience. He previously worked as an Associate at Bain Capital Credit. Tomasz graduated in European Economics from the University of Rome, before completing his Masters in Economics at Bocconi University, and his MBA at London Business School.

### **STS's investment objective and policy**

#### ***Investment objective***

STS's investment objective is to achieve rising income and long-term capital growth which it seeks to deliver for shareholders through investment in a balanced portfolio constructed from global equities.

#### ***Investment policy***

STS seeks to meet its objective by investing primarily in global equities. The majority of the STS Portfolio is invested in large capitalisation companies (market capitalisations over £1 billion). The resulting diversified portfolio of international quoted companies is focused, typically containing between 30 and 50 high conviction stocks selected on the basis of detailed research analysis. The equity portfolio consists of listed shares and is diversified across a range of holdings.

In accordance with the Listing Rules, STS will not make any material change to its published investment policy without the prior approval of the FCA and the approval of its shareholders by ordinary resolution. As noted above, STS's investment policy and investment objective will not be amended under the Proposals.

#### **Diversification of risk and investment restrictions**

Risk management is largely focused on managing investment risk in accordance with the investment policy guidelines set by the STS Board. The STS Board has established risk parameters for Troy within which the portfolio will be managed.

As an investment trust, STS aims to comply with section 1158 of the Corporation Tax Act, which imposes on STS an obligation to spread investment risk. Troy has unconstrained discretion to select stocks except that:

- no more than 10 per cent. of STS's gross assets may be invested in listed investment companies (including UK listed investment trusts);
- the STS Board must approve in advance all investments in investment schemes which are sponsored by Troy;
- the sum of all holdings over 5 per cent. of the total portfolio must not exceed 40 per cent. of STS's portfolio;
- no more than 15 per cent. of STS's total portfolio can be invested in collective investment schemes, of which no holding can exceed 10 per cent. of the value of the collective investment scheme; and
- warrants cannot exceed 5 per cent. of STS's total portfolio.

STS's exposure to listed equities is set within a range of 90 per cent. to 120 per cent. of Shareholders' Funds in normal circumstances.

#### **STS's dividend policy**

STS's dividend policy is to provide STS Shareholders with a regular income paid quarterly in April, July, October and January each year by way of interim dividends. STS does not have any formal policy to achieve any specified level of dividend. In accordance with STS's investment objective, the STS Board aims to provide a steady, regular income with the intention of growing this consistently from year to year. The STS Board aims to achieve rising income through investment in a balanced portfolio constructed from global equities.

STS conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, STS does not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period and seeks to distribute at least the minimum amount required to maintain investment trust status. The STS Board may resolve to pay dividends on the STS Shares from time to time in order to comply with these requirements.

STS paid total dividends of 6.20 pence per STS Share in relation to the financial year ended 30 March 2023. This equated to a dividend yield of 2.90 per cent. based on a year-end closing price of 214.00 pence per STS Share.

Shareholders receiving New STS Shares in connection with the Scheme will not be entitled to receive the STS Third Quarterly Interim Dividend, which was announced by the STS Board on 23 February 2024 and is due to be paid on 19 April 2024 to STS Shareholders whose names appear on STS's register of members on 15 March 2024. However, such Shareholders will be entitled to participate in any dividends declared by STS with a record date after the date of the issue of New STS Shares to them.

### **Gearing**

The STS Board is responsible for setting the STS gearing policy and for the limits on gearing.

As an investment trust, STS is able to finance part of its operations through bank borrowings. The STS Board monitors such borrowings closely and takes a prudent approach. Gearing levels are discussed by the STS Board and Troy regularly and reviewed at Board meetings. Gearing is limited to 20 per cent. of Shareholders' Funds.

STS's gross gearing as at 20 February 2024 was 7.6 per cent. (being the STS's total gross debt as a proportion of its Shareholders' Funds). It is the current intention of the STS Board to maintain STS's gearing at approximately the same level following the implementation of the Scheme.

STS may, from time to time, match specific overseas investment with foreign currency borrowings.

### **Revolving Credit Facility**

STS entered into a multicurrency revolving credit facilities agreement with the Royal Bank of Scotland International Limited, London Branch ("**RBSI**") originally dated 19 September 2016, as amended or amended and restated from time to time, and most recently on 19 September 2023 (the "**Revolving Credit Facilities Agreement**"). Pursuant to the Revolving Credit Facilities Agreement, RBSI made available to STS a revolving credit facility of up to £20 million (the "**Revolving Credit Facility**") with the option for the Revolving Credit Facility to be increased (with the consent of RBSI) by a further £5 million up to £25 million. The termination date of the Revolving Credit Facility is 19 September 2026. As at 20 February 2024, approximately £15.46 million was drawn down under the Revolving Credit Facility in the following tranches: £1.5 million; €4.5 million; and US\$12.75 million.

### **Derivatives**

STS has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures and options, for the purpose of managing currency and market risks arising from STS's activities. STS does not utilise derivatives currently but keeps this under review.

### **Market outlook**

Troy believes that global equity markets delivered a surprisingly strong return in 2023 given the challenging economic and market backdrop. Several commentators have concluded that a strong fiscal response to the COVID-19 pandemic in 2020, at a time when economies were "shut down", led to a very strong inflationary pulse through the global economy and that, subsequently, a dramatic rise in interest rates was deemed necessary to combat this problem. Troy believes that this led to the yield on long-term government bonds being below that of short-term bonds, resulting in an inverted yield curve in 2022. Troy notes that this is commonly considered to be a precursor to an economic slowdown or a recession but the lag before such a slowdown occurring can be long and variable.

Troy believes that equity markets, having seen material weakness in 2022, reflecting such concerns, staged a strong rally in late 2023 as investors observed surprising economic resilience, notably in the US, as well as, latterly, a peak in inflation and interest rate expectations. Troy believes that equities therefore benefited from both a reassessment of the likely trajectory of earnings and declining interest rates to the benefit of valuations.

Troy believes that such optimism may prove premature: what appears to be an environment of low inflation and robust economic growth (reminiscent of so-called “goldilocks” whereby growth is seen as neither too hot – which would require further interest rate rises – nor too cold – which would be negative for earnings expectations) is more likely an interim period before the effect of the steep rise in interest rates we have seen works its way through the global economy.

Troy believes that global economies, therefore, likely face an economic slowdown at a time when equity markets, on certain long-term valuation measures, trade at levels that are towards the top end of historic ranges. By way of example, Troy notes that the S&P 500 cyclically adjusted price-to-earnings ratio remains at 33.4 as at 1 February 2024, a level only observed a few times in history.

Troy believes that it has a distinctive investment approach, which seeks to protect and grow investors capital by targeting superior risk adjusted returns. Given Troy’s concerns regarding the macro-economic backdrop, Troy has aimed to position the STS Portfolio so as to be concentrated in businesses and sectors that Troy believes will be robust in a more challenging environment. Troy has also identified competitive advantages in these businesses and Troy expects that these advantages will enable the companies to generate attractive returns on invested capital as well as cope with a higher inflationary environment, should it persist. Furthermore, Troy has identified a number of businesses in which Troy is ready to invest except that they are, in Troy’s opinion, currently too expensive for the relatively uncertain market outlook. Troy would hope to be able to take advantage of these investment opportunities, when the opportunity to invest at the right price arises, with the assets of the enlarged STS.

### **STS’s investment strategy**

The STS Directors are responsible for determining STS’s investment objective and policy. As noted above, STS has appointed Juniper Partners as STS’s alternative investment fund manager and it provides overall portfolio and risk management services to STS. Juniper Partners has delegated portfolio management services to Troy.

Troy aims to build portfolios of high quality, resilient businesses and allow them to compound over the long term. Troy is driven to find the optimum balance of quality, income and growth for the STS Portfolio, so while the STS Portfolio has relatively low levels of turnover, opportunities to increase the quality or growth of the portfolio without diminishing the income profile will inform capital allocation decisions.

Generally, Troy seeks to invest in companies with high returns on capital deployed, which tend to reside in branded consumer goods, healthcare and information technology sectors, and avoids businesses which Troy views as involving high levels of capital intensity or a lot of cyclicity, which can be seen in sectors such as bulk chemicals, telecommunications and retail sectors.

Higher interest rates and rising political tension may be a precursor to a period of weaker economic growth which may result in weaker equity markets. The STS Portfolio is designed to comprise a group of carefully chosen companies that have strong and defensible operating margins, pricing power and in particular strong balance sheets supported by robust free cash flow. Troy expects that these attributes should stand STS in good stead in the current uncertain world.

Gearing is used to leverage the STS Portfolio in order to enhance returns when this is considered appropriate to do so. The STS Board aims to ensure STS’s gearing is maintained at a conservative and manageable level in the context of STS’s gearing restrictions. As noted above, STS’s gearing is limited to 20 per cent. of Shareholders’ Funds. As at 20 February 2024, STS’s gross gearing was 7.6 per cent.. As noted above, it is the current intention of the STS Board that to maintain STS’s gearing at approximately the same level following the implementation of the Scheme.

## Performance track record

In pursuit of STS's investment objective, STS's investment performance (on a total return basis) is measured against the STS Benchmark Index for comparison purposes. The Lipper Global – Equity Global Income Index (the “**STS Benchmark Index**”) was adopted as STS's benchmark index with effect from 12 November 2020, being the date of Troy's appointment as STS's investment manager.

Since Troy's appointment on 12 November 2020 to 20 February 2024, STS's NAV total return per STS Share (with debt at fair value) increased by 22.3 per cent., which can be compared against the STS Benchmark Index which rose by 28.5 per cent. over the same period. The STS Share price total return per STS Share increased over the same period by 22.8 per cent. and the STS Shares ended the period trading at a discount of 1.4 per cent. to the NAV per Share (with debt at fair value) as at 20 February 2024.

Since 30 September 2023 to 20 February 2024, STS's NAV total return per STS Share (with debt at fair value) increased by 5.2 per cent., which can be compared against the STS Benchmark Index which rose by 6.7 per cent. over the same period. The STS Share price total return per STS Share increased over the same period by 4.0 per cent.

The table below sets out STS's annualised performance relative to the STS Benchmark Index over the ten year period to 20 February 2024 as well as STS's annualised performance relative to the STS Benchmark Index since Troy's appointment as the STS's investment manager.

### **STS's performance track record (cumulative return, all measured to 20 February 2024)**

	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Since Troy's appointment on 12 November 2020 (%)
STS's NAV total return (with debt at fair value)	3.6	28.7	47.9	124.7	22.3
STS's Share price total return	4.4	27.1	54.6	118.6	22.8
STS Benchmark Index total return	3.8	23.4	38.3	108.7	28.5

Source: Refinitiv. Data to 20 February 2024 (being the latest practicable date for this data). Total return calculations assume dividend reinvestment as at the ex-dividend date. All figures are unaudited. Past performance is not a reliable indicator of future results.

The STS Board monitors performance continuously and closely with Troy in order to understand the drivers behind relative performance (both underperformance and outperformance) and actions being taken by Troy in the light of that.

## Management fees and ongoing expenses

The annual management fee payable to Troy by STS is currently (i) 0.65 per cent. on the first £750 million of net assets; (ii) 0.55 per cent. of net assets between £750 million and £1 billion; and (iii) 0.50 per cent. of net assets in excess of £1 billion.

Troy has agreed that, subject to implementation of the Scheme and with effect from the date of Admission, the annual management fee payable by STS will be reduced to those currently payable by the Company (the “**New Fee Arrangements**”). Therefore, under the New Fee Arrangements the annual management fee payable by STS to Troy will be equal to 0.55 per cent. of STS's net assets up to and including £250 million and 0.50 per cent. of STS's net assets in excess of £250 million.

For its services as STS's AIFM, Juniper Partners receives a fee of 0.015 per cent. of net assets per annum, subject to a minimum annual fee (in respect of the financial year ending 31 March 2024) of £71,000 (the “**AIFM Fee**”), in each case exclusive of VAT. In addition, an annual fee of £7,000 per annum (in respect of the financial year ending 31 March 2024) is payable to Juniper Partners for its services in relation to the production of STS's key information document in accordance with the UK PRIIPs Laws (the “**PRIIPs Fee**”) (exclusive of VAT). The minimum value of each of the AIFM Fee and the PRIIPs Fee are adjusted annually by the increase in the CPI over the preceding 12 month period to 31 March.

Corporate secretarial and general administration services are provided to STS by Juniper Partners pursuant to the STS Secretarial and Administration Agreement. Pursuant to the STS Investment Management Delegation Agreement, Troy has agreed to contribute annually to the fees payable by STS to Juniper Partners for company secretarial and administrative services in any calendar year (the “**Ongoing Cost Contribution**”). The value of the Ongoing Cost Contribution is equal to the lower of (i) the aggregate fees payable to Juniper Partners by STS for company secretarial and administrative services; and (ii) £150,000. As a result of a temporary waiver, there will be no Ongoing Cost Contribution in respect of the 12 month period ending on 31 October 2024 (and Juniper Partners is also making a corresponding reduction (of £150,000) to the fees it charges STS for the provision of company secretarial and administrative services in respect of this period).

STS’s total ongoing charges ratio for the financial year ended 31 March 2023 was 0.94 per cent. Based on the illustrative calculations set out on page 13 of this document, the enlarged STS’s ongoing charges ratio (which includes Troy’s management fees and Juniper Partners’ fees for company secretarial and administrative services but excludes brokerage and other transaction charges and taxes, and any borrowing costs) is estimated, in the first year following the Effective Date, to be approximately 0.74 per cent. per annum of the enlarged STS’s estimated NAV. Based on the same assumptions, the enlarged STS’s total fixed operational costs (which excludes Troy’s management fees, Juniper Partners’ fees for company secretarial and administrative services, brokerage and other transaction charges and taxes, and any borrowing costs) are estimated, in the first year following the Effective Date, to amount to not more than approximately 0.18 per cent. per annum of the enlarged STS’s estimated NAV.

### **STS Board**

The STS Board currently comprises six directors, all of whom are non-executive. It has been agreed as part of the Proposals that Bridget Guerin and Brigid Sutcliffe (the “**Prospective Directors**”), both of whom are currently Directors, will be appointed as non-executive directors of STS from the date of Admission. As such, the STS Board will then, initially, consist of eight STS Directors, comprising the six current STS Directors and two current Directors of the Company. It is expected that two current STS Directors, Angus Cockburn and Mark Little, will retire from the STS Board at the next annual general meeting of STS (the “**2024 STS AGM**”), which is expected to be held in June 2024, and they will not stand for re-election. Therefore, subject to the STS Directors’ re-elections and the Prospective Directors elections being approved by STS Shareholders, following the 2024 STS AGM the Board will consist of four of the incumbent STS Directors and two of the current Directors of the Company.

Following the implementation of the Proposals, the current chairman of STS will continue in that role.

### **John Evans**

John has over 40 years of experience in the investment trust sector as both a manager and subsequently as a non-executive director. In 1990 John was one of the founders of Aberforth Partners LLP, a specialist investment management firm that invests in UK smaller quoted companies, generally on behalf of institutional investors. Following his retirement from Aberforth Partners LLP, John has been a director and chair of a number of investment trusts. In addition to being chairman of the STS Board, John is currently chair of JP Morgan Mid Cap Investment Trust plc. John joined the STS Board in February 2016 and was appointed chairman of STS in November 2019.

### **Sarah Harvey**

Sarah has extensive experience in corporate strategy, product and technology, marketing and operations. Sarah has worked in general management roles for a variety of fast growing, international scale up businesses including Prodigy Finance Ltd, Square, Inc. and Tough Mudder, Inc. and now advises a number of mid-cap and scale up firms. Sarah’s career began with Bain & Company, Inc. before working in strategy on a range of international projects for businesses and not-for-profit organisations. Sarah was appointed to the STS Board in October 2018. Sarah acts as senior independent director of STS and chairs STS’s marketing and communication committee.

### ***Mark Little***

Mark has an extensive knowledge of the investment industry, as the former managing director of Barclays Wealth Scotland and Northern Ireland. He held this position for eight years until 2013 when he retired. Prior to this, Mark held the position of global head of automotive research at Deutsche Bank A.G. where he managed and coordinated its global automotive research product. Mark is currently a non-executive director of Majedie Investments plc, BlackRock Smaller Companies Trust plc, abrdn Equity Income Trust plc and Fidelity Emerging Markets Limited. He also acts as a consultant to Lindsays LLP. Mark was appointed to the STS Board in October 2014 and chairs STS's audit and risk committee.

Following nine years of service on the STS Board, Mark Little has advised STS that he intends to retire from the STS Board at the 2024 STS AGM.

### ***Angus Cockburn***

After six years as group chief financial officer of Serco Group plc, Angus stepped down from the Serco board in April 2021. He is a chartered accountant with considerable experience gained in a variety of sectors. Angus has an MBA from the IMD Business School in Switzerland, is an honorary professor at the University of Edinburgh and a member of the Institute of Chartered Accountants of Scotland. Prior to joining Serco Group plc in 2014, Angus held roles as chief financial officer and interim chief executive of Aggreko plc, managing director of Pringle of Scotland Limited and held senior finance positions at PepsiCo, Inc., including regional finance director for central Europe. Angus is currently senior independent director and chair of the audit committee of Ashtead Group plc, a non-executive director of The Edrington Group Limited and BAE Systems plc and chairman of James Fisher and Sons Limited. Angus was appointed to the STS Board in May 2021 and chairs STS's management engagement committee.

Following his appointment as a non-executive director of BAE Systems plc, Angus Cockburn has informed STS that he intends to step down from the STS Board at the 2024 STS AGM.

### ***Alexandra Innes***

Alexandra is a non-executive committee member at the Bank of England, a non-executive adviser and member of the group executive board at Knight Frank LLP, and a non-executive director of Dowlais Group Plc, Waverton Investment Management Group Ltd, Schroder Real Estate Investment Trust Ltd and the UCI Cycling World Championships Ltd, as well as being the senior independent director at Facilities by ADF plc. Alexandra's international executive career spanned investment banking, global capital markets, and investment management, latterly as managing director at Barclays plc, and prior to that as director of global markets at Bank of America Merrill Lynch. Alexandra is a fellow of Chapter Zero, holds an M.A. Hons. Economics from Cambridge University, is a Chartered Member of the CISI (MCSI), a Green and Sustainable Finance Professional, Chartered Banker Institute (CCBI GSFP), and holds the CFA Certificate in ESG Investing. Alexandra was appointed to the STS Board in April 2022 and chairs STS's nomination and remuneration committee.

### ***Gillian Elcock***

Gillian has extensive asset management and investment research experience. She is the founder of Denny Ellison Enterprises Limited, an independent investment research and training company, and was its managing director for ten years. Prior to this, she worked as an equity research analyst for several years at Putnam Investments Limited and Insight Investment Management Limited. Gillian is a non-executive director of International Biotechnology Trust plc, Octopus Apollo VCT plc and Melrose Industries plc. She is also a member of the board of the CFA Society of the UK. Gillian holds an MBA from the Harvard Business School and MEng and BSc degrees from the Massachusetts Institute of Technology. She was appointed to the Board of STS in September 2023.

### **General**

Further information relating to STS and the New STS Shares is set out in the STS Prospectus, which is available on STS's website at [www.stsplc.co.uk](http://www.stsplc.co.uk). **Shareholders are strongly recommended to read the STS Prospectus before making an Election under the Scheme.**

## PART 3

### FURTHER DETAILS OF THE PROPOSALS

#### **Implementation of the Scheme**

Subject to the passing of the Resolutions (and the satisfaction of the other conditions of the Scheme, full details of which are set out in paragraph 14 of Part 4 of this document), the Company will be placed into members' voluntary liquidation and the Scheme will take effect from the Effective Date.

On the Calculation Date the Board will appropriate to the Liquidation Pool such of the cash, undertaking and other assets of the Company estimated by the Board, in consultation with the Liquidators, to be sufficient to meet the outstanding current and future liabilities, including contingent liabilities, of the Company, including the costs of the Scheme, the Liquidators' Retention and the entitlements of any Dissenting Shareholders. Further details of the Liquidation Pool are set out in paragraph 3.2 of Part 4 of this document.

The balance of the cash, undertaking and other assets of the Company will be allocated to the Cash Pool and the Rollover Pool, each of which will represent the respective entitlements of Shareholders to either the Cash Option or the Rollover Option in accordance with the Elections made, or deemed to have been made, under the Scheme.

On the Effective Date, the cash, undertaking and other assets of the Company comprising the Rollover Pool will be transferred to STS. In consideration for the transfer of the Rollover Pool to STS under the Transfer Agreement, the relevant numbers of New STS Shares will be allotted to the Liquidators who will renounce the New STS Shares in favour of the Shareholders who are deemed to have elected for the Rollover Option (save for certain Overseas Shareholders).

Shortly following the Effective Date, Cash Entitlements payable to the holders of Reclassified Shares with "B" rights shall be distributed by the Liquidators, through Equiniti and pursuant to the Scheme, in cash to each Shareholder who has elected for the Cash Option in proportion to each Shareholder's respective holding of Reclassified Shares with "B" rights, which shall be equal to such Shareholder's entitlement to the net realisation proceeds of the Cash Pool (the "**Cash Entitlement**") and rounded down to the nearest penny.

To the extent that any part of the Liquidation Pool, including the Liquidators' Retention, is not subsequently required to discharge the Company's liabilities and remains at the conclusion of the Company's liquidation, it will be distributed in cash to the Shareholders on the Register on the Record Date (excluding Dissenting Shareholders). If, however, any such amount payable to any Shareholder is less than £5.00, it will not be paid to the Shareholders but instead will be paid by the Liquidators to the Nominated Charity.

#### **Transfer Agreement**

If the Proposals become effective, the Liquidators (in their personal capacity and on behalf of the Company) will enter into the Transfer Agreement with the Company and STS on or around the Effective Date pursuant to which the Rollover Pool will be transferred to STS in consideration for the issue of New STS Shares to the holders of Reclassified Shares with "A" rights on the basis described in Part 4 of this document. Each of the parties to the Transfer Agreement has agreed and undertaken to the others that, so far as may be within its respective power, it will take all such reasonable steps as may be necessary or desirable to implement the Scheme.

#### **Elections**

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

If you hold your Ordinary Shares in uncertificated form and you wish to elect for the Cash Option in respect of all or some of your Ordinary Shares, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares in respect of which you wish to make an Election for the Cash Option, specifying the Receiving Agent, Equiniti, in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent,



as soon as possible and, in any event, so that the TTE Instruction is received by no later than 1.00 p.m. on 13 March 2024.

If you hold Ordinary Shares in CREST but under different member account IDs, you should submit a separate TTE Instruction in respect of each member account ID.

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

To make an Election for the Cash Option you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the ISIN number for the Ordinary Shares. This is GB0003708665;
- the number of Ordinary Shares in relation to the relevant Election;
- your member account ID;
- your participant ID;
- the member account ID of the escrow agent, the Receiving Agent. This is: RACASHOP;
- the participant ID of the escrow agent, the Receiving Agent, in its capacity as a CREST receiving agent. This is: 5RA29;
- the Corporate Action Number for the Scheme. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible after receipt of your Election and, in any event, by no later than 1.00 p.m. on 13 March 2024;
- the standard delivery instruction with Priority 80; and
- contact name and telephone number inserted in the shared note field.

After settlement of the TTE Instruction, you will not be able to access the Ordinary Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as your escrow agent until completion or lapsing of the Scheme.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 13 March 2024. In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

#### ***Ordinary Shares held in certificated form***

Shareholders who hold their Ordinary Shares in certificated form (i.e. not in CREST) who wish to make an Election for the Cash Option in respect of all or part of their holding of Ordinary Shares should complete and sign the enclosed personalised Form of Election inserting in Box 2 either "ALL" or the total number of Ordinary Shares they wish to elect for the Cash Option and return the Form of Election using the relevant enclosed reply-paid envelope (with the blue flash printed thereon and for use within the UK only) to the Receiving Agent by post to Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 13 March 2024. Forms of Election, once submitted, will be irrevocable and may not be withdrawn or amended without the consent of the Directors.

If you hold Ordinary Shares in certificated form, but under different designations, you should complete a separate Form of Election in respect of each designation. If you hold Ordinary Shares in both certificated and uncertificated form, you should complete a Form of Election or a TTE Instruction for each holding (as applicable).

Shareholders who have any queries in relation to making an Election should contact the Receiving Agent on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### ***Ordinary Shares held through an investment platform or nominee***

Investors who hold their Ordinary Shares through an investment platform or other nominee service and who wish to elect for the Cash Option in full or in part are encouraged to contact their investment platform provider or nominee as soon as possible to arrange for Elections to be lodged on their behalf.

### **Settlement and dealings in New STS Shares**

Applications will be made by STS to the Financial Conduct Authority for the New STS Shares to be admitted to a premium listing on the Official List and to the London Stock Exchange for such New STS Shares to be admitted to trading on the premium segment of the Main Market. If the Scheme becomes effective, it is expected that the New STS Shares will be admitted to the Official List and that the first day of dealings in such securities will be 28 March 2024.

New STS Shares will be issued in registered form and may be held in either certificated or uncertificated form. Shareholders who hold their Ordinary Shares in certificated form at the Record Date and who are deemed to have elected for New STS Shares will receive their New STS Shares in certificated form. It is expected that share certificates in respect of such New STS Shares will be despatched to the Shareholders entitled thereto no later than 10 Business Days from the Effective Date. For security reasons, Shareholders who are recorded in the books of the Registrar as “gone away” will not have their share certificate issued until they contact the Registrar.

Shareholders who hold their Ordinary Shares in uncertificated form at the Record Date and who are deemed to have elected for New STS Shares will receive their New STS Shares in uncertificated form on 28 March 2024, although STS reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by STS’s registrar in connection with CREST. STS will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New STS Shares in uncertificated form.

Fractional entitlements to New STS Shares pursuant to the Scheme will not be issued under the Scheme and entitlements will be rounded down to the nearest whole number. No cash payment will be made or returned in respect of any fractional entitlements which will be retained for the benefit of STS.

Cheques in respect of the cash amounts due to Shareholders who validly elect, or are deemed to elect, for the Cash Option are expected to be despatched to them by no later than 10 Business Days from the Effective Date. It is expected that Shareholders who hold their Ordinary Shares in CREST will receive their Cash Entitlements through CREST by no later than 10 Business Days from the Effective Date.

### ***Share certificates***

Existing certificates in respect of Ordinary Shares will cease to be of tradable value following suspension of dealings in the Ordinary Shares.

### ***General***

All documents and remittances despatched to or from Shareholders or their appointed agents in connection with the Proposals will be despatched at Shareholders’ own risk.

## Overseas Shareholders

The issue of New STS Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders should inform themselves about and observe any legal requirements in the relevant jurisdiction. In particular:

- the New STS Shares have not been and will not be registered under the US Securities Act and the New STS Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of US Persons, except pursuant to an exemption from the registration requirements of the US Securities Act and the relevant clearances have not been, and will not be, obtained from the securities commission of any member state of the European Economic Area, any province of Canada, Australia, Japan, New Zealand or the Republic of South Africa;
- there has not been and there will be no public offer of the New STS Shares in the United States;
- STS is not, and does not intend to be, registered under the US Investment Company Act and investors are not, and will not be, entitled to the benefits of the US Investment Company Act; and
- no offer is being made, directly or indirectly, under the Scheme, in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange (subject to certain exceptions described herein) any member state of the European Economic Area, Australia, Canada, Japan, New Zealand or the Republic of South Africa.

It is the responsibility of Shareholders with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New STS Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction. Shareholders who are subject to taxation outside the UK should consult their own professional advisers as soon as possible.

The Scheme is being implemented subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US Shareholders should be aware that this document has been prepared in accordance with a UK format and style, which differs from the US format and style. In particular, parts of this document contain information concerning the Scheme required by UK disclosure requirements which may be material and may not have been summarised elsewhere in this document. Furthermore, the Scheme will be subject to other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

US Shareholders should note that STS Shares are not listed on a US securities exchange and STS is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the US Securities and Exchange Commission thereunder (the “SEC”). The Scheme is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act.

The Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each US Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of making a decision regarding the Scheme.

It may be difficult for US Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since STS is located in a foreign country, and all of its officers and directors are residents of a foreign country. US Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court’s judgement. Whether located in the United States or elsewhere, US Shareholders will receive any cash consideration in pounds Sterling.

Non-US Shareholders are deemed to represent to the Company and STS that they are located outside of the United States and are not US Persons (and are not acting for the account or benefit of a US Person).

Overseas Shareholders are entitled to participate in the Scheme. However, to the extent that STS, and/or the Liquidators, acting reasonably, consider that any issue of New STS Shares to an Overseas Shareholder would or may involve a breach of the securities laws or regulations of any jurisdiction, or may violate any applicable legal or regulatory requirements or may require STS to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and STS and/or the Liquidators, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Overseas Shareholder is permitted to hold New STS Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that STS will not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding of Ordinary Shares. **Overseas Shareholders who wish to participate in the Scheme should contact the Company directly as soon as possible and, in any event, by no later than 5.00 p.m. on 13 March 2024 if they are able to demonstrate, to the satisfaction of the Directors, the STS Directors and the Liquidators, that they can be issued New STS Shares without breaching any relevant securities laws.**

**If an Overseas Shareholder does not contact the Company and provide the required evidence as noted above, such Overseas Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding of Ordinary Shares in accordance with paragraph 15 of Part 4 of this document.**

Overseas Shareholders will not receive the STS Prospectus unless they have satisfied the STS Directors that they are entitled to receive and hold New STS Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or STS with any overseas laws, regulations, filing requirements or the equivalent.

### **Dissenting Shareholders**

Provided that a Shareholder does not vote in favour of the Resolutions to be proposed at the First General Meeting, such Shareholder may within seven days following the First General Meeting, express their dissent to the Liquidators in writing at the registered office of the Company and require the Liquidators to purchase the Shareholder's interest in the Company. The Liquidators will offer to purchase the interests of the Dissenting Shareholders at the realisation value, this being an estimate of the amount a Shareholder would receive per Ordinary Share in an ordinary winding up of the Company if all of the assets of the Company had to be realised and distributed to Shareholders after repayment of the liabilities of the Company. The realisation value of an Ordinary Share is expected to be below the unaudited cum-income NAV per Ordinary Share and the Liquidators will not purchase the interests of Dissenting Shareholders until all other liabilities of the Company have been settled and HMRC has confirmed that it has no objections to the closure of the liquidation.

In order to purchase the interests of any Dissenting Shareholders, the Board, in consultation with the Liquidators, will appropriate an amount of the cash, undertaking and other assets of the Company to the Liquidation Pool which it believes is sufficient to purchase the interests of such Dissenting Shareholders. Save as otherwise provided, any Ordinary Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act shall be disregarded for the purposes of the Scheme and shall be treated as if those Ordinary Shares were not in issue.

If Dissenting Shareholders validly exercise their rights under section 111 of the Insolvency Act in respect of more than ten per cent. of, in aggregate, the issued Ordinary Share capital of the Company, the Directors have discretion under the Scheme to decide that the Scheme should not proceed.

### **Common Reporting Standard**

Investment trusts are required to report the tax residence of their shareholders. Subject to the Scheme becoming effective, those Shareholders of the Company that are not already on the register of members of STS and who hold their STS Shares in certificated form will be sent a document along with their new share certificate in respect of their New STS Shares which those Shareholders should complete and return to STS's registrar.

## **Taxation**

The information set out below relates to UK taxation applicable to the Company and its Shareholders who are resident in the UK for tax purposes and who hold Ordinary Shares as an investment (this information may not relate to certain categories of Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Ordinary Shares in connection with their employment who may be taxed differently). The information is based on existing UK taxation law and HMRC published practice in force as at the date of this document and is, therefore, subject to any subsequent changes (possibly with retrospective effect). The information is given by way of general summary only and does not constitute legal or tax advice to any person.

**If you are in any doubt about your tax position or if you may be subject to tax in a jurisdiction other than the UK you should consult your professional advisers.**

### ***The Company***

The Company has obtained approval from HMRC as satisfying the conditions for approval as an investment trust under section 1158 of the Corporation Tax Act and Chapter 1 of Part 2 of The Investment Trust (Approved Company) (Tax) Regulations 2011.

The Proposals should not prejudice the ability of the Company to retain its investment trust status in respect of the accounting period that ended on 30 September 2023 and in respect of the current accounting period, which will end on the day immediately preceding the Effective Date if the Company is placed into members' voluntary liquidation. Furthermore, the proposed method of winding up the Company and the scheme of reconstruction is such that the Company should remain eligible to be treated as an investment trust for the accounting period which includes the date on which its assets are sold and/or transferred by the Liquidators pursuant to the Transfer Agreement under sections 15 and 16 of The Investment Trust (Approved Company) (Tax) Regulations 2011. Accordingly, the transfer of the Company's assets in the Rollover Pool and the realisation of the Company's assets in the Cash Pool and the Liquidation Pool under the Scheme should not give rise to a liability to UK taxation of chargeable gains for the Company. However, there can be no absolute assurance that investment trust status will be preserved and the absence of such status in any accounting period would mean the Company would be liable to pay UK taxation on its net capital gains in that period.

### ***Shareholders***

#### ***Reclassified Shares***

For the purposes of UK taxation of chargeable gains, a Shareholder should not be regarded as having disposed of their Ordinary Shares on their reclassification into Reclassified Shares with "A" rights and Reclassified Shares with "B" rights (as relevant). Instead, the Shareholder should be regarded as having acquired the Reclassified Shares at the same time and for the same aggregate base cost as their original holding of Ordinary Shares.

Where a Shareholder's Ordinary Shares are reclassified into both Reclassified Shares with "A" rights and Reclassified Shares with "B" rights, the Shareholder's base cost in their original holding of Ordinary Shares will be apportioned by reference to the respective market values of the Reclassified Shares with "A" rights and Reclassified Shares with "B" rights received, as at the time the Reclassified Shares are first listed.

#### ***Cash Option***

Shareholders who receive cash under the Scheme pursuant to the Cash Option will be regarded as having made a disposal of their Reclassified Shares with "B" rights on the distribution of cash by the Liquidators and may be subject to UK taxation of chargeable gains depending on the particular circumstances of the Reclassified Shareholder concerned.

#### ***Rollover Option***

The Company has been advised that the exchange of Reclassified Shares with "A" rights for New STS Shares pursuant to the Rollover Option should constitute a scheme of reconstruction for the purposes of the UK taxation of chargeable gains, and that such exchange should not constitute a disposal of the Reclassified Shares with "A" rights for the purposes of the UK taxation of chargeable gains. Instead, the

New STS Shares issued pursuant to the Rollover Option should be treated as replacing the Reclassified Shares with “A” rights for which they were exchanged and should be treated as having been acquired at the same time and for the same base cost as those Reclassified Shares with “A” rights are treated as having been acquired.

Any subsequent disposal of the New STS Shares may result in the holder of those New STS Shares realising a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains, depending on the holder’s particular circumstances.

#### *Liquidation Pool surplus*

As provided for in paragraph 9 of Part 4 of this document, any remaining balance in the Liquidation Pool after the discharge of the Company’s liabilities will be distributed in cash to the Shareholders on the Register on the Record Date, excluding any Dissenting Shareholders. The effect of receipt of any such payment by a Shareholder will depend on whether the payment is in respect of Reclassified Shares with “A” rights or Reclassified Shares with “B” rights.

The receipt of any such payment by a Shareholder in respect of their Reclassified Shares with “A” rights should not be regarded as giving rise to any chargeable disposal for the purposes of UK capital gains tax in respect of a Shareholder who is an individual, or UK corporation tax in respect of a Shareholder who is a corporation, provided that the tax base cost of their Ordinary Shares is in excess of the distribution and the aggregate amount of any such payments received by the Shareholder does not exceed whichever is the greater of: (i) £3,000; and (ii) five per cent. of the value of their Ordinary Shares on the date the Company enters members’ voluntary liquidation. Instead, the amount of any such payment or payments will be deducted from the base cost of the New STS Shares issued to the Shareholder under the Scheme and should be taken into account in the determination of the extent to which a capital gain or allowable capital loss is realised on any subsequent disposal of those New STS Shares.

On the other hand, the receipt of any such payment by a Shareholder in respect of their Reclassified Shares with “B” rights will be treated as a further disposal by that Shareholder of those Reclassified Shares with “B” rights which may, depending on that Shareholder’s particular circumstances, give rise to a chargeable gain for the purposes of UK taxation of chargeable gains.

#### *HMRC clearance*

Shareholders are advised that a clearance has been obtained from HMRC pursuant to section 138 of the TCGA confirming that the treatment described above under the heading “Rollover Option” is not to be prevented, by virtue of section 137(1) of the TCGA, from applying to them. HMRC has also confirmed that no counteraction notice under section 698 of the Income Tax Act or section 746 of the Corporation Tax Act should be served in respect of the transaction.

#### *Dissenting Shareholders*

If the Liquidators exercised their discretion to purchase the Ordinary Shares of a Dissenting Shareholder, the purchase price paid for such Ordinary Shares will not exceed that which the Dissenting Shareholder would receive on a straightforward winding up of the Company. A Dissenting Shareholder who receives such a cash payment will be treated as disposing of the relevant Ordinary Shares and may, depending on that Shareholder’s particular circumstances, realise a chargeable gain or allowable capital loss for the purposes of UK taxation of chargeable gains.

#### **ISAs and SIPPs**

New STS Shares are eligible for inclusion in an ISA or SIPP. Accordingly, where Ordinary Shares currently held within an ISA or SIPP are exchanged for New STS Shares pursuant to the Rollover Option, those New STS Shares can generally be retained within the ISA or SIPP, subject to the specific terms applicable to the ISA or SIPP. Similarly, where cash is received pursuant to the Cash Option in respect of Ordinary Shares held within an ISA or SIPP, that cash may also generally be retained within the ISA or SIPP.

***UK Stamp Duty and UK SDRT***

It is not expected that any UK stamp duty or UK SDRT will be payable by the Company or the Shareholders in relation to the liquidation of the Company or on the receipt by Shareholders of New STS Shares under the Rollover Option. UK stamp duty and UK SDRT may be incurred by the Company in relation to the realignment of the Company's investment portfolio prior to the Effective Date and by STS in relation to the transfer of chargeable assets within the Rollover Pool.

## PART 4

### THE SCHEME

#### 1. DEFINITIONS AND INTERPRETATION

Words and expressions defined on pages 44 to 53 of this document have the same meanings when used in this Scheme. Save as otherwise provided in this Part 4, any Ordinary Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act shall be disregarded for the purposes of this Part 4 and shall be treated as if those Ordinary Shares were not in issue.

#### 2. ELECTIONS AND ENTITLEMENTS UNDER THE SCHEME

- 2.1. There will be no limit on the number of Ordinary Shares which may be elected, or deemed to be elected, for the Cash Option. Shareholders are entitled to elect to receive the Cash Option in respect of the entirety of their individual holdings of Ordinary Shares on the Calculation Date.
- 2.2. Subject to the Resolutions contained in the Notice of the First General Meeting being passed and, in the case of Resolution 1, becoming unconditional:
  - 2.2.1. the Ordinary Shares in respect of which the holders have made, or are deemed to have made, valid Elections for the Rollover Option will be reclassified as Shares with "A" rights; and
  - 2.2.2. the Ordinary Shares in respect of which the holders have made, or are deemed to have made, valid Elections for the Cash Option will be reclassified as Shares with "B" rights.
- 2.3. The rights of the Ordinary Shares following the passing of the Resolutions contained in the Notice of the First General Meeting will be the rights as set out in new Article 163, which is to be inserted into the Articles of the Company pursuant to Resolution 1 contained in the Notice of the First General Meeting, and references to Shareholders will be construed accordingly.
- 2.4. In advance of the Calculation Date, the Company will have, to the extent practicable, realised or realigned the assets, undertaking and business carried on by the Company in accordance with the Scheme and the Elections made, or deemed to have been made, thereunder so that, so far as practicable, the Company will hold, in addition to assets destined to become the Cash Pool and the Liquidation Pool, investments suitable for transfer to STS, by virtue of the Transfer Agreement, within the Rollover Pool on or before the Effective Date.
- 2.5. Holders of Reclassified Shares with "B" rights will receive the Cash NAV per Share multiplied by the total number of Reclassified Shares with "B" rights held by them and rounded down to the nearest penny.
- 2.6. Holders of Reclassified Shares with "A" rights will receive such number of New STS Shares as is calculated pursuant to paragraph 8.1 of this Part 4

#### 3. APPORTIONMENT OF THE COMPANY'S TOTAL ASSETS

- 3.1. Subject to the Resolutions contained in the Notice of the First General Meeting being passed at such meeting and, other than Resolution 2, becoming unconditional, on the Calculation Date, or as soon as possible thereafter, the Board, in consultation with the proposed Liquidators, shall calculate the aggregate value of the total assets of the Company, the Company NAV, the Cash NAV per Share, the Cash Pool NAV, the TIGT FAV and the TIGT FAV per Share, in accordance with paragraph 4 below.
- 3.2. On the Calculation Date, or as soon as practicable thereafter, the Company in consultation with the proposed Liquidators shall procure the finalising of the division of the Company's undertaking, cash and other assets into three separate and distinct pools: namely, the Liquidation Pool, the Cash Pool and the Rollover Pool, as follows and in the following order:
  - 3.2.1. first, there shall be appropriated to the Liquidation Pool cash and other assets of the Company (including, without limitation, the right to receive any and all interest, but not dividends, due but not paid to the Company by the Effective Date) which the Liquidators



may call in, realise and convert into cash as they consider necessary, of a value calculated in accordance with paragraph 4.1 of this Part 4 and estimated by the Liquidators to be sufficient to meet the current and future, actual and contingent liabilities of the Company, including, without prejudice to the generality of the foregoing (and save to the extent that the same have already been paid or already deducted in calculating the total assets of the Company):

- (a) the costs and expenses incurred and to be incurred by the Company and the Liquidators in formulating, preparing and implementing the Proposals and the Scheme and in preparing this document and all associated documents, in each case as not otherwise paid prior to the liquidation;
- (b) the costs and expenses incurred and to be incurred by the Company and the Liquidators in preparing and implementing the Transfer Agreement;
- (c) the costs of purchasing (or making provision for the purchase of) the interests of Shareholders who have validly exercised their rights to dissent from the Scheme under section 111(2) of the Insolvency Act;
- (d) any unclaimed dividends of the Company (so far as not previously paid) and any declared but unpaid dividends of the Company;
- (e) the costs and expenses of liquidating and winding up the Company (which includes the costs and expenses in relation to the Liquidators maintaining the Company in liquidation until the date of the final meeting of the Company), including the fees and expenses of the Liquidators and the Registrar;
- (f) any tax liabilities of the Company; and
- (g) an amount considered by the Liquidators to be appropriate to provide for any unascertained, unknown or contingent liabilities of the Company (such amount not expected to exceed £100,000 in aggregate),

in each case including any VAT in respect thereof; and

3.2.2. second, there shall be appropriated to the Cash Pool and the Rollover Pool all the undertaking, cash and other assets of the Company remaining after the appropriation referred to in paragraph 3.2.1 above, in terms of value determined at the Calculation Date, to the value attributable to the Reclassified Shares with “A” rights and “B” rights respectively, on the following basis:

- (a) there shall be first appropriated to the Cash Pool such proportion of the undertaking, cash and other assets as shall equal the Cash Pool NAV as set out in paragraph 4.4 of this Part 4; and
- (b) there shall be appropriated to the Rollover Pool the balance of the undertaking, cash and other assets of the Company, including, for the avoidance of doubt, the benefit of the Cash Option Discount (as defined below) and as the Company, acting by its Liquidators in consultation with STS, shall determine as being suitable for the purpose of the Scheme and taking due account of STS’s investment objective and policy.

3.3. Interest, income and other rights or benefits accruing in respect of any of the undertaking, cash or other assets comprised in any of the Liquidation Pool, Cash Pool or Rollover Pool shall form part of that pool, provided that any income, dividend, distribution, interest or other right or benefit on any investment marked “ex” the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Calculation Date shall be deemed to form part of the Liquidation Pool.

#### **4. CALCULATIONS OF VALUE**

4.1. Except as otherwise provided in the Scheme, for the purposes of calculating the value of the Company’s assets and liabilities at any time and date at which the calculation of value is required by the Scheme, the assets and liabilities of the Company shall be valued on the following basis:

- 4.1.1. investments which are listed, quoted or traded on any recognised stock exchange will be valued by reference to the bid price on the principal stock exchange where the relevant investment is listed, quoted or traded at the Relevant Time and according to the prices shown by the relevant exchange's method of publication of prices for such investments or, in the absence of such recognised method by the latest price available prior to the Relevant Time. If the relevant exchange is not open for business at the Relevant Time, the investments will be valued as at the latest day prior to the relevant date on which the relevant stock exchange was open for business;
- 4.1.2. quoted investments which are subject to restrictions on transferability or which, in the opinion of the Board (or a duly constituted committee thereof) are otherwise illiquid shall be valued at their fair value as determined by the Board;
- 4.1.3. cash and deposits with, or balances at, a bank together with all bills receivable, money market instruments and other debt securities not included in paragraphs 4.1.1 or 4.1.2 above and held by the Company as at the Relevant Time will be valued at par (together with interest accrued up to the Calculation Date);
- 4.1.4. any sums owing from debtors (including any dividends due but not paid and any accrual of interest on debt-related securities to the extent not already taken into account under paragraphs 4.1.1 or 4.1.2 above) as at the Relevant Time shall be valued at their actual amount less such provision for diminution of value (including provisions for bad or doubtful debts or discount to reflect the time value of money) as may be determined by the Board;
- 4.1.5. assets denominated in currencies other than Sterling will be converted into Sterling at the closing mid-point rate of exchange of Sterling and such other currencies prevailing as at the Relevant Time as may be determined by the Board; and
- 4.1.6. liabilities shall be valued in accordance with the Company's normal accounting policies.

In this paragraph 4.1, the "**Relevant Time**" means the time and date at which any calculation of value is required by the Scheme to be made. The Directors shall consult with the Liquidators in making determinations pursuant to this paragraph 4.1.

- 4.2. Notwithstanding the foregoing, the Board or a duly authorised committee thereof, may, in their absolute discretion (but in consultation with the Liquidators), permit an alternative method of valuation to be used if, acting in good faith, they consider that such valuation better reflects the fair value of any asset or security. None of the Directors, the Company or the Liquidators will be under any liability by reason of the fact that a valuation believed to be appropriate may subsequently be found not to have been appropriate.
- 4.3. None of the Directors, the STS Directors, the STS Manager nor the Liquidators shall be under any liability by reason of the fact that a price reasonably believed to be the appropriate market price of any listed investment or any valuation reasonably believed to be appropriate may subsequently be found not to have been the appropriate market price or valuation, except in the case of fraud or bad faith.
- 4.4. The Cash NAV per Share shall be equal to the Company NAV divided by the Company's issued share capital (excluding Ordinary Shares held in treasury) as at the Calculation Date less a discount of 2.0 per cent. (the "**Cash Option Discount**") (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down). The Cash Pool NAV shall be equal to the Cash NAV per Share multiplied by the total number of Reclassified Shares with "B" rights.
- 4.5. Subject to any adjustment required by this paragraph 4.5, the TIGT FAV shall be equal to the Rollover Pool, including avoidance of doubt the benefit to the Company (if any) of the Troy Cost Contribution, less the Acquisition Costs and the Admission Fees. In the event the value of the Troy Cost Contribution is less than the value of the STS Direct Costs, the TIGT FAV will be adjusted downwards by the value of the difference between the STS Direct Costs and the Troy Cost Contribution. The TIGT FAV per Share shall be equal to the TIGT FAV divided by the number of Ordinary Shares in issue (excluding any Ordinary Shares held in treasury) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down).

## 5. PROVISION OF INFORMATION BY THE LIQUIDATORS

On the Effective Date the Liquidators shall procure that there shall be delivered to STS (or its nominee) particulars of the undertaking, cash and other assets comprising the Rollover Pool in accordance with the terms of the Transfer Agreement and a list, certified by the Registrar, of the names and addresses of each holder of Reclassified Shares with “A” rights and the number of Reclassified Shares with “A” rights held by each of them.

## 6. TRANSFER OF ASSETS

- 6.1. On the Effective Date the Liquidators (in their personal capacity and on behalf of the Company) shall enter into and implement the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto), whereby the Liquidators shall procure the transfer of the cash, undertaking and other assets of the Company comprising the Rollover Pool to STS (or its nominee) in consideration for the issue of New STS Shares to the Liquidators (as nominees for the Shareholders entitled to them), such shares to be renounced by the Liquidators in favour of the holders of Reclassified Shares with “A” rights on the basis referred to in paragraph 8 below.
- 6.2. The Transfer Agreement provides that the assets to be transferred to STS shall be transferred with such rights and title as the Company may have in respect of the same or any part thereof subject to and with the benefit of all and any rights, restrictions, obligations, conditions and agreements affecting the same or any part thereof, including the right to all income, dividends, distributions, interest and other rights and benefits attaching thereto or accruing therefrom but excluding any such income, dividend, distribution, interest or other right or benefit on any investment marked “ex” that income, dividend, distribution, interest or other right or benefit (as applicable) at or prior to the Calculation Date (which shall be deemed to form part of the Liquidation Pool). The Transfer Agreement further provides that the Company, acting by the Liquidators, insofar as they are reasonably able to do so by law or otherwise, shall comply with all reasonable requests made by STS (or its nominee) in respect of the cash, undertaking and other assets of the Company to be acquired and shall, in particular, account to STS for all income, dividends, distributions, interest and other rights and benefits in respect of such cash, undertaking and other assets, received after the Effective Date.

## 7. DISTRIBUTION OF THE CASH POOL

Cash Entitlements payable to the holders of Reclassified Shares with “B” rights shall be distributed by the Liquidators, through the Registrar and pursuant to the Scheme, in cash to each Shareholder who has elected or is deemed to have elected for the Cash Option in proportion to its respective holding of Reclassified Shares with “B” rights which shall be equal to such Shareholder’s entitlement to the net realisation proceeds of the Cash Pool pursuant to the Scheme (the “**Cash Entitlement**”) and rounded down to the nearest penny.

## 8. ISSUE OF NEW STS SHARES

- 8.1. In consideration for the transfer of the Rollover Pool to STS in accordance with paragraph 6 above, the New STS Shares shall be issued on the following basis:

- 8.1.1. the issue of New STS Shares shall be made to the holders of Reclassified Shares with “A” rights on the basis that the number of such New STS Shares to which each such holder is entitled shall be determined in accordance with the following formula (rounded down to the nearest whole number of New STS Shares):

$$\text{Number of New STS Shares} = \frac{A}{B} \times C$$

where:

A = is the TIGT FAV per Share ;

B = is the STS FAV per Share; and

C = is the aggregate number of Reclassified Shares with “A” rights held by the relevant Shareholder.

- 8.2. No value shall be attributable to Ordinary Shares held in treasury by the Company. Fractions of New STS Shares will not be issued under the Scheme and entitlements to such New STS Shares will be rounded down to the nearest whole number. Any assets representing a fraction of the

entitlements of those holders of Reclassified Shares with “A” rights and whose holding is rounded down shall be retained by STS and represent an accretion to its assets.

- 8.3. New STS Shares to be issued pursuant to paragraph 8.1 will be allotted, credited as fully paid, to the Liquidators (as nominee for the Shareholders entitled thereto) as soon as practicable after the delivery to STS (or its nominee) of the particulars referred to in paragraph 5 above, whereupon the Liquidators will renounce the allotments of New STS Shares in favour of Shareholders entitled to them under the Scheme. On such renunciation, STS will issue the New STS Shares to the Shareholders entitled thereto. STS shall:
- (a) in the case of the New STS Shares issued in certificated form, arrange for the despatch of certificates for such New STS Shares issued under the Scheme to the Shareholders entitled thereto at their respective addresses in the Register (and, in the case of joint holders, to the address of the first-named) or to such other person and address as may be specified by such persons in writing, in each case at the risk of the persons entitled thereto; and
  - (b) in the case of the New STS Shares issued in uncertificated form, procure that Euroclear is instructed on the Business Day following the Effective Date (or as soon as practicable thereafter) to credit the appropriate stock accounts in CREST of the Shareholders entitled thereto with their respective entitlements to New STS Shares issued under the Scheme.
- 8.4. STS shall be entitled to assume that all information delivered to it in accordance with paragraph 8.3 above is correct and to utilise the same in procuring registration in the STS register of members of the holders of the New STS Shares issued under the Scheme.

## **9. APPLICATION OF LIQUIDATION POOL**

On or following the Effective Date, the Liquidation Pool shall be applied by the Company (acting by the Liquidators) in discharging the liabilities of the Company. The remaining balance of the Liquidation Pool, if any, shall be distributed in cash by the Liquidators pursuant to the Scheme to all Shareholders (being those Shareholders on the Register at the Record Date in proportion to the respective holdings of Ordinary Shares on the Record Date, other than Dissenting Shareholders and, in respect of Ordinary Shares held in treasury, the Company) provided that if any such amount payable to any Shareholder is less than £5.00, it shall not be paid to the Shareholder but instead shall be retained by the Liquidators for the Nominated Charity. The Liquidators will also be entitled to make interim payments to Shareholders in proportion to their holdings of Ordinary Shares. The Liquidators shall only make such distribution if there is sufficient cash available and if the Liquidators are of the view that it is cost effective to make an interim distribution. For these purposes, any Ordinary Shares held by Dissenting Shareholders will be ignored.

## **10. FORMS OF ELECTION**

For the purposes of the Forms of Election, the provisions of which form part of the Scheme:

- 10.1. if, on any Form of Election, the total of a Shareholder's Election(s) is greater than their actual holding as at the Record Date, the Election(s) for the Cash Option made by such Shareholder on that Form of Election shall be decreased so that the total of such Election(s) shall equal their total holding and, in any such case, such decreased Election(s) shall be deemed to be the Election(s) made by such Shareholder on the Form of Election for all purposes of the Scheme;
- 10.2. if, on any Form of Election, the total of a Shareholder's Election(s) is less than their actual holding as at the Record Date, then for the balance of such Shareholder's Ordinary Shares, that Shareholder will be deemed to have elected for New STS Shares;
- 10.3. a Shareholder who makes no Election by the latest time and date for receipt of the Forms of Election, or in respect of whom no Form of Election has been duly and validly completed in accordance with the instructions therein, shall be deemed to have made an Election for the Rollover Option in respect of all of the Ordinary Shares held by them for all purposes of the Scheme;
- 10.4. by signing and delivering a Form of Election and in consideration of the Company agreeing to process the Form of Election, a Shareholder agrees that the Election made on the Form of Election will and may not be withdrawn or amended without the consent of the Directors and, by

such signature and delivery, such Shareholder represents and warrants that their Election is valid and binding and is made in accordance with all applicable legal requirements (including the requirements of any applicable jurisdiction outside the UK); and

- 10.5. any questions as to the extent (if any) to which Election(s) will be met and as to the validity of any Form of Election shall be at the discretion of the Directors, whose determination shall be final.

## **11. MODIFICATIONS**

The provisions of the Scheme will have effect subject to such non-material modifications or additions as the Board and the parties to the Transfer Agreement may from time to time approve in writing.

## **12. RELIANCE ON INFORMATION**

The Company, the Directors, the Liquidators, the STS Manager and STS shall be entitled to act and rely, without enquiry, on any information furnished or made available to them or any of them (as the case may be) in connection with the Scheme and the Transfer Agreement, including, for the avoidance of doubt, any certificate, opinion, advice, valuation, evidence or other information furnished or made available to them by the Company, the Directors (or any of them), STS, the STS Directors (or any of them), the STS Manager or the registrar, custodians, auditors, bankers or other professional advisers, and no such person shall be liable or responsible for any loss suffered as a result thereof by the Company, any Shareholder, STS or any STS Shareholder.

## **13. LIQUIDATORS' LIABILITY**

Nothing in the Scheme or in any document executed under or in connection with the Scheme will impose any personal liability on the Liquidators or either of them save for any liability arising out of any negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties and this will, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme, the Transfer Agreement or any act which the Liquidators do or omit to do at the request of STS.

## **14. CONDITIONS**

14.1. The Scheme is conditional upon:

14.1.1. the passing of the Resolutions to be proposed at the First General Meeting and the Resolution to be proposed at the Second General Meeting, or any adjournment of those meetings, and upon any conditions of such Resolutions being fulfilled;

14.1.2. the STS Resolution being passed and becoming unconditional in all respects;

14.1.3. the Financial Conduct Authority, having acknowledged to STS or its agents (and such acknowledgement not having been withdrawn) that the application for the admission of the New STS Shares to the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (for the purposes of this paragraph, the "**listing conditions**")) will become effective as soon as notice of admission to the Official List has been issued by the Financial Conduct Authority and any listing conditions having been satisfied, and the London Stock Exchange having acknowledged to STS or its agents (and such acknowledgement not having been withdrawn) that the New STS Shares will be admitted to trading on the Main Market, subject only to allotment; and

14.1.4. the Directors and the STS Directors resolving to proceed with the Scheme.

14.2. In the event that any of conditions 14.1.1 (other than in relation to the Resolution to be proposed at the Second General Meeting), 14.1.2, 14.1.3 or 14.1.4 fails to be satisfied, the Second General Meeting will be adjourned indefinitely and the Scheme will lapse.

14.3. Subject to paragraphs 14.1 and 14.5, the Scheme will become effective on the date on which the Resolution for the winding up of the Company to be proposed at the Second General Meeting (or any adjournment thereof) is passed.

- 14.4. If it becomes effective, the Scheme will, subject to the rights of any Shareholders who have validly exercised their rights under section 111(2) of the Insolvency Act, be binding on all Shareholders and on all persons claiming through or under them.
- 14.5. Unless the conditions set out in paragraph 14.1 have been satisfied or, to the extent permitted, waived by both the Company and STS at or before 31 March 2024, the Scheme shall not become effective.
- 14.6. An application will be made to the FCA for the listing of the Reclassified Shares to be suspended, subject to paragraphs 14.1.1 (other than in relation to the Resolution to be proposed at the Second General Meeting), 14.1.2 and 14.1.4 above, at 7.30 a.m. on 27 March 2024 and it is intended that, subject to paragraph 14.1, such listing will be cancelled with effect from or as soon as possible after the Effective Date, or such other date as the Liquidators will determine.

## **15. OVERSEAS SHAREHOLDERS**

- 15.1. To the extent that STS, and/or the Liquidators, acting reasonably, consider that any issue of New STS Shares under the Scheme to an Overseas Shareholder(s) would or may involve a breach of the securities laws or regulations of any jurisdiction, or if STS, and/or the Liquidators reasonably believe that the same may violate any applicable legal or regulatory requirements or may require STS to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and STS and/or the Liquidators, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Overseas Shareholder(s) is/are permitted to hold New STS Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that STS would not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas Shareholder(s) will be deemed to have elected for the Cash Option in respect of their entire holding of Ordinary Shares.
- 15.2. The provisions of the Scheme relating to Overseas Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Board, the STS Board and the Liquidators in their absolute discretion.

## **16. SANCTIONS RESTRICTED PERSONS**

Any Ordinary Shares held by a Sanctions Restricted Person will be deemed to have been elected for the Cash Option. Any distribution of such Cash Entitlements will be at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulation.

## **17. GENERAL**

- 17.1. Any instructions for the payment of dividends on Ordinary Shares in force on the Effective Date and lodged with the Company and/or the Registrar shall, unless and until revoked by notice in writing to the Registrar, continue to apply in respect of distributions or allocations of, or the other application of, monies under the Scheme or in respect of the issue of New STS Shares under the Scheme.
- 17.2. If, within seven days after the passing of the Resolutions proposed at the First General Meeting, one or more Shareholders validly exercise their rights under section 111(2) of the Insolvency Act in respect of more than ten per cent. in nominal value of the issued Ordinary Shares, the Board (or a duly authorised committee thereof) may, but will not be obliged to, resolve not to proceed with the Scheme. Any such resolution by the Board (or a duly authorised committee thereof) will only be effective if passed prior to the passing of the Resolution for winding up the Company to be proposed at the Second General Meeting (or any adjournment thereof).
- 17.3. Ordinary Shares which are held in treasury by the Company shall not have any entitlements under the Scheme.
- 17.4. The Scheme shall be governed by, and construed in accordance with, the laws of England and Wales.

## PART 5

### RISK FACTORS

The risks referred to in this Part 5 are the material risks known to the Directors at the date of this document which the Directors believe Shareholders should consider prior to deciding how to cast their votes on the Resolutions at the General Meetings. Any investment in STS (pursuant to the Scheme or otherwise) will be governed by the STS Prospectus (which is available on STS's website at [www.stsplc.co.uk](http://www.stsplc.co.uk)) and the STS Articles. Accordingly, Shareholders are strongly advised to read the STS Prospectus, and, in particular, the risk factors contained therein. Shareholders in any doubt about the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under FSMA without delay.

#### The Scheme

Implementation of the Proposals is conditional upon, among other things, the Resolutions being passed at the General Meetings and the STS Resolution being passed by the STS Shareholders. In the event that any of the Resolutions to be proposed at the General Meetings are not passed, or any other condition of the Proposals is not met, the Proposals will not be implemented and the Company will bear certain costs associated with the Proposals, including any costs relating to the realignment or realisation of its portfolio. If the Proposals are not implemented, the Board will consider alternative proposals for the future of the Company, the implementation of which would likely result in additional costs being incurred.

#### Cash Option

A Shareholder who elects for the Cash Option will be entitled to receive the net realisation proceeds of such portion of the Cash Pool to which they are entitled. As the appropriation of the Company's assets to the Cash Pool will occur on or shortly after the Calculation Date, the value of Shareholders' entitlements may be adversely affected by movements in the value of the assets contained in the Cash Pool between the Calculation Date and the date of electronic payment or cheque despatch in respect of entitlements under the Cash Option (expected to be during the week commencing 1 April 2024).

#### Dissenting Shareholders

The Liquidators will offer to purchase the holdings of any Dissenting Shareholders at the realisation value, this being an estimate of the amount a Shareholder would receive per Ordinary Share in an ordinary winding up of the Company if all of the assets of the Company had to be realised and distributed to Shareholders. The realisation value of an Ordinary Share is expected to be below the unaudited cum-income NAV per Share and the Liquidators will not purchase the interests of Dissenting Shareholders until all other liabilities of the Company have been settled.

#### STS

**Any investment in New STS Shares issued by STS will be governed by the STS Prospectus and the STS Articles. Shareholders should read the full text of the STS Prospectus, including the section containing the risk factors.**

An investment in STS is suitable only for investors who are capable of evaluating the risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment (which may be equal to the whole amount invested).

Shares in STS are designed to be held over the long-term and may not be suitable as short-term investments. The value of an investment in STS and the income derived from it, if any, may go down as well as up. There can be no guarantee that any appreciation in the value of STS's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of STS will be achieved or provide the returns sought by STS.

The past performance of STS, Juniper Partners or Troy is not a guide to its future performance.

STS has a board of non-executive directors and has no employees. STS is dependent on the skills and experience of Troy to manage its investments. In particular, STS is reliant on James Harries and Tomasz Boniek, the lead portfolio managers. If Troy ceases to act as STS's investment manager or if key personnel cease to remain with Troy or be involved in the management of the STS Portfolio, there is no assurance that suitable replacements will be found. If this occurs there may be an adverse effect on the performance of STS and the value of the STS Shares.

The price of shares in an investment trust is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The price of an STS Share can therefore fluctuate and may represent a discount or premium to the NAV per STS Share. This discount or premium is itself variable as conditions for supply and demand for STS Shares change. This can mean that the price of a STS Share can fall when the NAV per STS Share rises, or *vice versa*.

STS introduced a discount control mechanism in November 2020 which aims to ensure, in normal market conditions, that the STS Shares trade consistently close to their net asset value, providing liquidity for all STS Shareholders (the "DCM"). Under the DCM, STS has committed to buying back shares when there is excess supply and issuing shares when there is excess demand. However, while the STS Directors may seek to mitigate the discount of the STS Share price to the NAV per STS Share through such discount management mechanisms as they consider appropriate (including the DCM), there can be no guarantee that they will do so or that such efforts will be successful.

STS is a closed-ended vehicle. Accordingly, Shareholders will have no general right, except for certain limited circumstances as provided in STS's articles of association and described in the STS Prospectus, to have their New STS Shares redeemed or repurchased by STS. Shareholders wishing to realise their investment in STS may therefore be required to dispose of their New STS Shares in the market. Although the New STS Shares are expected to be listed on the Official List and admitted to trading on the Main Market, there can be no guarantee that a liquid market in the STS Shares will exist or be maintained. Accordingly, Shareholders may be unable to realise their New STS Shares at the quoted market price (or at the prevailing NAV per STS Share).

#### *Different investment mandate*

The mandate of STS is different to that of the Company, with a greater emphasis on global equities, and the risk and return that Shareholders should expect is different. The return profile may include a higher or lower dividend yield than Shareholders have previously received from the Company.

Changes in economic conditions (including, for example, changes in interest rates, rates of inflation, industry conditions and competition), political, diplomatic, social and demographic events and trends, tax laws and other factors could substantially and adversely affect the values of the STS Portfolio investments and, as a consequence, STS's investment performance, share price and prospects.

With a greater portfolio weighting to overseas jurisdictions, STS has a greater exposure to foreign currencies. Changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.

As at the date of this document, the STS Portfolio has a relatively high concentration of investments in the United States and is therefore exposed to risks associated with geographical concentration, including being exposed to the fluctuations of a more limited geographical market and fewer currencies than a less concentrated portfolio. STS is exposed to particular economic, regulatory, political, geopolitical, environmental and taxation risks associated with investments in the United States (and North America more broadly) which could have an adverse effect on the STS Portfolio, STS's financial condition, results of operations and prospects were they to materialise, with a consequential adverse effect on returns to STS Shareholders and the market value of the STS Shares. It is also unclear what impact the forthcoming 2024 US elections may have on US and global equity markets and therefore the value of the STS Portfolio and the market value of the STS Shares.

#### **The Rollover Option is the default option under the Scheme**

The Rollover Option is the default option under the Scheme. As a result, Shareholders (other than certain Overseas Shareholders) who, in respect of all or part of their holding of Ordinary Shares, do not make a valid election, or who do not make an election at all, under the Scheme will be deemed to have elected for New STS Shares in respect of such holding. On the basis of current cost estimates, if a small



proportion of Ordinary Shares are elected, or deemed to be elected, for the Cash Option a Shareholder that rolls over their investment into STS may receive New STS Shares of an aggregate value that is less than the aggregate value of their Ordinary Shares that have been so rolled over.

### **Taxation**

Representations in this document concerning the taxation of Shareholders are based on current UK taxation law and HMRC published practice, which are subject to change (possibly with retrospective effect). The information in this document relating to UK taxation law and HMRC published practice is given by way of general summary and does not constitute legal or tax advice to Shareholders. The Board has been advised that the Scheme should be treated as a scheme of reconstruction for the purposes of UK taxation of capital gains. Clearance has been granted by HMRC under section 138 of the TCGA confirming that section 136 of the TCGA will not be prevented from applying to the Scheme by virtue of section 137(1) of the TCGA. HMRC have also confirmed that no counteraction notice under section 698 of the Income Tax Act nor under section 746 of the Corporation Tax Act should be served in respect of the transaction.

However, a subsequent disposal of STS Shares should constitute a disposal for tax purposes and may, depending on a Shareholder's particular circumstances, give rise to a liability to UK taxation.

The Board has been advised that the proposed method of winding up the Company and the scheme of reconstruction is such that the Company should remain eligible to be treated as an investment trust for the accounting period which includes the date on which its assets are sold and/or transferred by the Liquidators pursuant to the Transfer Agreement. Accordingly, the transfer of the Company's assets in the Rollover Pool and the realisation of the Company's assets in the Cash Pool and the Liquidation Pool under the Scheme should not give rise to a liability to UK corporation tax for the Company. However, there can be no absolute assurance that investment trust status will be preserved and the absence of such status in any accounting period would mean the Company would be liable to pay UK corporation tax on its net capital gains in that period.

## PART 6

### ADDITIONAL INFORMATION

#### 1. TRANSFER AGREEMENT

Provided that all the conditions to the Scheme are satisfied and the Scheme becomes effective, the Company will enter into the Transfer Agreement with the Liquidators (in their personal capacity) and STS pursuant to the Scheme. The Transfer Agreement is, as at the date of this document, in a form agreed between the Company, the Liquidators and STS. The Transfer Agreement provides, among other things, that the cash, undertaking and other assets of the Company in the Rollover Pool are to be transferred to STS in consideration for the allotment by STS of New STS Shares to the Liquidators as nominees for Shareholders entitled to them in accordance with the Scheme. Thereafter, the Liquidators will renounce the allotments of the New STS Shares in favour of such Shareholders and such New STS Shares will be issued by STS to such Shareholders pursuant to the Scheme. The Transfer Agreement excludes any liability on the part of the Liquidators for entering into and carrying into effect the Transfer Agreement, save for any liability arising as a result of negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties.

The Transfer Agreement will be available for inspection as stated in paragraph 3 below.

The Company has entered into an irrevocable undertaking to enter in the Transfer Agreement on the Effective Date.

#### 2. MISCELLANEOUS

- 2.1. Deutsche Numis has given and not withdrawn its written consent to the inclusion of its name and references to it in this document in the form and context in which they appear.
- 2.2. The Liquidators have given and not withdrawn their written consent to the inclusion of their names and references to them in this document in the form and context in which they appear.
- 2.3. As at close of business on 20 February 2024, the Company held 115,036,500 Ordinary Shares in treasury.

#### 3. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company from the date of this document up to and including the close of business on the Effective Date:

- 3.1. this document;
- 3.2. the Articles (containing the full terms of the amendments proposed to be made at the First General Meeting);
- 3.3. the STS Prospectus;
- 3.4. the STS Articles;
- 3.5. letters of undertaking from the Company, the Liquidators and STS to enter into the Transfer Agreement;
- 3.6. the Transfer Agreement, in a form agreed amongst the Company, the Liquidators and STS as at the date of this document; and
- 3.7. the letters of consent from Deutsche Numis and the Liquidators referred to in paragraphs 2.1 and 2.2 of this Part 6, respectively.

The Articles (and a version of the Articles containing the full terms of the amendments proposed to be made in connection with to the Scheme at the First General Meeting) will be available at the First General Meeting for at least 15 minutes prior to and during that meeting. The proposed amended articles of association will also be available for inspection on the Company's website and at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>, from the date of this document.

**23 February 2024**

## PART 7

### DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

<b>“A” rights</b>	the rights attaching to Reclassified Shares in respect of which the holders are deemed to have made valid Elections for the Rollover Option
<b>Acquisition Costs</b>	the costs and expenses of any stamp duty or similar transaction tax to be incurred by the Company for the acquisition of the Rollover Pool
<b>Admission</b>	the admission of the New STS Shares to be issued pursuant to the Scheme to listing on the premium segment of the Official List and to trading on the Main Market
<b>Admission Fees</b>	the London Stock Exchange listing fees in respect of Admission
<b>AIFM</b>	an alternative investment fund manager, as defined under the UK AIFMD Laws
<b>Articles or Articles of Association</b>	the articles of association of the Company, as amended from time to time
<b>Australia</b>	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
<b>“B” rights</b>	the rights attaching to Reclassified Shares in respect of which the holders have made, or are deemed to have made, valid Elections for the Cash Option
<b>Board</b>	the board of Directors of the Company, including any duly constituted committee thereof
<b>Business Day</b>	a day on which the London Stock Exchange is open for business
<b>Calculation Date</b>	the time and date to be determined by the Board (but expected to be Market Close on 21 March 2024), at which the value of the Company’s assets and liabilities will be determined for the purpose of creating the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the Company NAV, the Cash NAV per Share, the Cash Pool NAV, the TIGT FAV, the TIGT FAV per Share and the STS FAV per Share will be calculated for the purposes of the Scheme
<b>Canada</b>	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
<b>Cash Entitlement</b>	in respect of any Shareholder who validly elects, or is deemed to have elected, for the Cash Option, an amount equal to such Shareholder’s proportional entitlement to the Cash Pool pursuant to the Scheme

<b>Cash NAV per Share</b>	the Company NAV divided by the Company's issued share capital (excluding Ordinary Shares held in treasury) as at the Calculation Date less the Cash Option Discount (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
<b>Cash Option</b>	the option for Shareholders to receive cash under the terms of the Scheme
<b>Cash Option Discount</b>	a discount of 2 per cent. to the Company NAV on a per share basis at which the Cash Option is being offered under the Scheme
<b>Cash Pool</b>	the fund comprising the Company's pool of assets attributable to the Reclassified Shares with "B" rights
<b>Cash Pool NAV</b>	the Cash NAV per Share multiplied by the total number of Reclassified Shares with "B" rights
<b>certificated or in certificated form</b>	a share or other security which is not in uncertificated form
<b>Common Reporting Standard</b>	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD
<b>Companies Act</b>	the Companies Act 2006, as amended from time to time
<b>Company or TIGT</b>	Troy Income & Growth Trust plc, a public limited company incorporated and registered in Scotland with registered number SC111955 and having its registered office at 28 Walker Street, Edinburgh EH3 7HR
<b>Company NAV</b>	the net asset value of the Company adjusted for any dividends declared but not paid to Shareholders prior to the Calculation Date and excluding any provision for the costs of the Proposals or any costs of the Proposals already accrued in the Company's net asset value as at the Calculation Date and the Troy Cost Contribution attributable to the Company (if any), on a cum-income debt at fair value basis
<b>Company Secretary or Juniper Partners</b>	Juniper Partners Limited, a private limited company incorporated and registered in Scotland with registered number SC366565 and having its registered office at 28 Walker Street, Edinburgh EH3 7HR
<b>Corporation Tax Act</b>	the Corporation Tax Act 2010, as amended from time to time
<b>CPI</b>	the Consumer Prices Index published by the UK Office for National Statistics
<b>CREST</b>	the UK-based system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
<b>CREST Manual</b>	the manual published by Euroclear describing the CREST system, as amended from time to time
<b>DCM</b>	discount control mechanism

<b>Deutsche Numis</b>	Numis Securities Limited, a private limited company incorporated and registered in England and Wales with registered number 02285918 and having its registered office at 45 Gresham Street, London EC2V 7BF
<b>Directors</b>	the directors of the Company from time to time
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>Dissenting Shareholder</b>	a Shareholder who has validly dissented from the Scheme pursuant to section 111(2) of the Insolvency Act
<b>EEA Member State</b>	a member state of the European Economic Area
<b>Effective Date</b>	the date on which the Scheme becomes effective (which is expected to be 27 March 2024)
<b>Election</b>	the choice made by a Shareholder for the Rollover Option and/or the Cash Option pursuant to the Scheme (including, where the context so permits, a deemed choice for the Rollover Option or the Cash Option) and any reference to “elect” shall, except where the context requires otherwise, mean “elect or is deemed to elect”
<b>EU AIFM Delegated Regulation</b>	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
<b>EU AIFM Directive</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and the EU AIFM Delegated Regulation
<b>EU PRIIPs Regulation</b>	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products and its implementing and delegated acts
<b>Euroclear</b>	Euroclear UK & International Limited, a private limited company incorporated and registered in England and Wales with registered number 02878738 and having its registered office at 33 Cannon Street, London EC4M 5SB, in its capacity as the operator of CREST
<b>FAV</b>	the formula asset value
<b>FCA or Financial Conduct Authority</b>	the Financial Conduct Authority of the UK, its predecessors or its successors from time to time, including, as applicable, in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>First General Meeting</b>	the general meeting of the Company convened for 2.30 p.m. on 13 March 2024 at the offices of Troy Asset Management Limited, 33 Davies Street, London W1K 4BP or any adjournment of that meeting

<b>Form of Election</b>	the form of election for use by Shareholders holding their Ordinary Shares in certificated form in relation to the Scheme
<b>Form(s) of Proxy</b>	the form(s) of proxy for use by Shareholders in connection with the First General Meeting and/or the Second General Meeting, as the context requires
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended from time to time
<b>General Meeting(s)</b>	the First General Meeting and/or the Second General Meeting, as the context requires
<b>HMRC</b>	His Majesty's Revenue & Customs
<b>Income Tax Act</b>	the Income Tax Act 2007, as amended from time to time
<b>Insolvency Act</b>	the Insolvency Act 1986, as amended from time to time
<b>ISA</b>	an individual savings account approved in the UK by HMRC
<b>Japan</b>	Japan, its cities, prefectures, territories and possessions
<b>Liquidation Pool</b>	the pool of assets of the Company to be retained by the Liquidators to meet all known and unknown liabilities of the Company and other contingencies, as further provided in paragraph 3.2 of Part 4 of this document
<b>Liquidators</b>	the liquidator(s) of the Company being, initially, the persons appointed jointly and severally upon the resolution to be proposed at the Second General Meeting becoming effective
<b>Liquidators' Retention</b>	an amount to be retained by the Liquidators to meet any unknown or unascertained liabilities of the Company and the entitlements of any Dissenting Shareholders, which is currently estimated by TIGT to be £100,000
<b>Listing Rules</b>	the listing rules made by the FCA for the purposes of Part VI of FSMA
<b>London Stock Exchange</b>	London Stock Exchange plc, a public limited company incorporated and registered in England and Wales with registered number 02075721 and having its registered office at 10 Paternoster Square, London EC4M 7LS
<b>Main Market</b>	the main market for listed securities operated by the London Stock Exchange
<b>Market Close</b>	in the case of an investment of the Company or STS that is listed, traded or quoted on or dealt in on: <ul style="list-style-type: none"> <li>(i) any UK stock exchange or market for publicly listed, traded or quoted securities (including the Main Market), 4.35 p.m. London (UK) time; and</li> <li>(ii) any overseas stock exchange or market for publicly listed, traded or quoted securities, the close of business of such exchange or market,</li> </ul>

	provided that if the relevant exchange or market was closed for business in respect of the relevant investment on the Calculation Date, "Market Close" shall be determined as aforesaid on the last dealing day of such exchange or market immediately preceding the Calculation Date in respect of that investment
<b>NAV</b>	the gross assets of the Company or STS, as appropriate, less its liabilities (including provisions for such liabilities) determined by the relevant board of directors in its absolute discretion in accordance with the accounting principles adopted by that company and, unless otherwise specified, on a cum income basis adjusted for borrowings calculated at fair value
<b>NAV per Share</b>	the NAV of the Company divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time
<b>NAV per STS Share</b>	the NAV of STS divided by the number of STS Shares in issue (excluding any STS Shares held in treasury) at the relevant time
<b>New Fee Arrangements</b>	the revised basis of calculation of the annual management fee payable by the enlarged STS to Troy with effect from the date of Admission (subject to the Scheme becoming effective) as described in the section titled " <i>Management fees and ongoing expenses</i> " in Part 2 of this document
<b>New STS Shares</b>	the ordinary shares of one penny each in the capital of STS to be issued to Shareholders who are deemed to have elected for the Rollover Option pursuant to the Scheme
<b>New Zealand</b>	New Zealand, its territories, possessions and all areas under its jurisdiction and political sub divisions thereof
<b>Nominated Charity</b>	Muscular Dystrophy Group of Great Britain and Northern Ireland, registered charity number 205395 (England and Wales) and SC039445 (Scotland)
<b>Notice of the First General Meeting</b>	the notice of the First General Meeting, which is set out on pages 54 to 58 of this document
<b>Notice(s) of the General Meeting(s)</b>	the Notice of the First General Meeting and/or the Notice of the Second General Meeting, as the context requires
<b>Notice of the Second General Meeting</b>	the notice of the Second General Meeting, which is set out on pages 59 to 61 of this document
<b>Official List</b>	the Official List maintained by the FCA
<b>Overseas Shareholders</b>	Shareholders who have a registered address outside of, or who are resident in, or citizens, residents or nationals of, jurisdictions outside the United Kingdom, the Channel Islands and the Isle of Man
<b>Proposals</b>	the Scheme, including the entry into the Transfer Agreement
<b>RBSI</b>	The Royal Bank of Scotland International Limited, a UK establishment of RBS International (UK establishment number BR019279) having its UK establishment office address at Level 3, 440 Strand, London WC2R 0QS
<b>Reclassified Shareholder</b>	a holder of Reclassified Shares



<b>Reclassified Shares</b>	the Ordinary Shares reclassified under the Scheme as Ordinary Shares with “A” rights or “B” rights
<b>Record Date</b>	6.00 p.m. on 13 March 2024 (or such other date as determined at the sole discretion of the Board), being the record date for determining Shareholders’ entitlements under the Scheme
<b>Register</b>	the register of members of the Company
<b>Registrar or Receiving Agent or Equiniti</b>	Equiniti Limited, a private limited company incorporated and registered in England and Wales with registered number 06226088 and having its registered office at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
<b>Regulatory Information Service</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>Relevant Time</b>	has the meaning given to it in paragraph 4.1 of Part 4 of this document
<b>Republic of South Africa</b>	the Republic of South Africa, its territories and possessions and all areas under its jurisdiction and political sub divisions thereof
<b>Resolution 1</b>	the first resolution to be proposed at the First General Meeting, relating to amendment of the Articles pursuant to implementation of the Scheme
<b>Resolution 2</b>	the second Resolution to be proposed at the First General Meeting, relating to the approval of the Scheme and authorising the Liquidators, when appointed, to enter into and give effect to the Transfer Agreement with STS, distribute New STS Shares to Shareholders in accordance with the Scheme and purchase the interests of any Dissenting Shareholders
<b>Resolutions</b>	the special resolutions to be proposed at the General Meetings or either of them as the context may require, each being a “ <b>Resolution</b> ”
<b>Rollover Option</b>	the option for Shareholders under the Scheme to elect to receive New STS Shares in respect of some or all of their holding of Ordinary Shares on the winding up of the Company under the terms of the Scheme
<b>Rollover Pool</b>	the pool of cash, undertaking and other assets to be established under the Scheme to be transferred from the Company to STS pursuant to the Transfer Agreement
<b>Sanctions Authority</b>	each of: <ul style="list-style-type: none"> <li>(i) the United States government;</li> <li>(ii) the United Nations;</li> <li>(iii) the United Kingdom;</li> <li>(iv) the European Union (or any of its member states);</li> <li>(v) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and</li> <li>(vi) the respective governmental institutions and agencies of any of the foregoing including, without</li> </ul>

limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury

**Sanctions Restricted Person**

each person or entity that:

- (i) is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority;
- (ii) is, or is directly or indirectly owned or controlled by a person that is, described or designated in (a) the current "Specially Designated Nationals and Blocked Persons" list (which as at the date of this document can be found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>); and/or (b) the current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as at the date of this document can be found at: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); and/or (c) the current "Consolidated list of financial sanctions targets in the UK" (which as at the date of this document can be found at <https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.html>); or
- (iii) is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current "Sectoral Sanctions Identifications" list (which as of the date of this document can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the "**SSI List**"), (b) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes

**Scheme**

the proposed scheme of reconstruction and voluntary winding up of the Company under section 110 of the Insolvency Act, the terms of which are set out in Part 4 of this document

**Second General Meeting**

the general meeting of the Company convened for 11.00 a.m. on 27 March 2024 at the offices of Troy Asset Management Limited, 33 Davies Street, London W1K 4BP or any adjournment of that meeting

**Shareholders**

holders of Ordinary Shares

**Shareholders' Funds**

the value of shareholders' funds of the Company or STS (as applicable) (comprising, for the avoidance of doubt, called up share capital, share premium account and all distributable and undistributable reserves) calculated in accordance with the accounting policies of the Company or STS (as applicable)

<b>Shares or Ordinary Shares</b>	ordinary shares of 25 pence each in the capital of the Company
<b>SIPP</b>	a UK self-invested personal pension scheme
<b>Sterling, £ or GBP</b>	pounds sterling, the lawful currency of the UK
<b>STS</b>	STS Global Income & Growth Trust plc, a public limited company incorporated and registered in Scotland with registered number SC283272 and having its registered office at 28 Walker Street, Edinburgh EH3 7HR
<b>STS Articles</b>	the articles of association of STS, as amended from time to time
<b>STS Benchmark Index</b>	Lipper Global – Equity Global Income Index
<b>STS Board</b>	the board of STS Directors
<b>STS Directors</b>	the directors of STS from time to time
<b>STS Direct Costs</b>	STS's direct costs in connection with the Proposals which for the purposes of the Troy Cost Contribution are subject to a cap of £900,000 (inclusive of VAT)
<b>STS FAV</b>	the net asset value of STS, being the value of STS's assets less any liabilities it has, calculated as at the Calculation Date in accordance with its normal accounting policies, on a cum income basis with debt calculated at fair value post the costs of the Proposals (excluding any Acquisition Costs and Admission Fees), and adjusted for the Troy Cost Contribution and the benefit (if any) of the TIGT FAV Adjustment and to exclude any dividends declared but not paid prior to the Effective Date by STS to STS Shareholders
<b>STS FAV per Share</b>	the STS FAV divided by the total number of STS Shares in issue on the Calculation Date (excluding STS Shares held in treasury) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
<b>STS General Meeting</b>	the general meeting of STS convened for 13 March 2024 at 3.00 p.m. at the offices of Troy Asset Management Limited, 33 Davies Street, London W1K 4BP or any adjournment of that meeting
<b>STS Investment Management Delegation Agreement</b>	the investment management delegation agreement dated 16 September 2020, as amended by a side letter dated 16 October 2020, between STS, Juniper Partners and Troy
<b>STS Portfolio</b>	the portfolio of investments in which the funds of STS are invested from time to time
<b>STS Prospectus</b>	the prospectus published by STS on or around 23 February 2024 relating to the issue of New STS Shares pursuant to the Scheme
<b>STS Resolution</b>	the resolution to be proposed at the STS General Meeting to approve the issue of New STS Shares by STS pursuant to the Scheme

<b>STS Secretarial and Administration Agreement</b>	the secretarial and administration agreement dated 16 September 2020, as amended by a side letter dated 16 October 2020, between STS and Juniper Partners
<b>STS Shareholders</b>	holders of STS Shares, including holders of the New STS Shares if the context requires
<b>STS Shares</b>	ordinary shares of one penny each in the capital of STS, including the New STS Shares if the context requires
<b>STS Third Quarterly Interim Dividend</b>	STS's third quarterly interim dividend in respect of the financial year ending on 31 March 2024 of 1.965 pence per STS Share announced on 23 February 2024 and due to be paid on 19 April 2024 to STS Shareholders on STS's register of members on 15 March 2024
<b>S&amp;P 500 cyclically adjusted price-to-earnings ratio</b>	the cyclically adjusted price-to-earnings ratio of the Standard & Poor's 500 index (" <b>S&amp;P 500</b> "), calculated by averaging of the ratio of each S&P 500 constituent's share price divided by its trailing 10-year average inflation-adjusted earnings per share
<b>TCGA</b>	Taxation of Chargeable Gains Act 1992, as amended from time to time
<b>TIGT FAV</b>	the FAV of the Company for the purposes of the Scheme, calculated in accordance with paragraph 4.5 of Part 4 of this document
<b>TIGT FAV Adjustment</b>	has the meaning given to it in the paragraph titled "Costs of implementing the Scheme" of Part 1 ( <i>Letter from the Chair</i> ) of this Prospectus
<b>TIGT FAV per Share</b>	the TIGT FAV divided by the total number of Reclassified Shares with "A" rights (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
<b>TIGT Final Interim Dividend</b>	the Company's special interim dividend in respect of the financial year ending on 30 September 2024 of 0.1 pence per TIGT Share announced on 22 February 2024 and due to be paid on 22 March 2024 to TIGT Shareholders on the TIGT Register on 1 March 2024
<b>TIGT Investment Management Delegation Agreement</b>	the amended and restated investment management delegation agreement between the Company, Troy and Juniper Partners dated 22 December 2021, as amended
<b>TIGT Second Quarterly Interim Dividend</b>	the Company's second quarterly interim dividend in respect of the financial year ending on 30 September 2024 of 0.5304 pence per Share announced on 26 January 2024 and due to be paid on 8 March 2024 to Shareholders on the Register on 16 February 2024
<b>Transfer Agreement</b>	the agreement to be entered into between the Company (acting by its Liquidators), the Liquidators and STS for the transfer of the cash, assets and undertaking of the Company to STS pursuant to the Scheme, with the terms of the agreed for of such agreement being summarised in paragraph 1 of Part 6 of this document

<b>Troy or STS Manager</b>	Troy Asset Management Limited, a private limited company incorporated and registered in England and Wales with registered number 03930846 and having its registered office at 33 Davies Street, London W1K 4BP, in its capacity as the investment manager of STS or TIGT (as the context requires)
<b>Troy Cost Contribution</b>	the waiver of the management fee that would otherwise be payable by STS to Troy in respect of the assets transferred by the Company to STS pursuant to the Scheme for the first 18 months following the completion of the Scheme at the blended rate of the enlarged STS's New Fee Arrangements, subject to a cap of £1.1 million
<b>TTE Instruction</b>	a transfer to escrow instruction (as described in the CREST Manual)
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK AIFMD Laws</b>	<ul style="list-style-type: none"> <li>(i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose the EU AIFM Directive into UK law before 31 January 2020 (as amended from time to time); and</li> <li>(ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time</li> </ul>
<b>UK PRIIPs Laws</b>	the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
<b>UK SDRT</b>	stamp duty reserve tax
<b>uncertificated or in uncertificated form</b>	a share or other security title to which is recorded in the register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America, and the District of Columbia
<b>US Exchange Act</b>	the US Securities Exchange Act of 1934, as amended
<b>US Investment Company Act</b>	the US Investment Company Act of 1940, as amended
<b>US Person</b>	a "U.S. person" as such term is defined under Regulation S
<b>US Securities Act</b>	the US Securities Act of 1933, as amended
<b>US Shareholder</b>	a Shareholder that is a US Person
<b>VAT</b>	value added tax

# TROY INCOME & GROWTH TRUST PLC

*(incorporated in Scotland with registered number SC111955)  
(an investment company under section 833 of the Companies Act 2006)*

## NOTICE OF FIRST GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of Troy Income & Growth Trust plc (the “**Company**”) will be held at 2.30 p.m. on 13 March 2024 at the offices of Troy Asset Management Limited, 33 Davies Street, London W1K 4BP, for the purpose of considering and, if thought fit, passing the following resolutions, both of which will be proposed as special resolutions:

### SPECIAL RESOLUTIONS

1. THAT:

- 1.1. with effect from the date on which the amendment to the Official List of the Financial Conduct Authority to reflect the reclassification of the ordinary shares of 25 pence each in the capital of the Company (the “**Shares**”) (the “**Amendment**”) becomes effective but subject always to paragraph 1.5 of this resolution, each of the Shares in issue at the date of the passing of this resolution (other than any Shares held by the Company in treasury) shall be reclassified as shares the holder of which has (or is deemed to have) elected to have reclassified as shares with “A” rights or “B” rights as the case may be (the “**Reclassified Shares**”), in such respective numbers as may be required to give effect to any election validly made (or deemed to have been made) by the holder of the Shares and otherwise in accordance with the terms of the Scheme set out in Part 4 of the circular to Shareholders of the Company dated 23 February 2024 of which this notice forms part (the “**Circular**”), a copy of which has been laid before the meeting and signed for the purpose of identification by the Chair of the meeting;
- 1.2. for the purposes of this special resolution:
  - 1.2.1. to the extent any holder of Shares shall have validly elected (or shall be deemed to have validly elected) for, and under the terms of the Scheme will become entitled to receive, New STS Shares, such Shares shall be reclassified as shares with “A” rights; and
  - 1.2.2. to the extent any holder of Shares shall have validly elected (or shall be deemed to have validly elected) for, and under the terms of the Scheme will become entitled to receive, cash pursuant to the Cash Option, such Shares shall be reclassified as shares with “B” rights;
- 1.3. each of the holders of the shares with the rights set out in paragraph 1.2 above shall have the respective rights set out in the Articles of Association of the Company as amended by this special resolution;
- 1.4. with effect from the date on which the Amendment becomes effective, but subject always to paragraph 1.5 of this resolution, the Articles of Association be and are hereby amended by:
  - 1.4.1. the insertion of the following as a replacement Article 6:

“Every reference in these Articles to shares shall be construed as a reference to the ordinary shares of 25 pence each in the capital of the Company which are designated as shares with either “A” rights or “B” rights as set out in Article 163 below. Notwithstanding anything to the contrary in these Articles, each class of share will have attached to it the respective rights and privileges and be subject to the respective limitations and restrictions set out in Article 163”;
  - 1.4.2. the insertion of the following as a new Article 163:

“Words and expressions defined in the circular to shareholders of the Company dated 23 February 2024 (the “**Circular**”) shall bear the same meanings in this Article 163, save where the context otherwise requires:

The rights attaching to the Reclassified Shares with “A” rights and Reclassified Shares with “B” rights shall be identical to each other, save that on a winding up of the Company in the circumstances set out in the Circular (subject to the Scheme becoming unconditional in all respects in accordance with its terms), the Reclassified Shares shall have the following additional rights, notwithstanding anything to the contrary in these Articles:

- (1) the rights of holders of Reclassified Shares with “A” rights in respect of the assets of the Company shall be satisfied by the issue to the holders thereof of the number of New STS Shares to which they shall be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme;
- (2) the rights of holders of Reclassified Shares with “B” rights in respect of the assets of the Company shall be satisfied by the payment to the holders thereof of the amount of cash to which they shall respectively be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme; and
- (3) any cash arising in the Company after the transfer of the Rollover Pool and any surplus remaining in the Liquidation Pool (“Relevant Cash”) shall be distributed in accordance with the Scheme.”;

1.4.3. such further amendments to the Articles of Association of the Company as may be required to give effect to this Resolution; and

1.5. if the Scheme does not become unconditional by the end of the Second General Meeting, the amendments to the Articles of Association effected by paragraph 1.4 of this Resolution shall be further amended such that the insertion of replacement Article 6 and the insertion of new Article 163 shall cease to have effect as from the close of that meeting (or any adjourned meeting), the reclassification of Shares provided for by this Resolution shall be reversed and each Reclassified Share shall revert to being a Share ranking *pari passu* in all respects; and

1.6. the terms defined in the Circular have the same meanings in this special resolution, save where the context otherwise requires.

2. THAT, subject to: (i) the passing of Resolution 1 above at this meeting (or at any adjournment hereof) and it becoming unconditional; (ii) the Scheme becoming unconditional in accordance with its terms on or prior to 31 May 2024; and (iii) the passing at a general meeting of the Company convened for 27 March 2024 (or any adjournment thereof) of a resolution for the voluntary winding up of the Company and the appointment of the Liquidators:

2.1. the Scheme set out in Part 4 of the Circular, a copy of which has been laid before this meeting and signed for the purpose of identification by the Chair of the General Meeting, be and is hereby approved and the Liquidators of the Company when appointed be and hereby are authorised to implement the Scheme and to execute any document and do anything for the purpose of carrying the Scheme into effect;

2.2. the Liquidators when appointed, will be and hereby are authorised and directed:

2.2.1. under this special resolution and the Articles of Association, as amended and as provided in Resolution 1 above, and pursuant to section 110 of the Insolvency Act 1986, to enter into and give effect to the Transfer Agreement (in their personal capacity and on behalf of the Company) referred to in the Circular with STS and in the form of the draft laid before the meeting and signed for the purposes of identification by the Chair of the meeting with such amendments as the parties thereto may from time to time agree;

2.2.2. to request STS to allot and issue New STS Shares, credited as fully paid, on the basis described in the Transfer Agreement for distribution among the holders of Shares in the capital of the Company entitled thereto under the Scheme (or to the Liquidators as nominee on their behalf) by way of satisfaction and discharge of their respective interests in so much of the property and assets of the Company as shall be transferred to STS in accordance with the Transfer Agreement and with the Scheme;

- 2.2.3. to procure that the Rollover Pool be vested in STS (or its nominees) on and subject to the terms of the Transfer Agreement;
- 2.2.4. to realise for cash the undertaking, cash and other assets comprising the Cash Pool;
- 2.2.5. to distribute cash among the holders of Reclassified Shares with “B” rights by way of satisfaction and discharge of their interests in so much of the Company as shall comprise the Cash Pool in accordance with the Scheme;
- 2.2.6. to convert into cash any assets in the Liquidation Pool and to raise the money to purchase the interest of any member of the Company who validly dissents from this Resolution under section 111(2) of the Insolvency Act 1986 from the Liquidation Pool; and
- 2.2.7. to transfer any surplus in the Liquidation Pool in accordance with the Scheme; and
- 2.2.8. to apply for the admission of the Shares to the premium segment of the Official List and to trading on the Main Market to be cancelled with effect from such date as the Liquidators may determine.
- 2.3. The Articles of Association be and are hereby amended by inserting the following as a new Article as Article 160:
- “Words and expressions defined in the circular to shareholders of the Company dated 23 February 2024 (the "Circular") shall bear the same meanings in this Article 160, save where the context otherwise requires. Notwithstanding the provisions of these Articles, upon the winding up of the Company in connection with the scheme (the “**Scheme**”) set out in Part 4 of the Circular, the liquidators of the Company will give effect to the Scheme and will enter into and give effect to the Transfer Agreement with STS Global Income & Growth Trust plc (as duly amended where relevant), a draft of which was tabled at the general meeting of the Company convened for 13 March 2024 by the notice attached to the Circular, in accordance with the provisions of this Article and the holders of Reclassified Shares with “A” rights will be entitled to receive New STS Shares on the terms of the Scheme.”; and
- 2.4. the terms defined in the Circular have the same meanings in this special resolution, save where the context otherwise requires.

*Registered office:*  
28 Walker Street  
Edinburgh  
EH3 7HR

*By Order of the Board*  
**Juniper Partners Limited**  
*Company Secretary*

23 February 2024



## Notes:

1. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the Form of Proxy.
2. To be valid the PINK Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed (or a notarially certified copy thereof), must be sent to the Registrar at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive not less than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the General Meeting or any adjourned General Meeting.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting by using the procedures described in the CREST Manual and/or by logging on to the website: [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA19) no later than 48 hours (excluding any part of a day that is not a Business Day) before the time of the General Meeting or any adjournment of the General 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 Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST members and, where applicable, their CREST sponsors, or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. As an alternative to appointing a proxy using the Form of Proxy or CREST, members can appoint a proxy online at [www.sharevote.co.uk](http://www.sharevote.co.uk). In order to appoint a proxy using this website, members will need their Voting ID, Task ID and Shareholder Reference Number, printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using their user ID and password. Once logged in, click "View" on the "My Investments" page, click on the link to vote and then follow the on-screen instructions.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. The return of a completed Form of Proxy or other instrument appointing a proxy will not prevent you attending the General Meeting and voting in person if you wish.
9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act, the Company specifies that the right to vote at the General Meeting is determined by reference to the Register at 6.30 p.m. on the day which is two Business Days prior to the date of the General Meeting. Changes to entries on the Register after that time shall be disregarded in determining the rights of any member to attend and vote at the General Meeting.
10. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between them and the Shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

11. The statement of the rights of Shareholders in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The rights described in that Note can only be exercised by Shareholders of the Company
12. Shareholders who have general queries about the General Meeting should contact the Company Secretary in writing. Members are advised that any telephone number, website or email address which may be set out in this Notice of General Meeting or in any related documents (including the Circular and relevant Form of Proxy) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.
13. Information regarding the General Meeting, including information required by section 311A of the Companies Act, is available from the Company's website at [www.tigt.co.uk](http://www.tigt.co.uk).
14. As a member, Shareholders have the right to ask questions at the General Meeting in accordance with section 319A of the Companies Act and the Articles.
15. As at close of business on 20 February 2024 (being the last practicable day prior to the publication of this notice) the Company's issued share capital comprised 347,511,987 Ordinary Shares, carrying one vote each, and 115,036,500 Shares were held in treasury. Therefore, the total number of voting rights in the Company as at 20 February 2024 was 232,475,487.
16. Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chair of the General Meeting as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
17. A copy of the current articles of association of the Company and the proposed new articles of association of the Company, and the Transfer Agreement, will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) and for at least 15 minutes before and during the General Meeting at the offices of Troy Asset Management Limited, 33 Davies Street, London W1K 4BP, being the place of the General Meeting. The proposed new articles of association will also be available for inspection on the Company's website and at the National Storage Mechanism located at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>, from the date of this Notice of General Meeting.
18. Under section 338 of the Companies Act, Shareholders may require the Company to give, to members of the Company entitled to receive this notice of General Meeting, notice of a resolution which may properly be moved and is intended to be moved at the General Meeting. Under section 338A of the Companies Act, members may request the Company to include in the business to be dealt with at the General Meeting any matter (other than a proposed resolution) which may properly be included in the business.
19. The terms defined in the Circular have the same meanings in these notes, save where the context otherwise requires.

# TROY INCOME & GROWTH TRUST PLC

(incorporated in Scotland with registered number SC111955)  
(an investment company under section 833 of the Companies Act 2006)

## NOTICE OF SECOND GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of Troy Income & Growth Trust plc (the “**Company**”) will be held at 11.00 a.m. on 27 March 2024 at the offices of Troy Asset Management Limited, 33 Davies Street, London W1K 4BP, for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

### SPECIAL RESOLUTION

THAT

- (A) subject always to the fulfilment of the conditions (other than the passing of this special resolution) set out in paragraph 14 of the scheme (the “**Scheme**”) contained in Part 4 of the circular to the shareholders of the Company dated 23 February 2024 (the “**Circular**”), a copy of which has been laid before this meeting and signed for the purpose of identification by the Chair thereof, and with effect from the conclusion of this meeting;
- (i) the Company be and is hereby wound up voluntarily under the provisions of the Insolvency Act 1986 and Derek Neil Hyslop and Richard Peter Barker, both licensed insolvency practitioners of Ernst & Young LLP, be and they are hereby appointed joint liquidators (the “**Liquidators**”) of the Company for the purposes of such winding up and distributing the assets of the Company in accordance with the Scheme and any power conferred on them by law, the Articles of Association or this Resolution, may be exercised by them jointly or by each of them alone;
  - (ii) the remuneration (plus VAT) of the Liquidators be determined by reference to the time properly spent by them and their staff in attending to matters arising prior to and during the winding up of the Company (including, without limitation, the implementation of the Scheme and any matters outside the statutory duties of the Liquidators and undertaken at the request of the members or a majority of them) and the Liquidators be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine and to pay any expenses properly incurred by them to give effect to the Scheme;
  - (iii) the Company’s books and records be held by its Company Secretary to the order of the Liquidators until the expiry of 12 months after the date of dissolution of the Company, when they may be disposed of (save for financial and trading records which shall be kept for a minimum of six years following the vacation of the Liquidators from office);
  - (iv) the Liquidators be empowered and directed to carry into effect the provisions of the Articles of Association as amended by the Resolutions set out in the notice of the First General Meeting of the Company contained in the Circular; and
  - (v) the Liquidators be and are hereby authorised pursuant to section 165 of the Insolvency Act 1986 to exercise the powers set out in Part 1 of Schedule 4 to that Act as may be necessary or desirable in their judgment, acting jointly and severally, to give effect to the Scheme and/or to carry out the winding up of the Company; and
- (B) terms defined in the Circular have the same meanings in this Resolution, save where the context otherwise requires.

*Registered office:*  
28 Walker Street  
Edinburgh  
EH3 7HR

*By Order of the Board*  
**Juniper Partners Limited**  
*Company Secretary*

23 February 2024

## Notes:

1. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the Form of Proxy.
2. To be valid the GREEN Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed (or a notarially certified copy thereof), must be sent to the Registrar at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive not less than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the General Meeting or any adjourned General Meeting.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting by using the procedures described in the CREST Manual and/or by logging on to the website: [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA19) no later than 48 hours (excluding any part of a day that is not a Business Day) before the time of the General Meeting or any adjournment of the General 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 Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST members and, where applicable, their CREST sponsors, or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. As an alternative to appointing a proxy using the Form of Proxy or CREST, members can appoint a proxy online at [www.sharevote.co.uk](http://www.sharevote.co.uk). In order to appoint a proxy using this website, members will need their Voting ID, Task ID and Shareholder Reference Number, printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using their user ID and password. Once logged in, click "View" on the "My Investments" page, click on the link to vote and then follow the on-screen instructions.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. The return of a completed Form of Proxy or other instrument appointing a proxy will not prevent you attending the General Meeting and voting in person if you wish.
9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act, the Company specifies that the right to vote at the General Meeting is determined by reference to the Register at 6.30 p.m. on the day which is two Business Days prior to the date of the General Meeting. Changes to entries on the Register after that time shall be disregarded in determining the rights of any member to attend and vote at the General Meeting.
10. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between them and the Shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

11. The statement of the rights of Shareholders in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The rights described in that Note can only be exercised by Shareholders of the Company
12. Shareholders who have general queries about the General Meeting should contact the Company Secretary in writing. Members are advised that any telephone number, website or email address which may be set out in this Notice of General Meeting or in any related documents (including the Circular and relevant Form of Proxy) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.
13. Information regarding the General Meeting, including information required by section 311A of the Companies Act, is available from the Company's website at [www.tigt.co.uk](http://www.tigt.co.uk).
14. As a member, Shareholders have the right to ask questions at the General Meeting in accordance with section 319A of the Companies Act and the Articles.
15. As at close of business on 20 February 2024 (being the last practicable day prior to the publication of this notice) the Company's issued share capital comprised 347,511,987 Ordinary Shares, carrying one vote each, and 115,036,500 Shares were held in treasury. Therefore, the total number of voting rights in the Company as at 20 February 2024 was 232,475,487.
16. Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chair of the General Meeting as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
17. Under section 338 of the Companies Act, Shareholders may require the Company to give, to members of the Company entitled to receive this notice of General Meeting, notice of a resolution which may properly be moved and is intended to be moved at the General Meeting. Under section 338A of the Companies Act, members may request the Company to include in the business to be dealt with at the General Meeting any matter (other than a proposed resolution) which may properly be included in the business.
18. The terms defined in the Circular have the same meanings in these notes, save where the context otherwise requires.