

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you are recommended to seek your own personal financial advice from an appropriately qualified independent financial adviser, authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

The contents of this document are not to be construed as legal, business or tax advice. Each Shareholder should consult their own solicitor, independent financial adviser or tax adviser for legal, financial or tax advice.

If you have sold or otherwise transferred all of your Ordinary Shares in The European Smaller Companies Trust PLC (the “**Company**”), please send this document (but not any accompanying personalised Form of Proxy or Tender Form) 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, this document should not be distributed, forwarded or transmitted in or into Australia, Canada, Japan, New Zealand or South Africa or into any other jurisdiction if to do so would constitute a violation of the relevant laws and regulations in such other jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain this document and the accompanying Form of Proxy and Tender Form and contact immediately the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Tender Offer is not being made directly or indirectly in or into Australia, Canada, Japan, New Zealand or South Africa or any jurisdiction into which the making of the Tender Offer would constitute a violation of the relevant law and regulations in such jurisdiction, and cannot be accepted from within Australia, Canada, Japan, New Zealand or South Africa or any jurisdiction into which the making of the Tender Offer would constitute a violation of the relevant law and regulations in such jurisdiction.

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## **THE EUROPEAN SMALLER COMPANIES TRUST PLC**

*(Incorporated in England & Wales with company number 02520734 and registered as an investment company under section 833 of the Companies Act 2006)*

### **Tender Offer to purchase up to 42.5 per cent. of the issued share capital of the Company**

**and**

### **Notice of General Meeting**

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The Tender Offer is conditional on Shareholder approval of the Resolution, which is being sought at a General Meeting of the Company to be held at 201 Bishopsgate, London EC2M 3AE at 2.00 p.m. on 7 May 2025. Notice of the General Meeting is set out at the end of this document.

Shareholders are requested to complete the Form of Proxy accompanying this document as soon as possible and return it, together with any power of attorney or other written authority, if any, under which it is signed (or a notarially certified or office copy thereof) to the Company’s Registrar, Equiniti Limited by post at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive no later than 2.00 p.m. on 2 May 2025. Alternatively, you can submit your vote electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions. Shareholders 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.

The Tender Offer will close at 1.00 p.m. on 16 May 2025 and will only be available to Eligible Shareholders on the Register at 6.00 p.m. on 16 April 2025 (the “**Record Date**”).

**Shareholders who do NOT wish to sell any Ordinary Shares under the Tender Offer should NOT complete or return a Tender Form or submit a TTE Instruction in CREST.**

The Directors are making no recommendation to Shareholders as to whether they should tender Ordinary Shares in the Tender Offer. Whether Shareholders decide to tender Ordinary Shares will

depend, among other things, on their view of the Company's prospects and their own individual circumstances, including their tax position. Shareholders who are in any doubt as to the action they should take should consult an appropriate independent professional adviser.

None of the Directors will tender Ordinary Shares in the Tender Offer.

Eligible Shareholders who hold their Ordinary Shares in certificated form and who wish to tender Ordinary Shares for purchase by the Company under the Cash Exit Option should ensure that their completed Tender Forms are returned to the Receiving Agent by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received by no later than 1.00 p.m. on 16 May 2025. Eligible Shareholders who hold their Ordinary Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered.

Eligible Shareholders who hold Ordinary Shares in uncertificated form (that is, in CREST) and who wish to tender Ordinary Shares for purchase by the Company under the Cash Exit Option should not return the Tender Form and should arrange for the Ordinary Shares tendered to be transferred into escrow as described in paragraph 4.2 of Part 3 of this document.

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

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document which recommends that you vote in favour of the Resolution to be proposed at the General Meeting. Your attention is also drawn to the section entitled "*Action to be Taken*" in the letter from the Chairman in Part 1 of this document.

## NOTICE FOR US SHAREHOLDERS

The Tender Offer relates to securities in a non-US company registered in England and Wales and listed on the London Stock Exchange and is subject to the disclosure requirements, rules and practices applicable to companies listed in the United Kingdom, which differ from those of the United States in certain material respects. This document has been prepared in accordance with UK style and practice for the purpose of complying with the laws of England and Wales and the rules of the FCA and of the London Stock Exchange, and US Shareholders should read this entire document. The Tender Offer is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act. The Tender Offer will be made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the US Exchange Act, subject to the exemptions provided by Rule 14d-1(d) thereunder and otherwise in accordance with the requirements of the rules of the FCA and the London Stock Exchange. Accordingly, the Tender Offer will be subject to disclosure and other procedural requirements that are different from those applicable under US domestic tender offer procedures and law. The Company is not listed on a US securities exchange, 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 SEC thereunder.

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

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

The receipt of cash pursuant to the Tender Offer may be a taxable transaction for US federal income tax purposes. In addition, holders may be subject to US backup withholding and information reporting on payments with respect to the Tender Offer made (or deemed made) within the United States.

**Each US Shareholder should consult and seek individual tax advice from an appropriate professional adviser.**

Any US Shareholder that intends to participate in the Tender Offer should file a completed Form W-9, which can be obtained from [www.irs.gov](http://www.irs.gov), with the Company's Registrar, Equiniti Limited, before the closing of the Tender Offer at 1.00 p.m. (London time) on 16 May 2025. US Shareholders should send completed Forms W-9 to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom. In all cases, the relevant US Shareholder's name and address must be supplied to Equiniti on a covering note so Equiniti can identify the relevant account on the Register against the relevant Tender Offer acceptance.

US Shareholders with any queries regarding the submission of a Form W-9 should contact Equiniti on +44 (0) 371 384 2911. Calls outside the United Kingdom will be charged at the applicable international rate. Equiniti are open between 8.30 a.m. – 5.30 p.m., Monday to Friday (excluding public bank holidays in England and Wales). Please note, Equiniti Limited can only provide information regarding the submission of forms and cannot provide you with advice on the merits of

the Tender Offer or as to whether Shareholders should take up the Tender Offer or provide any personal, legal, financial or tax advice.

Neither the Tender Offer nor this document have been approved, disapproved or otherwise recommended by the SEC, any US state securities commission or any other US regulatory authority, nor have such authorities passed upon the merits or fairness of the Tender Offer or determined the adequacy of the information contained in this document. Any representation to the contrary is a criminal offence.

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## SUMMARY

This summary is derived from, and should be read in conjunction with, the full text of this document.

- This document contains proposals enabling Eligible Shareholders to participate in a Tender Offer pursuant to which the Company will repurchase up to 42.5 per cent. of its issued Ordinary Share capital as at 16 April 2025 (excluding Ordinary Shares held by the Company in treasury).
- A short document which includes some “frequently asked questions” regarding these proposals is available on the Company’s website at [www.europeansmallercompaniestrust.com](http://www.europeansmallercompaniestrust.com).
- The Record Date for participating in the Tender Offer is 6.00 p.m. on 16 April 2025. Any shareholding that was not recorded on the Register by 6.00 p.m. on 16 April 2025 will not be eligible to participate in the Tender Offer.
- The Tender Offer is conditional on the passing of the Resolution set out in the notice of the General Meeting at the end of this document on 7 May 2025 (or such later date as the Company and Winterflood may determine). The Tender Offer is also conditional on the other matters specified in paragraph 2 of Part 3 of this document.
- Under the terms of the Tender Offer, Eligible Shareholders will be able to tender up to 42.5 per cent. of the Ordinary Shares registered in their name on the Register as at the Record Date (the “**Basic Entitlement**”), rounded down to the nearest whole number of Ordinary Shares. Eligible Shareholders tendering up to their Basic Entitlement will have their election satisfied in full.
- Eligible Shareholders may tender Ordinary Shares in excess of their Basic Entitlement (an “**Excess Application**”), with such Excess Applications being satisfied if there are sufficient remaining Available Shares. Such remaining Available Shares will be apportioned to Eligible Shareholders *pro rata* to their Excess Applications should other Eligible Shareholders not tender the full amount of their Basic Entitlement and as a result of certain Overseas Shareholders not being permitted to participate in the Tender Offer.
- Results of the Tender Offer are expected to be announced on 20 May 2025.
- Eligible Shareholders may elect for the Cash Exit Option, pursuant to which they will receive cash in respect of successfully tendered Ordinary Shares. The Tender Price per Cash Exit Share will be the Cash Exit Tender Offer Final Asset Value of the Cash Exit Pool divided by the total number of Cash Exit Shares.
- Qualifying Shareholders will be permitted to elect for the *In Specie* Consideration Option, pursuant to which they will receive a relevant proportion of the Company’s portfolio of assets within the *In Specie* Consideration Pool in respect of successfully tendered *In Specie* Exit Shares. The Tender Price per *In Specie* Exit Share will be the *In Specie* Tender Offer Asset Value divided by the total number of *In Specie* Exit Shares. If the number of Qualifying Shareholders electing for the *In Specie* Consideration Option would, in the opinion of the Directors, in consultation with Winterflood and the Investment Manager, result in it being impractical or impossible for the Company to effect settlement of the *In Specie* Consideration Option, then, unless the Directors (in consultation with Winterflood) exercise their discretion to terminate the Tender Offer, any election by a Qualifying Shareholder for the *In Specie* Consideration Option will be deemed to be an election for the Cash Exit Option.
- As at the Calculation Date, the Company’s assets will be valued and thereafter allocated between the Cash Exit Pool, the *In Specie* Consideration Pool and the Continuing Pool based on the proportionate value of the Company attributable to Shareholders that make up each pool. Each pool will receive its proportionate share of the Company’s assets. The Tender Offer FAVs represent the value of the assets allocated to the Cash Exit Pool and the *In Specie* Consideration Pool, defined as the Cash Exit Tender Offer FAV and the *In Specie* Tender Offer FAV, respectively. The Cash Exit Pool and the *In Specie* Consideration Pool will bear the Tender Offer Costs on a *pro rata* basis. No Tender Offer Costs will be borne by the Continuing Pool.

- In terms of the Cash Exit Pool, the Cash Exit Tender Offer FAV acts as a point of reference only and does not represent the final realised value of the Cash Exit Pool which can only be calculated once the assets in the Cash Exit Pool have been realised for cash. The prices of the underlying assets will fluctuate during the realisation process and it is only as at the time that the assets in the Cash Exit Pool have been fully realised for cash that the Cash Exit Tender Offer Final Asset Value can be calculated and a per share value that Shareholders receive can be derived (being the Tender Price per Cash Exit Share).
- It is currently expected that the assets in the Cash Exit Pool will be realised not later than 25 June 2025. However, the realisation period will depend on the market environment, and the Company will provide an update by way of a RIS announcement once the realisation of the Cash Exit Pool is complete with the Tender Price per Cash Exit Share and payment date being advised at that time.
- In terms of the *In Specie* Consideration Pool, the *In Specie* Tender Offer FAV will represent the proportionate value of the Company attributable to Shareholders that make up that pool. The *In Specie* Tender Offer FAV, after deduction of the *pro rata* share of the Tender Offer Costs and the amount of stamp duty and commission payable on the repurchase of the *In Specie* Exit Shares and the amount of any transfer or registration taxes which the Company is required to pay as transferor in relation to any assets which may be transferred to any Qualifying Shareholder, will equate to the *In Specie* Tender Offer Asset Value. The Tender Price per *In Specie* Exit Share received by Shareholders in that pool will equate to the *In Specie* Tender Offer Asset Value divided by the number of *In Specie* Exit Shares.

## EXPECTED TIMETABLE

	<b>2025</b>
Tender Offer opens	15 April
Record Date for the Tender Offer	6.00 p.m. on 16 April
Latest date for Qualifying Shareholders to contact Winterflood to participate in the <i>In Specie</i> Consideration Option	5.00 p.m. on 25 April
Latest time and date for receipt of Forms of Proxy and electronic proxy appointments for the General Meeting	2.00 p.m. on 2 May
General Meeting	2.00 p.m. on 7 May
Results of General Meeting announced	7 May
Tender Closing Date: latest time and date for receipt of Tender Forms and TTE Instructions	1.00 p.m. on 16 May
Calculation Date	close of business on 19 May
Results of Tender Offer announced	20 May
CREST accounts credited with unsuccessfully tendered uncertificated Ordinary Shares	expected to be by 23 May
Transfer of portfolio assets to Qualifying Shareholders that have elected for the <i>In Specie</i> Consideration Option	on or around 27 May
Repurchase of the <i>In Specie</i> Exit Shares announced	on or around 27 May
Return of share certificates in respect of unsuccessfully tendered certificated Ordinary Shares and balancing certificates despatched	30 May
Tender Price per Cash Exit Share and payment date announced	as soon as practicable but expected to be by 25 June
Repurchase of the Cash Exit Shares announced	as soon as practicable but expected to be by 27 June
Payments through CREST made in respect of the Cash Exit Shares held in uncertificated form	within 5 Business Days from the announcement of the Tender Price per Cash Exit Share
Cheques despatched in respect of the Cash Exit Shares held in certificated form	within 10 Business Days from the announcement of the Tender Price per Cash Exit Share

*All references to times in this document are to London time unless otherwise stated.*

*The times and dates set out in the expected timetable may be adjusted by the Company in consultation with Winterflood, in which event details of the new times and/or dates will be notified to Shareholders by an announcement made by the Company through a Regulatory Information Service. In particular, the realisation period for the Cash Exit Pool will depend on the market environment, and the Company will provide an update by way of a RIS announcement once the realisation of the Cash Exit Pool is complete with the Tender Price per Cash Exit Share and payment date being advised at that time.*



## PART 1 – LETTER FROM THE CHAIRMAN

# THE EUROPEAN SMALLER COMPANIES TRUST PLC

*(Incorporated in England & Wales with company number 02520734 and registered a  
an investment company under section 833 of the Companies Act 2006)*

*Directors:*

James Williams  
Daniel Burgess  
Simona Heidempergher  
Ann Grevelius

*Registered office:*

201 Bishopsgate  
London  
EC2M 3AE

15 April 2025

Dear Shareholder

### **Tender Offer to purchase up to 42.5 per cent. of the issued share capital of the Company and Notice of General Meeting**

#### **1 INTRODUCTION**

On 15 April 2025, the Board announced its intention to seek to implement a tender offer to purchase up to 42.5 per cent. of the Ordinary Shares in issue (excluding Ordinary Shares held in treasury). The repurchases of Ordinary Shares by the Company pursuant to the Tender Offer require the approval of Shareholders, which will be sought at the General Meeting to be held on 7 May 2025. The Tender Offer will be carried out in accordance with the terms and conditions set out in this document.

The purpose of this document is to set out the background to, and reasons for, the Tender Offer and why the Board is unanimously recommending that you vote in favour of the Resolution to be proposed at the General Meeting, notice of which is set out at the end of this document.

A short document which includes some “frequently asked questions” regarding these proposals is available on the Company’s website at [www.europeansmallercompaniestrust.com](http://www.europeansmallercompaniestrust.com).

#### **2 BACKGROUND TO, AND REASONS FOR, THE TENDER OFFER**

On 18 December 2024, the Company received a requisition notice on behalf of Saba Capital Management, L.P. (“**Saba**”), requiring the Company to convene a general meeting to consider, and if thought fit approve, resolutions to remove all the current independent directors of the Company and to appoint two new directors proposed by Saba (the “**Requisitioned General Meeting**”). At the Requisitioned General Meeting, 62.1 per cent. of the total votes cast (or 99.5 per cent. of the Ordinary Shares voted excluding the Ordinary Shares held by Saba) were voted against those resolutions.

On 11 February 2025, the Company received a second requisition notice on behalf of Saba (the “**Second Requisition Notice**”), requiring the Company to call a general meeting to approve a proposal for the Company to implement a scheme or process by which Shareholders would become (or have the option to become) shareholders of a UK-listed open-ended investment company (or similar open-ended investment vehicle).

The Requisitioned General Meeting process was disruptive for the Company and resulted in a financial cost to Shareholders. As a result, the Directors were of the view that convening a general meeting in response to the Second Requisition Notice would not be in the best interests of all Shareholders. Whilst the Board anticipated the continued support from Shareholders, Saba’s ongoing significant holding in the Company also had the potential to represent an overhang on the Ordinary Shares.

In order to protect the interests of those Shareholders that wish to continue their investment in the Company, the Board concluded that it would find a solution that would allow Shareholders, including Saba, that wish to exit their position in the Company the opportunity to do so.

The Company commenced discussions with Saba and announced on 14 February 2025 that Saba had agreed to withdraw the Second Requisition Notice for a period of 30 days to allow both parties to enter into good-faith negotiations aimed at achieving an outcome that benefits all Shareholders. The Company announced on 14 March 2025 that the Company and Saba continued to have constructive discussions and had agreed to allow the good-faith negotiations to continue for a further 30 days, with the aim of achieving an outcome that benefits all Shareholders.

The Board conducted a review of several possible options and following discussions with Saba, has decided to implement a Tender Offer which provides Shareholders that may wish to exit their investment in the Company the ability to do so. The Board believes this will put the Company in a strong position going forward as it will allow it to focus on its fundamentals with a supportive Shareholder base – delivering for Shareholders through its proven investment strategy and the quality of its experienced and well-respected team.

The Board continues to believe in the opportunity within the European smaller companies sector. The sector is attractively valued, and it remains an exciting time for the sector, with Europe being a provider of key enablers of big structural growth trends such as artificial intelligence, the ‘green transition’ and industrial automation. While the Board is of the view that now is not the time to divest from European smaller companies, the Tender Offer will provide those Shareholders that wish to exit the opportunity to do so.

The structure of the Tender Offer, comprising a Cash Exit Option and an *In Specie* Consideration Option, has been designed to allow Shareholders to exit whilst safeguarding the interests of continuing Shareholders. The Board believes that this structure is beneficial as it will likely have time and cost benefits for all Shareholders. The operation of the Cash Exit Pool will ensure that the costs associated with the realisation of the assets do not fall on continuing Shareholders and the *In Specie* Consideration Option will reduce the total assets to be realised under the Cash Exit Option which will reduce the time needed to sell underlying holdings and any potential short-term volatility. The structure is described in further detail in paragraph 3 below.

The Company has received an irrevocable undertaking from Saba pursuant to which Saba has, in respect of the Committed Shares, undertaken to use best endeavours: (i) to vote or procure a vote in favour of the Resolution; and (ii) to elect or procure an election for the *In Specie* Consideration Option. A summary of the provisions of the irrevocable undertaking is set out in paragraph 5 of Part 5 of this document.

The Company has also entered into a Standstill Agreement with Saba pursuant to which Saba has agreed, amongst other things:

- (a) that Saba shall not, and shall procure that its affiliates shall not, during the Standstill Period, (i) require the Board to convene a general meeting of the Company pursuant to section 303 of the Companies Act, or (ii) exercise any voting rights available to remove, or publicly propose the removal of, any member of the Board; and
- (b) that Saba shall use best endeavours to, and shall use best endeavours to procure that its affiliates shall, procure that the registered holder of any Ordinary Shares in respect of which it or any of its affiliates is able (at the relevant record time for voting) to control the right to exercise (or procure the exercise of) any voting rights, shall, during the Standstill Period, exercise such voting rights in respect of specified ordinary course resolutions to be proposed at any general meeting of the Company, including any Continuation Resolution, in line with the Board’s recommendation.

A summary of the provisions of the Standstill Agreement is set out in paragraph 5 of Part 5 of this document.

In connection with Saba’s participation in the *In Specie* Consideration Option, the Company has also entered into the Share Sale Agreement with Saba relating to the acquisition of the relevant proportion of the Company’s portfolio of assets within the *In Specie* Consideration Pool in respect of Accepted Saba Shares. A summary of the provisions of the Share Sale Agreement is set out in paragraph 7 of Part 5 of this document.

### 3 TENDER OFFER

#### 3.1 Introduction and Summary

Shareholders are being invited by Winterflood to tender up to 42.5 per cent. of the Ordinary Shares in issue on the Record Date (excluding Ordinary Shares held in treasury). The Tender Offer is open only to Eligible Shareholders on the Register as at the Record Date, being 6.00 p.m. on 16 April 2025. Any shareholding that is not recorded on the Register on the Record Date will not be eligible to participate in the Tender Offer.

Eligible Shareholders will be able to tender up to 42.5 per cent. of the Ordinary Shares registered in their name on the Register as at the Record Date (the “**Basic Entitlement**”), rounded down to the nearest whole number of Ordinary Shares. Eligible Shareholders tendering up to their Basic Entitlement will have their election satisfied in full. Registered Eligible Shareholders who hold Ordinary Shares on the Record Date for multiple beneficial owners may decide allocations among such beneficial owners at their own discretion.

Eligible Shareholders may tender Ordinary Shares in excess of their Basic Entitlement (an “**Excess Application**”), with such Excess Applications being satisfied if there are sufficient remaining Available Shares. Such remaining Available Shares will be apportioned to Eligible Shareholders *pro rata* to their Excess Applications should other Eligible Shareholders not tender the full amount of their Basic Entitlement and as a result of certain Overseas Shareholders not being permitted to participate in the Tender Offer.

The Tender Offer will include a Cash Exit Option and an *In Specie* Consideration Option, as summarised in paragraphs 3.2 and 3.3, respectively, below.

Eligible Shareholders should note that if they choose to participate in the Tender Offer, the Tender Price will be determined, for those electing for the Cash Exit Option, based on the realisation value of the Cash Exit Pool net of the relevant proportion of the Tender Offer Costs, net of the stamp duty and commission payable on the repurchase of the Cash Exit Shares and net of accrued liabilities as at the Cash Exit Pool Determination Date (or, for those electing for the *In Specie* Consideration Option, based on the value of the holdings in the *In Specie* Consideration Pool net of the relevant proportion of the Tender Offer Costs and net of the stamp duty and commission payable on the repurchase of the *In Specie* Exit Shares and net of the amount of any transfer or registration taxes which the Company is required to pay as transferor in relation to any assets which may be transferred to any Qualifying Shareholder), which may be less than the price at which they bought their Ordinary Shares or the price or value at which they might ultimately realise their Ordinary Shares should they continue to hold them.

The Company's investment policy provides that between 80 to 100 per cent. of the Company's portfolio will consist of equities and that 0 to 20 per cent. of the Company's portfolio will consist of fixed income and cash. It is expected that an increasing proportion of the Cash Exit Pool will comprise cash as portfolio assets within that pool are realised. Accordingly, the Company may hold more than 20 per cent. of its total portfolio in cash prior to the completion of the Cash Exit Option. However, the Continuing Pool will continue to be invested at all times in accordance with the investment policy and restrictions and no changes to the Company's investment policy are being proposed in connection with the Tender Offer.

#### 3.2 Cash Exit Option

Eligible Shareholders may elect for the Cash Exit Option, pursuant to which they will receive cash in respect of successfully tendered Cash Exit Shares. The Tender Price per Cash Exit Share will be the Cash Exit Tender Offer Final Asset Value of the Cash Exit Pool divided by the total number of Cash Exit Shares.

Eligible Shareholders on the Register on the Record Date electing for the Cash Exit Option will be invited to tender for sale some or all of their Ordinary Shares to Winterflood who will, as principal, purchase validly tendered Cash Exit Shares (subject to the overall limits of the Tender Offer) at the Tender Price per Cash Exit Share.

Winterflood will sell the Cash Exit Shares validly tendered to the Company by way of an on-market transaction once all of the assets in the Cash Exit Pool have been realised. Tendering Shareholders who have successfully elected for the Cash Exit Option will receive the full Tender Price per Cash Exit Share only once all of the assets in the Cash Exit Pool have been realised.

All transactions will be carried out on the London Stock Exchange.

### **3.3 *In Specie* Consideration Option**

Qualifying Shareholders will be permitted to elect for the *In Specie* Consideration Option, pursuant to which they will receive a relevant proportion of the Company's portfolio of assets within the *In Specie* Consideration Pool in respect of successfully tendered *In Specie* Exit Shares. The Tender Price per *In Specie* Exit Share will be the *In Specie* Tender Offer Asset Value divided by the total number of *In Specie* Exit Shares.

Qualifying Shareholders on the Register on the Record Date electing for the *In Specie* Consideration Option will be invited to tender for sale some or all of their Ordinary Shares to Winterflood who will, as principal, purchase validly tendered *In Specie* Exit Shares (subject to the overall limits of the Tender Offer) at the Tender Price per *In Specie* Exit Share.

Winterflood will sell the *In Specie* Exit Shares validly tendered to the Company by way of an on-market transaction. The *In Specie* Consideration Option is expected to settle on or around 27 May 2025.

The *In Specie* Consideration Option is available only to Qualifying Shareholders being Eligible Shareholders that: (i) if they were clients of Winterflood, would be categorised as "professional clients" pursuant to Chapter 3 of the FCA's Conduct of Business Sourcebook; (ii) can demonstrate to Winterflood's satisfaction that they are capable of taking custody of a *pro rata* share of the Company's portfolio; and (iii) agree to enter into the relevant documentation required to effect the lawful transfer of a *pro rata* share of the Company's portfolio, including, without limit, an agreement on substantially the same terms as the Share Sale Agreement.

The Company, in consultation with the Investment Manager and its other advisers, has determined that it would not be possible to effect settlement of the *In Specie* Consideration Option for anyone other than a professional investor who is capable of taking custody of a *pro rata* share of all of the stocks within the Company's portfolio which are across multiple jurisdictions. These stocks will then need to be held and/or realised by such Qualifying Shareholders, and not the Investment Manager, in order to meet their investment objectives. Any Qualifying Shareholder electing for the *In Specie* Consideration Option will also be required to enter into individualised agreements with the Company and Winterflood. Furthermore, the offer of the underlying securities to Shareholders other than professional investors would require the Company to comply with onerous legislation that would mean it would not be possible to offer the *In Specie* Consideration Option more widely. Accordingly, the *In Specie* Consideration Option is not being made available to retail investors or to any other Shareholders that do not meet all three criteria set out above to be a Qualifying Shareholder.

If the number of Qualifying Shareholders electing for the *In Specie* Consideration Option would, in the opinion of the Directors, in consultation with Winterflood and the Investment Manager, result in it being impractical or impossible for the Company to effect settlement of the *In Specie* Consideration Option, then, unless the Directors (in consultation with Winterflood) exercise their discretion to terminate the Tender Offer in accordance with paragraph 8 of Part 3 of this document, any election by a Qualifying Shareholder for the *In Specie* Consideration Option will be deemed to be an election for the Cash Exit Option.

### **3.4 Cash Exit Pool**

All of the Company's assets will, following valuation on the Calculation Date, be allocated between the Continuing Pool, the Cash Exit Pool and the *In Specie* Consideration Pool.

The net value of the assets allocated on the establishment of the Cash Exit Pool will equal the Cash Exit Tender Offer FAV (calculated in accordance with paragraph 8 of Part 2 of this document) being an amount representing the proportionate value of the Company attributable to the Cash Exit Shares.

The assets in the Cash Exit Pool will be realised, the relevant liabilities settled, the associated costs paid (in accordance with paragraph 3.6 below) and the net cash proceeds will be paid to Shareholders who validly elected for the Cash Exit Option.

Shareholders who successfully tendered their Ordinary Shares under the Cash Exit Option will receive a *pro rata* share of the net proceeds of the Cash Exit Pool, less associated costs.

It is currently expected that the assets in the Cash Exit Pool will be realised not later than 25 June 2025. However, the realisation period will depend on the market environment, and the Company will provide an update by way of a RIS announcement once the realisation of the Cash Exit Pool is complete with the Tender Price per Cash Exit Share and payment date being advised at that time. For technical reasons, to support the Euroclear CREST corporate action event, a Cash Exit Option payment date of 2 July 2025 is stated within CREST, but will be amended (as required) to the announced CREST cash payment date once the RIS announcement is issued.

Shareholders should be aware, therefore, that cash payments under the Cash Exit Option will not be made immediately.

### **3.5 *In Specie* Consideration Pool**

The net value of the assets allocated on the establishment of the *In Specie* Consideration Pool will equal the *In Specie* Tender Offer FAV (calculated in accordance with paragraph 8 of Part 2 of this document) being an amount representing the proportionate value of the Company attributable to the *In Specie* Exit Shares. Shareholders who successfully tendered their Ordinary Shares under the *In Specie* Consideration Option will receive a *pro rata* share of the portfolio assets in the *In Specie* Consideration Pool, less associated costs (in accordance with paragraph 3.6 below).

It is expected that the portfolio assets equal to the *In Specie* Tender Offer Asset Value will be transferred to Exiting Shareholders electing for the *In Specie* Consideration Option on or around 27 May 2025.

### **3.6 Costs of the Tender Offer**

The fixed costs and expenses relating to the Tender Offer, which excludes portfolio realisation costs, assuming the Tender Offer is fully subscribed, are expected to be approximately £690,000 including VAT, where applicable. In addition, stamp duty on the repurchased Ordinary Shares is 0.5 per cent. of the repurchase amount and commission on the repurchased Ordinary Shares is 0.2 per cent. of the repurchase amount.

Each of the Cash Exit Pool and the *In Specie* Consideration Pool will bear the Tender Offer Costs in proportion to the value of such pools as at the Calculation Date. The Cash Exit Pool will bear the costs of realising the assets in the Cash Exit Pool. Each of the Cash Exit Pool and the *In Specie* Consideration Pool will bear the amount of the stamp duty and commission payable on the repurchase of the Cash Exit Shares and the *In Specie* Exit Shares, respectively. The *In Specie* Consideration Pool will also bear the amount of any transfer or registration taxes which the Company is required to pay as transferor in relation to any assets which may be transferred to any Qualifying Shareholder.

No Tender Offer Costs, stamp duty or commission payable on the repurchase of any Exit Shares will be borne by the Continuing Pool.

A Qualifying Shareholder electing for the *In Specie* Consideration Option will also be responsible for and will bear any stamp duty, stamp duty reserve tax or transfer or registration taxes (whether UK or non-UK), as appropriate, in relation to any assets which may be transferred to such Qualifying Shareholder and which it is required to pay as transferee.

### **3.7 Conditions of the Tender Offer**

The Tender Offer is conditional on Shareholder approval of the Resolution, which will be sought at the General Meeting. The Tender Offer is subject to certain further conditions, and may be suspended or terminated in certain circumstances, as set out in paragraphs 2 and 8 of Part 3 of this document.

Shareholders' attention is drawn to the letter from Winterflood in Part 2 and to Part 3 of this document which, together with the Tender Form (for Shareholders holding Ordinary Shares in certificated form), constitutes the terms and conditions of the Tender Offer. Details of how to tender Ordinary Shares can be found in paragraph 4 of Part 3 of this document.

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



### 3.8 Related party transactions

The acquisition of *In Specie* Exit Shares from Saba in respect of the *In Specie* Consideration Option and Saba's entry into the Share Sale Agreement are related party transactions pursuant to UKLR 8.1.7R and UKLR 8.2.1R (the "**Related Party Transactions**"). In the opinion of the Board, which has been so advised by Winterflood, the Related Party Transactions are fair and reasonable as far as Shareholders are concerned. In providing its advice to the Board, Winterflood has taken into account the Board's commercial assessments.

## 4 THE COMPANY'S PERFORMANCE AND PROSPECTS

The Company has delivered NAV total return performance over the five years to 31 March 2025 of 127.2 per cent. against the benchmark return of 102.1 per cent. Share price total return over the same period was 166.7 per cent. This consistent strong performance has led to multiple awards with the Company winning the Citywire Investment Trust award for Best European Equities Trust in 2022 and 2023, and the Company being shortlisted for the award in 2024. It has also received a 4-star rating from Morningstar.

The table below shows the Company's performance, alongside the benchmark and the peer group, to 31 March 2025 over one, three, five and ten years, and since inception under the existing management team.

Total Return performance (%)	1 year	3 years	5 years	10 years	Inception <sup>1</sup>
ESCT NAV total return	2.8	13.6	127.2	177.0	284.0
ESCT share price total return	10.0	25.9	166.7	192.2	355.3
MSCI Europe (ex-UK) Small Cap Index <sup>2</sup>	5.5	4.2	102.1	147.6	267.6
AIC European Smaller Companies sector NAV <sup>3</sup>	0.0	2.0	79.8	141.1	223.7

1 Being 1 July 2011, the date that Ollie Beckett was appointed as portfolio manager of ESCT.

2 Prior to 30 June 2022, the benchmark was the Euromoney Smaller European Companies (ex UK) Index.

3 Peer group simple average.

Source: Morningstar Direct

Past performance is not a guarantee of future results

It is an exciting time for the European smaller companies space. The European small cap sector is trading at the widest discount to European large caps over the last 15 years. The small cap sector has tended to outperform the European large cap sector during economic recoveries and while the outlook remains uncertain, as interest rates fall, it should be positive for the sector. It is the opinion of the Board and the Investment Manager that now is not the time to divest from European small caps, and that the Company is ideally positioned to benefit from any European economic recovery.

In addition, Europe is fortunate to be the provider of key enablers of big structural growth trends such as artificial intelligence, the 'green transition' and industrial automation. In applying the Investment Manager's balanced investment strategy and remaining disciplined with a 'valuation aware' approach, the Board is confident that your Company can continue to find strong investment returns for Shareholders.

## 5 TAXATION

Shareholders who sell Ordinary Shares in the Tender Offer may, depending on their individual circumstances, incur a liability to taxation. The attention of Shareholders is drawn to Part 4 of this document which sets out a general guide to certain aspects of current law and tax authority practice in respect of UK taxation. **Nothing in this document constitutes or should be relied on as tax advice. All Shareholders should consult an appropriate independent professional adviser as to the tax consequences for them of the matters referred to in this document.**

## 6 GENERAL MEETING

The implementation of the Tender Offer requires the approval of Shareholders of the Resolution. A notice convening a General Meeting of the Company, which is to be held at 201 Bishopsgate, London EC2M 3AE at 2.00 p.m. on 7 May 2025, and at which the Resolution will be proposed, is set out at the end of this document. The notice includes the full text of the Resolution.

The Resolution is a special resolution. To become effective, the Resolution must be passed by Shareholders representing 75 per cent. (or more) of the total voting rights of Shareholders who, being entitled to vote, do so in person or by proxy at the General Meeting.

The Resolution will be voted on by way of a poll. The Board believes a poll is more representative of Shareholders' voting intentions because Shareholders' votes are counted according to the number of Ordinary Shares held and all votes validly tendered are taken into account. The results of the poll will be published on the Company's website and will be released via a Regulatory Information Service as soon as practicable following the close of the General Meeting.

The quorum for the General Meeting is not less than two Shareholders who, being entitled to vote, are present in person or by proxy.

## **7 ACTION TO BE TAKEN**

### **7.1 Action to be taken in respect of the General Meeting**

All Shareholders are encouraged to vote on the Resolution to be proposed at the General Meeting and, if their Ordinary Shares are not held directly, to arrange for their nominee to vote on their behalf.

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

- (a) by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions; or
- (b) by completing and signing the enclosed Form of Proxy for use in relation to the General Meeting, in accordance with the instructions printed thereon and returning by post; or
- (c) 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 notice of General Meeting; or
- (d) for institutional shareholders, via Proxymity.

In each case, the proxy appointments must be received by the Receiving Agent as soon as possible and, in any event, no later than 2.00 p.m. on 2 May 2025. Shareholders holding their Ordinary Shares through investor platforms, such as Hargreaves Lansdown, AJ Bell, Interactive Investor and others, are also encouraged to attend, and to vote, ahead of the proxy voting deadline of 2.00 p.m. on 2 May 2025 through their nominee platforms. Shareholders should be aware that the deadlines for voting through platforms may be earlier than the Company's proxy voting deadline.

Completion and return of proxy appointments will not prevent you from attending and voting in person at the General Meeting should you wish to do so.

### **7.2 Action to be taken in respect of the Tender Offer**

**Shareholders are not obliged to tender any Ordinary Shares. Shareholders who do NOT wish to sell any Ordinary Shares under the Tender Offer should NOT complete or return a Tender Form or submit a TTE Instruction in CREST.**

Only those Eligible Shareholders who wish to elect for the Cash Exit Option and who hold their Ordinary Shares in certificated form should complete and return a Tender Form. Eligible Shareholders who hold their Ordinary Shares in uncertificated form do not need to complete or return a Tender Form.

Eligible Shareholders who wish to elect for the Cash Exit Option and hold their Ordinary Shares in certificated form should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post using the reply-paid envelope provided (for use in the UK only) along with the relevant share certificate(s) and/or other document(s) of title to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, to arrive as soon as possible and, in any event, by no later than 1.00 p.m. on 16 May 2025.

Eligible Shareholders who wish to elect for the Cash Exit Option and hold their Ordinary Shares in uncertificated form (that is, in CREST) should arrange for the relevant Ordinary Shares to be transferred to escrow by means of a TTE Instruction as described in paragraph 2 of Part 2 of this document.

**Completed Tender Forms and/or TTE Instructions (as appropriate) must be received by the Receiving Agent no later than 1.00 p.m. on 16 May 2025.**

Shareholders holding their Ordinary Shares through investor platforms may tender their Ordinary Shares through their nominee platforms. Shareholders should be aware that the deadlines for tendering Ordinary Shares through platforms may be earlier than the Tender Closing Date.

Qualifying Shareholders who wish to elect for the *In Specie* Consideration Option should contact Winterflood at [ESCT@winterflood.com](mailto:ESCT@winterflood.com) by no later than 5.00 p.m. on 25 April 2025 in order to participate in the *In Specie* Consideration Option. Winterflood may require any Qualifying Shareholder who wishes to elect for the *In Specie* Consideration Option to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as Winterflood (in its absolute discretion) may require, the terms of which may amend, vary and/or supersede the terms and conditions of the Tender Offer as set out in Part 3 of this document. In particular, but without limit, Qualifying Shareholders wishing to participate in the *In Specie* Consideration Option will be required to enter into a share sale agreement with the Company on substantially similar terms as the Share Sale Agreement.

## **8 RECOMMENDATION**

The Board considers that the proposed Tender Offer is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings totalling 77,800 Ordinary Shares.

The Directors do not intend to tender any of their own Ordinary Shares. The Directors make no recommendation to Shareholders as to whether or not they should tender their Ordinary Shares in the Tender Offer. Whether or not Shareholders decide to tender their Ordinary Shares will depend, among other factors, on their view of the Company's prospects and their own individual circumstances, including their own tax position. Shareholders who are in any doubt as to the action they should take should consult an appropriate independent professional adviser.

Yours faithfully

James Williams  
*Chairman*



## PART 2 – LETTER FROM WINTERFLOOD SECURITIES LIMITED

Riverbank House  
2 Swan Lane  
London  
EC4R 3GA

15 April 2025

To Shareholders of The European Smaller Companies Trust PLC

Dear Shareholder

### 1 TENDER OFFER

As explained in the letter from your Chairman in Part 1 of this document, Eligible Shareholders are being given the opportunity to tender some or all of their Ordinary Shares for purchase in the Tender Offer. The Tender Offer is being made for up to 42.5 per cent. of the existing Ordinary Shares in issue on the Record Date (excluding any Ordinary Shares held in treasury).

The purpose of this letter is to summarise the principal terms and conditions of the Tender Offer.

Winterflood hereby gives Eligible Shareholders on the Register on the Record Date the opportunity to tender Ordinary Shares for purchase by Winterflood either: (a) for cash at the Tender Price per Cash Exit Share; or (b) if you are a Qualifying Shareholder, on terms such that your entitlements to the Tender Price per *In Specie* Exit Share are satisfied through arrangements pursuant to which you acquire portfolio assets of the Company of equivalent value.

The Company has agreed, pursuant to the Repurchase Agreements, to buy back from Winterflood all Ordinary Shares acquired by Winterflood from Tendering Shareholders.

Successful tenders will be determined as follows:

- All Eligible Shareholders tendering up to their Basic Entitlement will have their election satisfied in full.
- In addition, Eligible Shareholders tendering Excess Applications will have their Excess Applications fulfilled if there are remaining Available Shares for such purpose. Such remaining Available Shares will be apportioned to Eligible Shareholders *pro rata* to their Excess Applications should other Eligible Shareholders not tender the full amount of their Basic Entitlement and as a result of certain Overseas Shareholders not being permitted to participate in the Tender Offer.

This letter is not a recommendation to Shareholders to sell or tender their Ordinary Shares or whether to elect for the Cash Exit Option or the *In Specie* Consideration Option and Shareholders are not obliged to tender any Ordinary Shares. Shareholders who wish to continue their investment in the Company should not return a Tender Form or submit a TTE Instruction.

The Tender Price per Cash Exit Share will be determined once the Company's assets have been allocated between the Continuing Pool, the *In Specie* Consideration Pool and the Cash Exit Pool, the assets contained in the Cash Exit Pool have been realised and all the liabilities (including the *pro rata* share of the Tender Offer Costs) to be borne by the Cash Exit Pool have been met. The Tender Price per Cash Exit Share will be an amount equal to the Cash Exit Tender Offer Final Asset Value divided by the total number of Cash Exit Shares.

The Tender Price per *In Specie* Exit Share will be determined once the Company's assets have been allocated between the Continuing Pool, the *In Specie* Consideration Pool and the Cash Exit Pool and the *pro rata* share of the Tender Offer Costs to be borne by the *In Specie* Consideration Pool have been met. The Tender Price per *In Specie* Exit Share will be an amount equal to the *In Specie* Tender Offer Asset Value divided by the total number of *In Specie* Exit Shares.

The Tender Offer is made on the terms and subject to the conditions set out in Part 3 of this document and the Tender Form (for Shareholders holding Ordinary Shares in certificated form and electing for the Cash Exit Option), the terms of which will be deemed to be incorporated in this document and form part of the Tender Offer. In addition, Winterflood may require any Qualifying Shareholder who wishes to elect for the *In Specie* Consideration Option to agree to such further

terms and/or conditions and/or give such additional warranties and/or representations as Winterflood (in its absolute discretion) may require, the terms of which may amend, vary and/or supersede the terms and conditions of the Tender Offer as set out in Part 3 of this document. In particular, but without limit, Qualifying Shareholders wishing to participate in the *In Specie* Consideration Option will be required to enter into a share sale agreement with the Company on substantially similar terms as the Share Sale Agreement.

If the number of Qualifying Shareholders electing for the *In Specie* Consideration Option would, in the opinion of the Directors, in consultation with Winterflood and the Investment Manager, result in it being impractical or impossible for the Company to effect settlement of the *In Specie* Consideration Option, then, unless the Directors (in consultation with Winterflood) exercise their discretion to terminate the Tender Offer in accordance with paragraph 8 of Part 3 of this document, any election by a Qualifying Shareholder for the *In Specie* Consideration Option will be deemed to be an election for the Cash Exit Option.

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

## **2 PROCEDURE FOR TENDERING ORDINARY SHARES**

### **2.1 To elect for the Cash Exit Option**

The procedure for tendering your Ordinary Shares depends on whether your Ordinary Shares are held in certificated or uncertificated form and is summarised below:

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

Eligible Shareholders who wish to elect for the Cash Exit Option and hold their Ordinary Shares in certificated form should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form to the address on it as soon as possible and, in any event, so as to be received by not later than 1.00 p.m. on 16 May 2025. Eligible Shareholders should at the same time return the share certificate(s) and/or other document(s) of title in respect of any Ordinary Shares tendered which are in certificated form. Only those Eligible Shareholders who hold their Ordinary Shares in certificated form should complete and return a Tender Form.

#### **Ordinary Shares held in uncertificated form**

Eligible Shareholders who wish to elect for the Cash Exit Option and who hold their Ordinary Shares in uncertificated form (that is, in CREST) should send a TTE Instruction and follow the procedures set out in paragraph 4.2 of Part 3 of this document in respect of tendering uncertificated Ordinary Shares, which must have been effected by 1.00 p.m. on 16 May 2025.

Eligible Shareholders who wish to elect for the Cash Exit Option and who hold their Ordinary Shares in uncertificated form should note that the Record Date for participation in the Tender Offer is 6.00 p.m. on 16 April 2025. If CREST participants move eligible Ordinary Shares to a different CREST participant ID and CREST Member Account ID following the Record Date they may render those Ordinary Shares ineligible to participate in the Tender Offer.

Euroclear has confirmed that buyer protection and transformation will **not** be supported within the CREST systems, so any post completion obligations will need to be managed bilaterally between the CREST participants.

**Completed Tender Forms and/or TTE Instructions (as appropriate) must be received by the Receiving Agent no later than 1.00 p.m. on 16 May 2025.**

**Shareholders should note that, once tendered, those Ordinary Shares may not be sold, transferred, charged, lent or otherwise disposed of other than in accordance with the Tender Offer. Although the Tender Form for Eligible Shareholders must be returned by 1.00 p.m. on 16 May 2025, the purchase of any Ordinary Shares by Winterflood may not be effected until on or after 27 June 2025. Upon having returned a Tender Form, an Eligible**

**Shareholder is deemed to accept that such a tender application may not be withdrawn or cancelled, save with the consent of the Company, before the Tender Closing Date.**

Full details of the procedure for tendering Ordinary Shares are set out in Part 3 of this document and (for Shareholders holding Ordinary Shares in certificated form) in the Tender Form.

## **2.2 To elect for the *In Specie* Consideration Option**

Qualifying Shareholders who wish to elect for the *In Specie* Consideration Option should contact Winterflood at [ESCT@winterflood.com](mailto:ESCT@winterflood.com) by no later than 5.00 p.m. on 25 April 2025 in order to participate in the *In Specie* Consideration Option and prior to submitting a TTE Instruction.

## **3 VALIDITY OF TENDER FORMS AND TTE INSTRUCTIONS**

Tender Forms or TTE Instructions which are received by the Receiving Agent after the Tender Closing Date or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and, if relevant, returned to Shareholders or their appointed agent at the relevant Shareholder's risk, together with any accompanying share certificate(s) and/or other document(s) of title.

Winterflood reserves the right to treat as valid Tender Forms or TTE Instructions which are not entirely in order and, in the case of Tender Forms, which are not accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

## **4 OVERSEAS SHAREHOLDERS**

The making of the Tender Offer to persons outside the United Kingdom may be prohibited or affected by the relevant laws of the overseas jurisdiction. Shareholders with registered or mailing addresses outside the United Kingdom or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom should read paragraph 10 of Part 3 of this document.

## **5 US SHAREHOLDERS**

The Tender Offer is being made to US Shareholders in compliance with the applicable US tender offer rules under the US Exchange Act, including Regulation 14E thereunder and otherwise in accordance with the requirements of English law, the London Stock Exchange and the FCA. Accordingly, the Tender Offer may be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The attention of US Shareholders is drawn to the section titled "*Notice for US Shareholders*" on page 3 of this document.

## **6 CONDITIONS**

The Tender Offer is conditional on the passing of the Resolution set out in the notice of the General Meeting at the end of this document on 7 May 2025 (or such later date as the Company and Winterflood may determine). The Tender Offer is also conditional on the other matters specified in paragraph 2 of Part 3 of this document. In addition, Winterflood will not purchase any *In Specie* Exit Shares from Qualifying Shareholders who have elected for the *In Specie* Consideration Option unless any specific conditions contained in agreements entered into with such Qualifying Shareholders have been satisfied (or, where applicable, waived).

## **7 TERMINATION OF THE TENDER OFFER**

The Tender Offer may be terminated in the circumstances described in paragraph 8 of Part 3 of this document.

## 8 CALCULATION OF THE TENDER OFFER FAVS

### Cash Exit Tender Offer FAV

The Cash Exit Tender Offer FAV is an amount representing the proportionate value of the Company attributable to the Cash Exit Shares and will be calculated on the Calculation Date on the following basis:

$$\text{Cash Exit Tender Offer FAV} = \text{NAV on Calculation Date} \times \frac{\text{number of Cash Exit Shares}}{\text{total number of Ordinary Shares in issue on Calculation Date (excluding treasury shares)}}$$

The Cash Exit Tender Offer FAV determines the initial allocation of assets to the Cash Exit Pool after which it will be operated as described in the section headed “*Continuing Pool, Cash Exit Pool and In Specie Consideration Pool*” below.

### In Specie Tender Offer FAV

The *In Specie* Tender Offer FAV is an amount representing the proportionate value of the Company attributable to the *In Specie* Exit Shares and will be calculated on the Calculation Date on the following basis:

$$\text{In Specie Tender Offer FAV} = \text{NAV on Calculation Date} \times \frac{\text{number of In Specie Exit Shares}}{\text{total number of Ordinary Shares in issue on Calculation Date (excluding treasury shares)}}$$

The *In Specie* Tender Offer FAV determines the initial allocation of assets to the *In Specie* Consideration Pool after which it will be operated as described in the section headed “*Continuing Pool, Cash Exit Pool and In Specie Consideration Pool*” below.

## 9 CONTINUING POOL, CASH EXIT POOL AND IN SPECIE CONSIDERATION POOL

The Company’s assets and liabilities will, following valuation on the Calculation Date, be allocated between the Continuing Pool, the Cash Exit Pool and the *In Specie* Consideration Pool on the basis set out under “*Allocation of Assets and Liabilities*” below. The net value of the assets and liabilities allocated on the establishment of the Cash Exit Pool will equal the Cash Exit Tender Offer FAV. The net value of the assets and liabilities allocated on the establishment of the *In Specie* Consideration Pool will equal the *In Specie* Tender Offer FAV.

Following the allocation of assets and liabilities to the Continuing Pool, the Cash Exit Pool and the *In Specie* Consideration Pool, the assets of the Cash Exit Pool will be realised and the liabilities will be settled. The Cash Exit Pool will bear its *pro rata* proportion of the Tender Offer Costs and all costs associated with the realisation of the assets within the Cash Exit Pool.

The Cash Exit Pool will bear its share of the operating costs of the Company between the Calculation Date and the Cash Exit Pool Determination Date. These operating costs (other than the management fee and any performance fee) will be borne on a *pro rata* basis between the Cash Exit Pool and the Continuing Pool. No performance fee will accrue on the value of the Cash Exit Pool.

The management fee is payable to the Manager based on the Company’s net assets at the end of each calendar quarter. The Company and the Manager have agreed that the management fee will be payable in respect of the Cash Exit Pool in respect of the period from 1 April 2025 to the Cash Exit Pool Determination Date based on the net assets within the Cash Exit Pool as at the Calculation Date. The management fee will be payable in respect of the *In Specie* Consideration Pool in respect of the period from 1 April 2025 to the date on which the Company’s assets are transferred to Qualifying Shareholders electing for the *In Specie* Consideration Option based on the net assets within the *In Specie* Consideration Pool as at the Calculation Date. The management fee payable in respect of the Continuing Pool will continue to be based on the net assets within the Continuing Pool as at the last day of each quarter. The Company and the Manager have also

agreed to make adjustments to the calculation of the performance fee in respect of the calculation period ending on 30 June 2025 (the “**2025 Performance Fee**”) to adjust for the impact of the Tender Offer and the resulting Exit Shares. The 2025 Performance Fee will not exceed any performance fee which would have become payable to the Manager had the Tender Offer not taken place.

All changes in value of the assets and liabilities allocated to the Cash Exit Pool will be attributable solely to the Cash Exit Pool. Following the date upon which all of the assets contained in the Cash Exit Pool have been realised, and all liabilities to be borne by the Cash Exit Pool (other than *ad valorem* costs) met, the Directors will select a date upon which the Cash Exit Tender Offer Final Asset Value of the Cash Exit Pool will be calculated (the “**Cash Exit Pool Determination Date**”). The Cash Exit Tender Offer Final Asset Value will equal the net asset value of the assets in the Cash Exit Pool on the Cash Exit Pool Determination Date less the relevant proportion of the Tender Offer Costs, less the amount of any stamp duty and commission payable on the repurchase of the Cash Exit Shares and less an amount equal to the accrued liabilities as at the Cash Exit Pool Determination Date. The Cash Exit Pool Determination Date will be as soon as practicable following realisation of the assets in, and payment of liabilities (other than *ad valorem* costs to be payable) to be borne by, the Cash Exit Pool.

If, prior to the Cash Exit Pool Determination Date, the non-cash assets remaining in the Cash Exit Pool represent 5 per cent. or less of the Cash Exit Pool's initial value and the Directors believe that it would be in the best interests of the Exiting Shareholders electing for the Cash Exit Option to complete the realisation of the Cash Exit Pool, they will direct the Manager to sell the remaining assets of the Cash Exit Pool at the best price available, failing which such assets will be transferred to the Continuing Pool at a price to be determined by the Directors taking into account the fact that the assets cannot otherwise be realised in a timely and value-effective manner.

Following the allocation of assets and liabilities to the Continuing Pool, the Cash Exit Pool and the *In Specie* Consideration Pool, the *In Specie* Consideration Pool will bear its *pro rata* proportion of the Tender Offer Costs. The *In Specie* Consideration Pool will also bear the amount of the stamp duty and commission payable on the repurchase of the *In Specie* Exit Shares and the amount of any transfer or registration taxes which the Company is required to pay as transferor in relation to any assets which may be transferred to any Qualifying Shareholder. Portfolio assets equivalent to the Tender Price per *In Specie* Exit Share multiplied by the relevant number of *In Specie* Exit Shares will then be transferred to Exiting Shareholders electing for the *In Specie* Consideration Option. It is expected that such transfer will take place on or around 27 May 2025.

## **10 TENDER PRICES**

The Tender Price per Cash Exit Share will be an amount equal to the Cash Exit Tender Offer Final Asset Value divided by the total number of Cash Exit Shares (rounded down to two decimal places), in each case on the Cash Exit Pool Determination Date.

The Tender Price per *In Specie* Exit Share will be an amount equal to the *In Specie* Tender Offer Asset Value divided by the total number of *In Specie* Exit Shares.

## **11 ALLOCATION OF ASSETS AND LIABILITIES**

Assets and liabilities will be allocated between the Cash Exit Pool, the *In Specie* Consideration Pool and the Continuing Pool at the Calculation Date on the following basis:

11.1 all debtors and other receivables will be allocated to the Continuing Pool;

11.2 all quoted investments, other than those included under paragraph 11.3 below, will be allocated *pro rata* between the Cash Exit Pool, the *In Specie* Consideration Pool and the Continuing Pool by reference to the respective values of each pool, subject to any adjustments to reflect the allocation of other assets and liabilities in accordance with this paragraph 11. For such purposes the calculations will be rounded down to the nearest whole number of securities for each security so allocated;

11.3 any investments whose listing has been suspended and any other assets which the Directors consider it would be inappropriate to transfer to the Cash Exit Pool and/or the *In Specie* Consideration Pool (e.g. stocks subject to corporate actions) will be allocated to the Continuing



Pool at the value reflected in the accounting records (which will reflect the Directors' assessment of fair value);

- 11.4 the cash and near cash assets of the Company will be divided in whatever proportion is necessary such that the net assets attributable to the Cash Exit Pool are equal to the Cash Exit Tender Offer FAV, the net assets attributable to the *In Specie* Consideration Pool are equal to the *In Specie* Tender Offer FAV and the net assets attributable to the Continuing Pool are equal to the NAV of the Company less the Cash Exit Tender Offer FAV and the *In Specie* Tender Offer FAV, although, subject to the Company's cash position as at the Calculation Date, the Directors shall be entitled to allocate a greater proportion of cash and near cash assets to the Cash Exit Pool plus in respect of the *In Specie* Consideration Pool such cash as is necessary to settle the *pro rata* share of the Tender Offer Costs plus any stamp duty and commission payable on the repurchase of the *In Specie* Exit Shares to be borne by the *In Specie* Consideration Pool plus any transfer or registration taxes which the Company is required to pay as transferor in relation to any assets which may be transferred to any Qualifying Shareholder; and
- 11.5 all liabilities recognised in the Company's accounting records as at the Calculation Date will be allocated to the Continuing Pool save that the liabilities of the Company relating to the Tender Offer Costs will be borne entirely by and allocated to each of the Cash Exit Pool and the *In Specie* Consideration Pool in proportion to the value of such pools as at the Calculation Date.

## **12 GENERAL**

In allocating and/or valuing assets and liabilities pursuant to paragraph 11 under "*Allocation of Assets and Liabilities*" above the Directors shall be entitled, in any case where the allocation or valuation of any asset or liability in accordance with any of the above provisions is, in the opinion of the Directors, manifestly incorrect or unfair, to adopt an alternative basis of allocation or method of valuation (as the case may be).

The Company will prepare, or procure the preparation of, the calculation of the Net Asset Value, the Cash Exit Tender Offer FAV, the Cash Exit Tender Offer Final Asset Value, the *In Specie* Tender Offer FAV, the *In Specie* Tender Offer Asset Value, the Tender Price per Cash Exit Share, and the Tender Price per *In Specie* Exit Share. Such calculations will be reviewed by BDO LLP.

## **13 SETTLEMENT**

Subject to the Tender Offer becoming unconditional in respect of the Cash Exit Option, cash payments to Eligible Shareholders under the Cash Exit Option whose tenders have been accepted are to be made (by a sterling cheque or by a CREST payment, as appropriate) not later than 5 Business Days following the announcement of the Tender Price per Cash Exit Share, which is currently expected to be by 25 June 2025. However, the realisation period will depend on the market environment, and the Company will provide an update by way of a RIS announcement once the realisation of the assets within the Cash Exit Pool is complete with the amount and payment date of the Tender Price per Cash Exit Share being advised at that time. For technical reasons, to support the Euroclear CREST corporate action event, a Cash Exit Option payment date of 2 July 2025 is stated within CREST, but will be amended (as required) to the announced CREST cash payment date once the RIS announcement is issued.

It is expected that the portfolio assets equal to the *In Specie* Tender Offer Asset Value will be transferred to Exiting Shareholders electing for the *In Specie* Consideration Option on 27 May 2025.

## **14 FURTHER INFORMATION**

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

Yours faithfully

**Winterflood Securities Limited**

## PART 3 – TERMS AND CONDITIONS OF THE TENDER OFFER

### 1 TENDERS

- 1.1 All Eligible Shareholders may tender Ordinary Shares for purchase by Winterflood (acting as principal) on the terms and subject to the conditions set out in this document and, in the case of Ordinary Shares held in certificated form, the accompanying Tender Form (which, together with this document, constitutes the Tender Offer). Shareholders are not obliged to tender any Ordinary Shares.

**If Shareholders wish to continue their existing investment in the Company at the same level of Ordinary Shares, they should not return a Tender Form or TTE Instruction.**

- 1.2 The Tender Offer is being made at: (a) the Tender Price per Cash Exit Share for those Eligible Shareholders electing for the Cash Exit Option; and (b) the Tender Price per *In Specie* Exit Share for those Qualifying Shareholders electing for the *In Specie* Consideration Option. The Company will determine the number of Ordinary Shares successfully tendered at the Tender Price and such determination will be conclusive and binding on all Shareholders.
- 1.3 If the number of Qualifying Shareholders electing for the *In Specie* Consideration Option would, in the opinion of the Directors, in consultation with Winterflood and the Investment Manager, result in it being impractical or impossible for the Company to effect settlement of the *In Specie* Consideration Option, then, unless the Directors (in consultation with Winterflood) exercise their discretion to terminate the Tender Offer in accordance with paragraph 8 of Part 3 of this document, any election by a Qualifying Shareholder for the *In Specie* Consideration Option will be deemed to be an election for the Cash Exit Option.
- 1.4 The consideration for each tendered Ordinary Share acquired by Winterflood pursuant to the Tender Offer will be satisfied in accordance with the settlement procedures set out in paragraph 5 below.
- 1.5 Upon the Tender Offer becoming unconditional and unless the Tender Offer has been (and remains) suspended or has lapsed or has been terminated in accordance with the provisions of paragraph 2 or paragraph 8 of this Part 3, Winterflood will accept the offers of Eligible Shareholders validly made in accordance with this Part 3.
- 1.6 The maximum number of Ordinary Shares that will be acquired by Winterflood under the Tender Offer and subsequently repurchased by the Company pursuant to the Repurchase Agreements will not, in aggregate, exceed 42.5 per cent. of the issued share capital of the Company (excluding Ordinary Shares held in treasury) at the Record Date.
- 1.7 Basic Entitlements will be calculated by reference to registered shareholdings as at the Record Date and will be rounded down to the nearest whole number of Ordinary Shares. Registered Eligible Shareholders who hold Ordinary Shares for multiple beneficial owners may decide allocations among such beneficial owners at their own discretion.
- 1.8 Eligible Shareholders may tender Ordinary Shares in excess of their respective Basic Entitlement at the Tender Price. Such Eligible Shareholders will have their Excess Applications fulfilled if there are remaining Available Shares for such purpose. Such remaining Available Shares will be apportioned to Eligible Shareholders *pro rata* to their Excess Applications should other Eligible Shareholders not tender the full amount of their Basic Entitlement and as a result of certain Overseas Shareholders not being permitted to participate in the Tender Offer.

### 2 CONDITIONS AND SUSPENSION

- 2.1 The Tender Offer is conditional on the following (together the “**Tender Offer Conditions**”):
- 2.1.1 the passing of the Resolution set out in the notice of the General Meeting at the end of this document by not later than 7 May 2025 (or such later date as the Company and Winterflood may agree);
- 2.1.2 the Directors and Winterflood being satisfied that the Company has sufficient distributable reserves (as defined in section 830 of the Act) to effect the purchase of all relevant Exit Shares pursuant to the Repurchase Agreements;

- 2.1.3 Saba having elected or procured an election for the *In Specie* Consideration Option in respect of the Committed Shares;
  - 2.1.4 the Tender Offer not resulting in any person being interested in Ordinary Shares which, when taken together with Ordinary Shares in which persons acting in concert with them (within the meaning of the Takeover Code) are interested, carry 30 per cent. or more of the voting rights of the Company; and
  - 2.1.5 the Tender Offer not having lapsed or been terminated in accordance with paragraph 8 of this Part 3.
- 2.2 In addition to the Tender Offer Conditions, the *In Specie* Consideration Option is conditional on the following (together the “***In Specie* Consideration Option Conditions**”):
- 2.2.1 the relevant Repurchase Agreement not having been terminated in accordance with its terms;
  - 2.2.2 the obligations of Winterflood under the relevant Repurchase Agreement having become unconditional in accordance with its terms;
  - 2.2.3 Saba having complied with its obligations under the Share Sale Agreement; and
  - 2.2.4 Winterflood being satisfied, acting in good faith, that (A) at all times up to and immediately prior to the date on which the Tender Offer Conditions and the *In Specie* Consideration Option Condition in 2.2.1 become satisfied, the Company has complied with its obligations under the relevant Repurchase Agreement and (B) as at the date on which the Tender Offer Conditions and the *In Specie* Consideration Option Condition in 2.2.1 become satisfied, the Company is not in breach of any of the representations and warranties given under the relevant Repurchase Agreement.
- 2.3 In addition to the Tender Offer Conditions, the Cash Exit Option is conditional on the following (together the “**Cash Exit Option Conditions**”):
- 2.3.1 the *In Specie* Consideration Option having become unconditional and completed in accordance with its terms (save in circumstances where the number of Qualifying Shareholders electing for the *In Specie* Consideration Option would, in the opinion of the Directors, in consultation with Winterflood and the Investment Manager, result in it being impractical or impossible for the Company to effect settlement of the *In Specie* Consideration Option and the Directors have not exercised their discretion to terminate the Tender Offer, and any election by a Qualifying Shareholder for the *In Specie* Consideration Option is therefore deemed to be an election for the Cash Exit Option);
  - 2.3.2 the relevant Repurchase Agreement not having been terminated in accordance with its terms;
  - 2.3.3 the obligations of Winterflood under the relevant Repurchase Agreement having become unconditional in accordance with its terms; and
  - 2.3.4 Winterflood being satisfied, acting in good faith, that (A) at all times up to and immediately prior to the date on which the Cash Exit Option Conditions in 2.3.1 and 2.3.2 become satisfied, the Company has complied with its obligations under the relevant Repurchase Agreement and (B) as at the date on which the Cash Exit Option Conditions in 2.3.1 and 2.3.2 become satisfied, the Company is not in breach of any of the representations and warranties given under the relevant Repurchase Agreement.
- 2.4 Winterflood will not purchase any *In Specie* Exit Shares pursuant to the Tender Offer unless the Tender Offer Conditions and the *In Specie* Consideration Option Conditions have been satisfied (or, where applicable, waived). The Tender Offer Conditions, other than 2.1.3 and 2.1.4, may not be waived by Winterflood. The *In Specie* Consideration Option Conditions, other than 2.2.2, 2.2.3 and 2.2.4, may not be waived by Winterflood. If the Tender Offer Conditions and *In Specie* Consideration Option Conditions are not satisfied (or, where applicable, waived) prior to the close of business on 30 June 2025, the Company may postpone the completion of the Tender Offer for up to 10 Business Days, after which time the Tender Offer, if not then completed, will lapse. In addition, Winterflood will not purchase any *In Specie* Exit Shares from Qualifying Shareholders who have elected for the *In Specie* Consideration Option unless any specific conditions contained in any agreements entered into



with such Qualifying Shareholders have been satisfied (or, where applicable, waived). In particular, but without limit, Qualifying Shareholders wishing to participate in the *In Specie* Consideration Option will be required to enter into a share sale agreement with the Company on substantially similar terms as the Share Sale Agreement.

- 2.5 Winterflood will not purchase any Cash Exit Shares pursuant to the Tender Offer unless the Tender Offer Conditions and the Cash Exit Option Conditions have been satisfied (or, where applicable, waived). The Tender Offer Conditions, other than 2.1.3 and 2.1.4, may not be waived by Winterflood. The Cash Exit Option Conditions, other than 2.3.3 and 2.3.4, may not be waived by Winterflood. If the Tender Offer Conditions and Cash Exit Option Conditions are not satisfied (or, where applicable, waived) prior to the close of business on 31 August 2025, the Company may postpone the completion of the Cash Exit Option for up to 10 Business Days, after which time the Cash Exit Option, if not then completed, will lapse.
- 2.6 If the Company (acting through the Directors) shall, at any time prior to Winterflood effecting the purchase as principal of the tendered Ordinary Shares pursuant to the Tender Offer (or any of them), notify Winterflood in writing that in its reasonable opinion either: (i) it has become impractical or inappropriate for the Company to fund the repurchase of Ordinary Shares pursuant to either or both of the Repurchase Agreements without materially harming the interests of Shareholders as a whole; or (ii) the completion of the purchase of Ordinary Shares under the Tender Offer could have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, the Company may either exercise its powers to terminate the Tender Offer in accordance with paragraph 8 of this Part 3 or may postpone the completion of the Tender Offer for up to 10 Business Days, after which the Tender Offer, if not then completed by reason of the postponement circumstances continuing, will lapse.

### **3 CALCULATION OF THE TENDER PRICES**

- 3.1 The Tender Price per Cash Exit Share shall be an amount equal to the Cash Exit Tender Offer Final Asset Value divided by the total number of Cash Exit Shares (rounded down to two decimal places), in each case on the Cash Exit Pool Determination Date.
- 3.2 The Tender Price per *In Specie* Exit Share shall be an amount equal to the *In Specie* Tender Offer Asset Value divided by the total number of *In Specie* Exit Shares (rounded down to two decimal places) as at the Calculation Date.

### **4 PROCEDURE FOR TENDERING ORDINARY SHARES**

There are different procedures for tendering Ordinary Shares depending on whether your Ordinary Shares are held in certificated or uncertificated form.

If you hold Ordinary Shares in certificated form and you wish to elect for the Cash Exit Option, you may only tender such Ordinary Shares by completing and returning the Tender Form in accordance with the procedure set out in paragraph 4.1 below. Additional Tender Forms are available by contacting the Receiving Agent by telephone on +44 (0) 371 384 2911.

If you hold Ordinary Shares in uncertificated form (that is, in CREST) and you wish to elect for the Cash Exit Option, you may only tender such Ordinary Shares by TTE Instruction in accordance with the procedure set out in paragraph 4.2 below and, if those Ordinary Shares are held under different account IDs, you should send a separate TTE Instruction for each Member Account ID.

If you are in any doubt as to how to complete the Tender Form or as to the procedure for electing for the Cash Exit Option, please contact Equiniti Limited on +44 (0) 371 384 2911. Calls outside the United Kingdom will be charged at the applicable international rate. Equiniti are open between 8.30 a.m. – 5.30 p.m., Monday to Friday (excluding public bank holidays in England and Wales). Please note, Equiniti can only provide information regarding the completion of forms and cannot provide you with advice on the merits of the Tender Offer or as to whether Shareholders should take up the Tender Offer or provide any personal, legal, financial or tax advice.

If you hold Ordinary Shares in certificated form or uncertificated form and you wish to elect for the *In Specie* Consideration Option you should follow the procedure set out in paragraph 4.3 below.

#### **4.1 Procedure for electing for the Cash Exit Option in respect of Ordinary Shares held in certificated form (that is, not in CREST)**

To elect for the Cash Exit Option in respect of your Ordinary Shares held in certificated form you must complete, sign and have witnessed the Tender Form.

The completed, signed and witnessed Tender Form should be sent by post in the accompanying reply-paid envelope (for use in the UK only) to the Receiving Agent at Equiniti Limited, 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 16 May 2025. Winterflood shall be entitled (in its sole discretion) to accept late Tender Forms. No acknowledgement of receipt of documents will be given.

The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 1.00 p.m. on 16 May 2025 together with any share certificate(s) and/or document(s) of title you may have available, accompanied by a letter of explanation stating that the (remaining) share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, by not later than 1.00 p.m. on 16 May 2025.

The Receiving Agent will effect such procedures as are required to transfer your shares to Winterflood under the Tender Offer. If you have lost your share certificate(s) and/or other document(s) of title, you should write to the Registrar at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to request a letter of indemnity in respect of the lost share certificate(s) which, when completed in accordance with the instructions given, should be returned to the Receiving Agent so as to be received by not later than 1.00 p.m. on 16 May 2025.

By signing the Tender Form, Eligible Shareholders will be deemed to have instructed Winterflood to issue a contract note to the Receiving Agent on behalf of such Eligible Shareholder and to remit the cash consideration to the Receiving Agent with instructions that such consideration be remitted in accordance with the instructions set out in the Tender Form.

#### **4.2 Procedure for electing for the Cash Exit Option in respect of Ordinary Shares held in uncertificated form (that is, in CREST)**

If the Ordinary Shares which you wish to elect for the Cash Exit Option are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which you wish to elect for the Cash Exit Option to an escrow balance, specifying Equiniti Limited (in its capacity as a CREST receiving agent under its Participant ID and Member Account ID referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to the relevant escrow account settles by not later than 1.00 p.m. on 16 May 2025. Winterflood shall be entitled (in its sole discretion) to accept late transfers to escrow.

Eligible Shareholders who wish to elect for the Cash Exit Option and who hold their Ordinary Shares in uncertificated form should note that the Record Date for participation in the Tender Offer is 6.00 p.m. on 16 April 2025. If CREST participants move eligible Ordinary Shares to a different CREST participant ID and CREST Member Account ID following the Record Date, they may render those Ordinary Shares ineligible to participate in the Tender Offer.

Euroclear has confirmed that buyer protection and transformation will not be supported within the CREST systems, so any post completion obligations will need to be managed bilaterally between the CREST participants.

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 a TTE Instruction to Euroclear in relation to the Ordinary Shares which you wish to elect for the Cash Exit 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 specification and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the corporate action number;
- the number of Ordinary Shares to be transferred to an escrow balance;
- your Member Account ID;
- your Participant ID;
- the Participant ID of the escrow agent, in its capacity as a CREST receiving agent. This is 2RA70;
- the relevant Member Account ID of the escrow agent. This is CASHTEND for the Cash Exit Option;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on 16 May 2025;
- the ISIN of the Ordinary Shares, which is GB00BMCF8689;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number 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 agent until completion, termination or lapsing of the Tender Offer. If the Tender Offer becomes unconditional in respect of the Cash Exit Option, the Receiving Agent will transfer the Ordinary Shares which are accepted for purchase to Winterflood.

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

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 16 May 2025. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. Winterflood shall be entitled (in its sole discretion) to accept late TTE Instructions to settle.

An appropriate announcement will be made if any of the details contained in this paragraph 4.2 are altered.

#### **4.3 Procedure for electing for the *In Specie* Consideration Option**

**Qualifying Shareholders who wish to elect for the *In Specie* Consideration Option should contact Winterflood at [ESCT@winterflood.com](mailto:ESCT@winterflood.com) by no later than 5.00 p.m. on 25 April 2025 in order for that Qualifying Shareholder to participate in the *In Specie* Consideration Option and prior to taking any action (including, for those who hold their Ordinary Shares in uncertificated form, prior to submitting a TTE Instruction (as outlined below)).**

Winterflood may require any Qualifying Shareholder who wishes to elect for the *In Specie* Consideration Option to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as Winterflood (in its absolute discretion) may require, the terms of which may amend, vary and/or supersede the terms and conditions of the

Tender Offer set out in this Part 3. In particular, but without limit, Qualifying Shareholders wishing to participate in the *In Specie* Consideration Option will be required to enter into a share sale agreement with the Company on substantially similar terms as the Share Sale Agreement.

Qualifying Shareholders wishing to elect for the *In Specie* Consideration Option and whose Ordinary Shares are held in uncertificated form will be required, among other things, to take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which you wish to elect for the *In Specie* Consideration Option to an escrow balance, specifying Equiniti Limited (in its capacity as a CREST receiving agent under its Participant ID and Member Account ID referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to the relevant escrow account settles by not later than 1.00 p.m. on 16 May 2025. Winterflood shall be entitled (in its sole discretion) to accept late transfers to escrow.

Eligible Shareholders who wish to elect for the *In Specie* Consideration Option and who hold their Ordinary Shares in uncertificated form should note that the Record Date for participation in the Tender Offer is 6.00 p.m. on 16 April 2025. If CREST participants move eligible Ordinary Shares to a different CREST participant ID and CREST Member Account ID following the Record Date, they may render those Ordinary Shares ineligible to participate in the Tender Offer.

Euroclear has confirmed that buyer protection and transformation will not be supported within the CREST systems, so any post completion obligations will need to be managed bilaterally between the CREST participants.

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 a TTE Instruction to Euroclear in relation to the Ordinary Shares which you wish to elect for the *In Specie* Consideration 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 specification and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the corporate action number;
- the number of Ordinary Shares to be transferred to an escrow balance;
- your Member Account ID;
- your Participant ID;
- the Participant ID of the escrow agent, in its capacity as a CREST receiving agent. This is 2RA70;
- the relevant Member Account ID of the escrow agent. This is INSPECIE for the *In Specie* Consideration Option;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on 16 May 2025;
- the ISIN of the Ordinary Shares, which is GB00BMCF8689;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number 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 agent until completion, termination or lapsing of the Tender Offer. If the Tender Offer becomes unconditional in respect of the *In Specie* Consideration Option, the Receiving Agent will transfer the Ordinary Shares which are accepted for purchase to Winterflood.

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

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 16 May 2025. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. Winterflood shall be entitled (in its sole discretion) to accept late TTE Instructions to settle.

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

Notwithstanding the powers in paragraph 9.4 below, Winterflood reserves the right to treat as valid only: (i) (in the case of Ordinary Shares held in certificated form) Tender Forms which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof; or (ii) (in the case of Ordinary Shares held in uncertificated form) settled TTE Instructions, in each case to be received entirely in order by no later than 1.00 p.m. on 16 May 2025 in respect of the entire number of Ordinary Shares tendered. The Record Date for the Tender Offer is 6.00 p.m. on 16 April 2025. The Tender Closing Date is 1.00 p.m. on 16 May 2025.

Winterflood shall be entitled to accept Tender Forms or TTE Instructions which are received after the Tender Closing Date in its sole discretion. The decision of Winterflood as to which Ordinary Shares have been validly tendered shall be conclusive and binding on all Shareholders.

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

### **5 ANNOUNCEMENT OF THE TENDER OFFER RESULTS AND SETTLEMENT**

- 5.1 Unless terminated in accordance with the provisions of this Part 3, the Tender Offer will close for Shareholders at 1.00 p.m. on 16 May 2025 and it is expected that on 20 May 2025 the Company will make a public announcement of the total number of Ordinary Shares tendered and, if applicable, the extent to which tenders will be scaled back and the number of tendered Ordinary Shares which will be purchased by Winterflood from Shareholders who have tendered Ordinary Shares in excess of their Basic Entitlement.
- 5.2 The completion of the repurchase of the *In Specie* Exit Shares is expected to be announced on 27 May 2025.
- 5.3 The Tender Price per Cash Exit Share will be announced once all assets in the Cash Exit Pool have been realised, which is expected to be by 25 June 2025. However, the exact timing will be reflective of market conditions and the Company will provide an update by way of a RIS announcement once the realisation of the Cash Exit Pool is complete with the Tender Price per Cash Exit Share and payment date being advised at that time. For technical reasons, to support the Euroclear CREST corporate action event, a Cash Exit Option payment date of 2 July 2025 is stated within CREST, but will be amended (as required) to the announced CREST cash payment date once the RIS announcement is issued.
- 5.4 Delivery of cash to Shareholders for the Ordinary Shares to be purchased under the Cash Exit Option will be made by the Receiving Agent as follows:

#### **Ordinary Shares held in certificated form (that is, not in CREST):**

Where an accepted tender relates to Ordinary Shares held in certificated form, cheques for the consideration due will be dispatched by the Receiving Agent by first class post to the person or agent whose name and address is set out in Box 1 (or Box 4) of the Tender Form or, if none is set out, to the registered address of the Tendering Shareholder or, in the case of joint holders, the address of the first named. All cash payments will be made by cheque drawn on a branch of a UK clearing bank.



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

Where an accepted tender relates to Ordinary Shares held in uncertificated form, the consideration due will be paid by means of CREST by Winterflood procuring the creation of an assured payment obligation in favour of the Tendering Shareholder's payment bank in accordance with the CREST assured payment arrangements.

- 5.5 Under no circumstances will interest be paid on the cash to be paid by the Company, Winterflood or the Receiving Agent.
- 5.6 Payments of consideration will be made in sterling. Entitlements to a fraction of a penny will be rounded down to the nearest whole penny.

**5.7 Settlement under Cash Exit Option**

Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Winterflood under the Cash Exit Option is expected to be made by 2 July 2025. However, the exact timing will be reflective of market conditions and the Company will provide an update by way of a RIS announcement once the realisation of the Cash Exit Pool is complete with the Tender Price per Cash Exit Share and payment date being advised at that time.

**5.8 Settlement under the *In Specie* Consideration Option**

Portfolio assets equivalent to the Tender Price per *In Specie* Exit Share multiplied by the relevant number of *In Specie* Exit Shares will be transferred to Exiting Shareholders electing for the *In Specie* Consideration Option. It is expected that such transfer will take place on or around 27 May 2025. Qualifying Shareholders electing for the *In Specie* Consideration Option should contact Winterflood on ESCT@winterflood.com by no later than 5.00 p.m. on 25 April 2025 in order to effect settlement. Winterflood may require any Qualifying Shareholder who wishes to elect for the *In Specie* Consideration Option to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as Winterflood (in its absolute discretion) may require, the terms of which may amend, vary and/or supersede the terms and conditions of the Tender Offer set out in this Part 3. In particular, but without limit, Qualifying Shareholders wishing to participate in the *In Specie* Consideration Option will be required to enter into a share sale agreement with the Company on substantially similar terms as the Share Sale Agreement.

**5.9 Unsatisfied tenders**

If only part of a holding of Ordinary Shares is sold pursuant to the Tender Offer or if, because of scaling back of Excess Applications, any tendered Ordinary Shares are not purchased pursuant to the terms of the Tender Offer:

- 5.9.1 where the Ordinary Shares are held in certificated form, the relevant Tendering Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Ordinary Shares not later than 10 Business Days following the date on which the results of the Tender Offer are announced; or
- 5.9.2 where the Ordinary Shares are held in uncertificated form (that is, in CREST), the unsold Ordinary Shares will be transferred by the Receiving Agent to the original account from which those Ordinary Shares came not later than two Business Days following the date on which the results of the Tender Offer are announced.

**6 REPRESENTATIONS AND WARRANTIES**

Each Shareholder by whom, or on whose behalf, a Tender Form or TTE Instruction (as applicable) is executed or made irrevocably undertakes, represents, warrants and agrees to and with Winterflood (for itself and for the benefit of the Company) (so as to bind them, their personal representatives, heirs, successors and assigns) that:

- 6.1 the execution of the Tender Form shall constitute an offer to sell to Winterflood such number of Ordinary Shares set out therein, in each case on and subject to the terms and conditions set out or referred to in this document (and the Tender Form) and that, once lodged, such offer shall be irrevocable;

- 6.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Winterflood, Winterflood will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Tender Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- 6.3 the execution of the Tender Form will, subject to the Tender Offer becoming unconditional in respect of the Cash Exit Option, constitute the irrevocable appointment of any director or officer of Winterflood as such Shareholder's attorney, and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Ordinary Shares referred to in sub-paragraph 6.1 above in favour of Winterflood or such other person or persons as Winterflood may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or other document(s) relating to such Ordinary Shares, for registration within six months of the Tender Offer becoming unconditional in respect of the Cash Exit Option and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Winterflood or its nominee(s) or such other person(s) as Winterflood may direct such Ordinary Shares;
- 6.4 the input of the TTE Instruction shall constitute an offer to sell to Winterflood such number of Ordinary Shares as are specified in the TTE Instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and that once the TTE Instruction has settled, such tender shall be irrevocable without the consent of Winterflood;
- 6.5 the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as the Shareholder's attorney and an irrevocable instruction and authority to the attorney (i) subject to the Tender Offer becoming unconditional, to transfer to itself by means of CREST and then to transfer to Winterflood (or to such person or persons as Winterflood may direct) by means of CREST all of the Relevant Shares (as defined below) in respect of which the Tender Offer is accepted or deemed to be accepted (but not exceeding the number of Ordinary Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer is terminated or does not become unconditional and lapses, or there are Ordinary Shares which have not been successfully tendered under the Tender Offer, to give instructions to Euroclear, as promptly as practicable after the termination or lapsing of the Tender Offer, to transfer the Relevant Shares to the original accounts from which those Ordinary Shares came. For the purposes of this paragraph 6.5, "**Relevant Shares**" means Ordinary Shares in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this paragraph 6.5;
- 6.6 such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Winterflood or the Receiving Agent or any of their respective directors or any person nominated by Winterflood or the Receiving Agent in the proper exercise of their powers and/or authorities hereunder;
- 6.7 if such Shareholder holds Ordinary Shares in certificated form, they will deliver to the Receiving Agent their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares referred to in sub-paragraph 6.1 above, or an indemnity acceptable to Winterflood in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, no later than the Tender Closing Date;
- 6.8 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Winterflood to be desirable, in each case to complete the purchase of the Ordinary Shares (or any Relevant Shares, as applicable) and/or to perfect any of the authorities expressed to be given hereunder;
- 6.9 if such Shareholder is an Overseas Shareholder: (i) they are not in Australia, Canada, Japan, New Zealand or South Africa or in any territory in which it is unlawful to make or accept the Tender Offer; (ii) they have fully observed any applicable legal and regulatory requirements of

the territory in which such Overseas Shareholder is resident or located; and (iii) the invitation under the Tender Offer may be made to such Overseas Shareholder under the laws of the relevant jurisdiction;

- 6.10 such Shareholder has not received or sent copies or originals of this document or the Tender Form or any related documents and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of Australia, Canada, Japan, New Zealand or South Africa, that the Tender Form has not been mailed or otherwise sent in, into or from Australia, Canada, Japan, New Zealand or South Africa, and that such Shareholder is not accepting the Tender Offer from Australia, Canada, Japan, New Zealand or South Africa;
- 6.11 if such Shareholder holds Ordinary Shares in certificated form, the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- 6.12 in the case of Cash Exit Shares held in certificated form, the despatch of a cheque in respect of any cash consideration to which they are entitled under the Tender Offer to a Shareholder at their registered address or such other address as is specified in the Tender Form will constitute a complete discharge by Winterflood of its obligations to make such payment to such Shareholder;
- 6.13 in the case of Cash Exit Shares held in uncertificated form (that is, in CREST), the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements, as referred to in paragraph 5 above will, to the extent of the obligations so created, discharge fully any obligation of Winterflood to pay to such Shareholder the consideration to which they are entitled under the Tender Offer;
- 6.14 if such Shareholder holds Ordinary Shares in certificated form, on execution the Tender Form takes effect as a deed;
- 6.15 the execution, delivery or posting of the Tender Form and/or input of the TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer;
- 6.16 if, for any reason, any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to the Tender Closing Date, converted into certificated form, the tender through CREST in respect of such Ordinary Shares shall cease to be valid; and
- 6.17 if the appointment of attorney provision under paragraph 6.3 or 6.5 above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Winterflood or the Receiving Agent (as applicable) the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Winterflood or the Receiving Agent (as applicable) to secure the full benefits of paragraph 6.3 or 6.5 above.

A reference in this paragraph 6 to a Shareholder includes a reference to the person or persons executing the Tender Form and, in the event of more than one person executing a Tender Form, the provisions of this paragraph 6 will apply to them jointly and to each of them.

## **7 ADDITIONAL PROVISIONS**

- 7.1 Each Eligible Shareholder may tender some or all of its holding of Ordinary Shares as at the Record Date by the Tender Closing Date, subject to the scaling back of tenders in excess of such Shareholder's Basic Entitlement on the basis provided in paragraph 1 of this Part 3.
- 7.2 Ordinary Shares acquired by Winterflood under the Tender Offer will be purchased by Winterflood as principal and such purchases will be market purchases within the meaning of section 693(4) of the Companies Act and in accordance with the rules of the London Stock Exchange and the Financial Conduct Authority.
- 7.3 Ordinary Shares sold by Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching



thereto on or after the Tender Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date.

- 7.4 Unless it has been suspended or terminated prior to such time in accordance with the provisions of paragraphs 2 or 8 of this Part 3, the Tender Offer will close at 1.00 p.m. on 16 May 2025 and any documentation received after that time will (unless the Receiving Agent, Winterflood and the Company, in their absolute discretion determine otherwise) be returned without any transaction taking place.
- 7.5 Each Shareholder who tenders or procures the tender of Ordinary Shares will thereby be deemed to have agreed that, in consideration of Winterflood agreeing to process their tender, such Shareholder will not revoke their tender or withdraw their Ordinary Shares without the prior written consent of Winterflood. Shareholders should note that, once tendered, Ordinary Shares may not be sold, transferred, charged, lent or otherwise disposed of.
- 7.6 Any omission to despatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 7.7 No acknowledgement of receipt of any Tender Form, TTE Instruction, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.
- 7.8 Subject to paragraph 9 below, all tenders by certificated holders must be made on the relevant prescribed Tender Form, duly completed in accordance with the instructions set out thereon, which constitute part of the terms of the Tender Offer. A Tender Form will only be valid when the procedures contained in these terms and conditions and in the Tender Form are complied with. The Tender Offer and all tenders will be governed by and construed in accordance with English law.
- 7.9 If the Tender Offer does not become unconditional, is terminated or lapses, all documents lodged pursuant to the Tender Offer will be returned or sent promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 1 or Box 4 (as applicable) of the Tender Form or, if none is set out, to the Shareholder or, in the case of joint holders, the first named at their registered address. No such documents will be sent to an address in Australia, Canada, Japan, New Zealand or South Africa. In the case of Ordinary Shares held in uncertificated form, the Receiving Agent, in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer terminating or lapsing, give instructions to Euroclear to transfer all Ordinary Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original accounts from which those Ordinary Shares came. In any of these circumstances, Tender Forms will cease to have any effect.
- 7.10 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall, in the case of Ordinary Shares held in certificated form, constitute part of the terms of the Tender Offer. The definitions set out in Part 7 of this document apply to the terms and conditions set out in this Part 3.
- 7.11 The decision of Winterflood as to which Ordinary Shares have been successfully tendered shall be conclusive and binding on all Shareholders.
- 7.12 Further copies of this document and the Tender Form may be obtained on request from the Receiving Agent at the address set out in the Tender Form.
- 7.13 Ordinary Shares purchased pursuant to the Tender Offer will be acquired from Winterflood by the Company on the London Stock Exchange pursuant to the Repurchase Agreements and will be cancelled or held in treasury.

## 8 TERMINATION OF THE TENDER OFFER

If the Company (acting through the Directors) shall, at any time prior to Winterflood effecting the purchase as principal of the tendered Ordinary Shares pursuant to the Tender Offer (or any of them), notify Winterflood in writing that in its reasonable opinion either: (i) it has become impractical or inappropriate for the Company to fund the repurchase of Ordinary Shares pursuant to either or both of the Repurchase Agreements without materially harming the interests of Shareholders as a whole; or (ii) as a result of any change in national or international financial, economic, political or market conditions, the cost of realisation of assets to fund the Tender Offer has become prohibitive; or (iii) the completion of the purchase of Ordinary Shares under the Tender Offer could have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed; or (iv) the number of Qualifying Shareholders electing for the *In Specie* Consideration Option means that the settlement of the *In Specie* Consideration Option would become impractical or impossible, Winterflood and/or the Company shall be entitled at their complete discretion by a public announcement and subsequent written notice to Shareholders to terminate the Tender Offer, in which event the Tender Offer shall terminate immediately or as otherwise specified in such announcement.

## 9 MISCELLANEOUS

- 9.1 Any changes to the terms, or any suspension, extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof and in any event no later than close of business on the Business Day following the date of such changes. Such an announcement will be released to a Regulatory Information Service. In such cases, the terms mentioned in this document in relation to the Tender Offer shall be deemed adjusted accordingly. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company by Winterflood to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to a Regulatory Information Service.
- 9.2 Tendering Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes or stamp duty in the UK on the purchase by Winterflood of Ordinary Shares pursuant to the Tender Offer. The stamp duty costs to be borne by the Company on repurchase of the Ordinary Shares will be reflected in the Tender Price per Cash Exit Share and the Tender Price per *In Specie* Exit Share. A Qualifying Shareholder electing for the *In Specie* Consideration Option will be responsible for and will bear any stamp duty, stamp duty reserve tax or transfer or registration taxes (whether UK or non-UK), as appropriate, on the value of the portfolio securities which may be transferred to such Qualifying Shareholder and which are required to be borne by a transferee.
- 9.3 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Winterflood or the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 9.4 Winterflood reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and TTE Instructions and may consider void and reject any tender that does not in Winterflood's sole judgement (acting reasonably) meet the requirements of the Tender Offer to which such Tender Form or TTE Instruction relates. Winterflood also reserves the absolute right to waive any defect or irregularity in the tender of any Ordinary Shares, including any Tender Form or TTE Instruction (in whole or in part) which is not entirely in order or which is not accompanied (in the case of Ordinary Shares held in certificated form) by the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to Winterflood in lieu thereof. In that event, for Ordinary Shares held in certificated form, the consideration in the Tender Offer will only be despatched when the Tender Form is entirely in order and the share certificate(s) and/or other document(s) of title or indemnities satisfactory to Winterflood has/have been received. None of Winterflood, the Company, the Receiving Agent or any other

person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

- 9.5 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.
- 9.6 All powers of attorney and authorities on the terms conferred by or referred to in this Part 3 or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 of England and Wales.

## **10 OVERSEAS SHAREHOLDERS**

- 10.1 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom or custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to tender for purchase Ordinary Shares to satisfy himself, herself, or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholder will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Winterflood and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay.
- 10.2 In particular, the Tender Offer is not being made available directly or indirectly in or into or by the use of the mails of by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange of, Australia, Canada, Japan, New Zealand or South Africa. Accordingly, copies of this document, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed or sent in, into or from Australia, Canada, Japan, New Zealand or South Africa, including to Shareholders with registered addresses in Australia, Canada, Japan, New Zealand or South Africa or to persons who are custodians, nominees or trustees holding Ordinary Shares for persons in Australia, Canada, Japan, New Zealand or South Africa. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from Australia, Canada, Japan, New Zealand or South Africa or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and doing so will render invalid any purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked in Australia, Canada, Japan, New Zealand or South Africa or otherwise dispatched from Australia, Canada, Japan, New Zealand or South Africa and all accepting Shareholders must provide addresses outside Australia, Canada, Japan, New Zealand or South Africa for the remittance of cash or return of Tender Forms and share certificate(s) or other document(s) of title.
- 10.3 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related documents in, into or from Australia, Canada, Japan, New Zealand or South Africa or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange of Australia, Canada, Japan, New Zealand or South Africa in connection with such forwarding, such persons should: (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 10.

- 10.4 The provisions of this paragraph 10 and any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Winterflood and the Company in their absolute discretion but only if Winterflood and the Company are satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law.
- 10.5 The provisions of this paragraph 10 supersede any terms of the Tender Offer which may be inconsistent herewith.
- 10.6 Overseas Shareholders should inform themselves about and observe any applicable or legal regulatory requirements. If any Overseas Shareholder is in doubt about their position, they should consult their professional adviser in the relevant territory.

## **11 US SHAREHOLDERS**

The Tender Offer is being made to US Shareholders in compliance with the applicable US tender offer rules under the US Exchange Act, including Regulation 14E thereunder and otherwise in accordance with the requirements of English law, the London Stock Exchange and the FCA. Accordingly, the Tender Offer may be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The attention of US Shareholders is drawn to the section titled “*Notice for US Shareholders*” on page 3 of this document.

## **12 DATA PROTECTION**

The tendering of Ordinary Shares by Shareholders in the Tender Offer may involve the provision to the Company as data controller of personal data in respect of the relevant Shareholder, which may include information in respect of anti-money laundering and “know your customer” obligations. Provision and processing of this data is necessary for a Shareholder to enter into the contract to tender Ordinary Shares under the Tender Offer. The Company will share any such personal data with the Registrar and Winterflood and the Company’s other professional advisers for the purposes of completing the Tender Offer. Any such personal data shall not be shared with any other person or used for any other purpose. The personal data may be transferred to, and stored at, a country outside the country of residence of a Shareholder, including countries outside of the EEA. Where personal data is transferred to third parties outside the EEA, the Company will ensure that those transfers take place in accordance with applicable data protection laws, including by entering into data transfer agreements with recipients. The Company will retain any such personal data for so long as is required by applicable law and regulation. Individuals whose personal data is held by the Company may be entitled to access their personal information, or to request that it is erased, that its processing is restricted, or that any inaccurate personal information is rectified. Such individuals may also have the right to object to the processing of their personal information, or in some circumstances to obtain a copy of the personal information in machine readable format. Any such request should be submitted in writing to the Company at its registered office address. Individuals also have the right to complain about the use of their personal information to any applicable supervisory authority, which in the UK is the Information Commissioner’s Office ([www.ico.org.uk](http://www.ico.org.uk)).

## **13 MODIFICATIONS**

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

## PART 4 – TAXATION

*The following comments do not constitute tax advice. They are intended only as a general guide based on UK law and HMRC's published practice as at the date of this document. Both law and practice may change at any time. The comments relate only to Shareholders who are, and have at all relevant times been, resident for tax purposes solely in the UK. They apply only to Shareholders who are the absolute beneficial owners of their Ordinary Shares and of any dividends payable on them and who hold their Ordinary Shares as investments.*

*Certain categories of Shareholders may be subject to special tax rules. These include dealers in securities, financial institutions, insurance companies, collective investment schemes and Shareholders who are treated as having acquired their Shares by reason of any office or employment. The position of such Shareholders is not addressed in these comments. Nor is the position of any Shareholders who are involved in arrangements to avoid tax or obtain a tax advantage.*

*All Shareholders, including those who may be subject to taxation outside the UK, should consult their own tax advisers.*

### 1 TENDER OFFER

A Shareholder who sells their Ordinary Shares under the Tender Offer (whether under the Cash Exit Option or the *In Specie* Consideration Option) should be treated, for the purposes of UK taxation of chargeable gains, as having sold them to a third party in the market.

A disposal of Ordinary Shares by a UK resident Shareholder may, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

Shareholders that are not UK resident will not generally be subject to UK taxation of chargeable gains on a disposal of their Ordinary Shares, provided that their Ordinary Shares are not and have not been acquired, held or used in or for the purposes of any trade, profession or vocation carried on by the Shareholder in the UK through a branch, agency or permanent establishment. It should however be noted that, in certain circumstances, an individual Shareholder who is only temporarily non-UK resident may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of temporary non-residence.

### Anti-avoidance

Under anti-avoidance rules contained in UK tax legislation and principles derived from case law, HMRC may in certain circumstances seek to counteract tax advantages arising from certain transactions in securities by treating some or all of the proceeds as distributions of income, rather than as proceeds of a capital nature. No clearance has been sought or is to be sought by the Company from HMRC to the effect that HMRC will not seek to apply these rules and principles to Shareholders in respect of the Tender Offer.

### 2 STAMP DUTY AND STAMP DUTY RESERVE TAX ("SDRT")

Stamp duty at a rate of 0.5 per cent. of the price for the Ordinary Shares repurchased, rounded up to the nearest £5.00 if necessary, will be payable by the Company on its purchase of Ordinary Shares from Winterflood.

Shareholders who elect to sell their Ordinary Shares under the *In Specie* Consideration Option will be responsible for paying any stamp duty, stamp duty reserve tax and other transfer or registration taxes (whether UK or non-UK) in relation to the transfer to them of any assets of the Company and such Shareholders should seek their own independent advice in relation to these matters.



## PART 5 – ADDITIONAL INFORMATION

### 1 DIRECTORS AND THEIR INTERESTS

As at 11 April 2025 (being the latest practicable date prior to publication of this document), the interests of the Directors in the issued share capital of the Company were as follows:

Name	Number of Ordinary Shares	Percentage of issued Ordinary Share capital*
James Williams	18,000	0.005%
Daniel Burgess	32,000	0.008%
Simona Heidempergher	12,800	0.003%
Ann Grevelius	15,000	0.004%

\* Excluding Ordinary Shares held in treasury

### 2 MAJOR INTERESTS IN ORDINARY SHARES

So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at the date of this document, the following persons held, directly or indirectly, three per cent. or more of the issued Ordinary Shares or the Company's voting rights:

Name	Number of Ordinary Shares	Percentage of issued Ordinary Share capital*
Saba Capital Management, LP	114,271,776	29.0%
Janus Henderson Group plc	20,344,520	5.2%
Jefferies Financial Group Inc.	19,776,229	5.0%
City of London Investment Management Company Limited	19,729,842	5.0%
Allspring Global Investments Holdings LLC	17,429,675	4.4%

\* Excluding Ordinary Shares held in treasury

### 3 SIGNIFICANT CHANGES

There has been no significant change in the financial position of the Company since 31 December 2024, being the date to which the latest interim financial information has been published.

### 4 CITY CODE ON TAKEOVERS AND MERGERS

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, when taken together with shares in which they are already interested and in which persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all remaining shareholders to acquire their shares. A general offer, if required under Rule 9 of the Takeover Code, must be in cash and at not less than the highest price paid by the person required to make the offer or any person acting in concert with them for any interest in shares of the company during the 12 months prior to announcement of the offer.

Rule 37 of the Takeover Code states that when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. However, note 1 on Rule 37.1 states that a person who comes to

exceed the limits in Rule 9.1 in consequence of a company's redemption or purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is, or is presumed to be, acting in concert with any of the directors. A person who has appointed a representative to the board of the company, and investment managers of investment trusts, will be treated for these purposes as a director. However, this exception will not normally apply when a shareholder not acting in concert with a director or investment manager of an investment trust has purchased shares at a time when they had reason to believe that such a purchase of their own shares by the company would take place.

Subject to the Tender Offer becoming unconditional, Winterflood will purchase, as principal, voting shares in the Company which could result in Winterflood coming to have an interest in such Ordinary Shares carrying 30 per cent. or more of the voting rights of the Company. Winterflood will, in accordance with the Repurchase Agreements, sell all those Ordinary Shares acquired pursuant to the Tender Offer to the Company for cancellation or to hold in treasury and the Company has unconditionally undertaken to buy all such Ordinary Shares. Winterflood has undertaken that whilst it is interested in the Exit Shares it will not exercise any rights attached to those Ordinary Shares. Accordingly, the Takeover Panel has agreed that Rule 9 of the Takeover Code will not apply to the purchase by Winterflood of the Ordinary Shares under the Tender Offer.

## **5 IRREVOCABLE UNDERTAKING AND STANDSTILL AGREEMENT**

The Company has received an irrevocable undertaking from Saba pursuant to which Saba has, in respect of the Committed Shares, undertaken to use best endeavours: (i) to vote or procure a vote in favour of the Resolution; and (ii) to elect or procure an election for the *In Specie* Consideration Option.

The Company has also entered into a Standstill Agreement with Saba pursuant to which Saba has agreed, amongst other things:

- (a) that Saba shall not, and shall procure that its affiliates shall not, during the Standstill Period, (i) require the Board to convene a general meeting of the Company pursuant to section 303 of the Companies Act, or (ii) exercise any voting rights available to remove, or publicly propose the removal of, any member of the Board;
- (b) that Saba shall use best endeavours to, and shall use best endeavours to procure that its affiliates shall, procure that the registered holder of any Ordinary Shares in respect of which it or any of its affiliates is able (at the relevant record time for voting) to control the right to exercise (or procure the exercise of) any voting rights, shall, during the Standstill Period, exercise such voting rights in respect of specified ordinary course resolutions to be proposed at any general meeting of the Company, including any Continuation Resolution, in line with the Board's recommendation;
- (c) that Saba shall, and shall procure that its affiliates shall, procure that the registered holder of any Ordinary Shares in respect of which it or any of the Saba Investment Vehicles is able (at the relevant record time for voting) to control the right to exercise (or procure the exercise of) any voting rights, shall not, during the Standstill Period, exercise such voting rights to vote against any resolution for the election or re-election of a Director;
- (d) that Saba shall, and shall procure that its affiliates shall, procure that the registered holder of any Ordinary Shares in respect of which it or any of the Saba Investment Vehicles is able (at the relevant record time for voting) to control the right to exercise (or procure the exercise of) any voting rights, shall not, following completion of the implementation of the Tender Offer, vote against the recommendation of the Board on any other resolution proposed at a general meeting of the Company; and
- (e) that Saba shall not, and shall use reasonable endeavours to procure that its affiliates shall not, prior to the earlier of, (i) 30 September 2025 (or such other date as Saba and the Company may agree) and, (ii) completion of the *In Specie* Consideration Option (or the Cash Exit Option, if Saba is deemed to have elected for such option in accordance with the terms and conditions of the Tender Offer set out in this document), increase the aggregate beneficial interests held (including through any financial instruments) by the Saba Investment Vehicles in the share capital of the Company.

Saba has also agreed to make a payment to the Company of a prescribed sum in circumstances in which, on or before 31 December 2025, a specified transaction, implemented by any other specified investment trust in which Saba Investment Vehicles have participated, has completed and pursuant to which any Saba Investment Vehicles are able to exit not less than 15 per cent. of the issued share capital of such specified investment trust (excluding shares held in treasury) at a discount of more than 1 per cent. to the per share net asset value of such specified investment trust (provided, however, that any deduction from the per share net asset value to take account of costs, stamp duty, transfer taxes or other taxes associated with the specified transaction shall in no event be considered to have resulted in a discount of more than 1 per cent.) (but, for the avoidance of doubt, any deduction for costs, stamp duty, transfer taxes or other taxes associated with the specified transaction shall count towards the discount of 1 per cent.). The “prescribed sum” in these circumstances being two per cent. of the amount equal to either (a) the Tender Price per *In Specie* Exit Share or (b) in the event that Saba is deemed to have elected for the Cash Exit Option in accordance with the terms of the Circular, the Tender Price per Cash Exit Share, in both cases multiplied by the number of Ordinary Shares that the Company repurchases from Saba pursuant to the Tender Offer.

The Standstill Agreement is subject to certain carve outs, including in respect of the Saba RICS, and will terminate at the end of the Standstill Period or earlier in the event of material and continuing breach of the Standstill Agreement.

The Standstill Period is the period from the execution of the agreement and ending on the earlier of: (i) conclusion of the Company's annual general meeting to be held in 2028; (ii) subject to the proviso at the end of this paragraph, 7 May 2025, if the Resolution is not passed at the General Meeting on or prior to such date; (iii) 30 September 2025, if the implementation of the *In Specie* Consideration Option (or the Cash Exit Option, if Saba is deemed to have elected for such option in accordance with the terms and conditions of the Tender Offer set out in this document) of the Tender Offer is not completed by such date; (iv) the date on which the Company has ceased to pursue the Tender Offer (with no intention of resuming and implementing the Tender Offer ahead of 30 September 2025) or it has ceased to be possible for the *In Specie* Consideration Option (or the Cash Exit Option, if Saba is deemed to have elected for such option in accordance with the terms and conditions of the Tender Offer set out in this document) of the Tender Offer to be completed by 30 September 2025; and (v) the date on which the Tender Offer has lapsed or been terminated in accordance with its terms, provided that if (a) the Resolution is put to the General Meeting by 7 May 2025 and is not passed at such General Meeting in circumstances where all Ordinary Shares which are beneficially owned by the Janus Henderson Group plc or its subsidiaries have been voted in favour of the Resolution, and (b) the Board has not withdrawn or contradicted its recommendation to vote in favour of the Resolution, the Standstill Period shall end on the date which is nine months following the date of the Standstill Agreement.

The Standstill Agreement is governed by and construed in accordance with English law.

## **6 REPURCHASE AGREEMENTS**

The Company and Winterflood entered into a repurchase agreement on 15 April 2025 pursuant to which the Company has agreed, subject to the satisfaction of the Tender Offer Conditions and the Cash Exit Option Conditions, to purchase from Winterflood, on the London Stock Exchange, such number of Ordinary Shares as Winterflood shall purchase pursuant to the Cash Exit Option, at an aggregate price equal to the amount paid by Winterflood for its purchase of the Cash Exit Shares.

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

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

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

The Company and Winterflood entered into a second repurchase agreement on 15 April 2025 pursuant to which the Company has agreed, subject to the satisfaction of the Tender Offer Conditions and the *In Specie* Consideration Option Conditions, to purchase from Winterflood, on the



London Stock Exchange, such number of Ordinary Shares as Winterflood shall purchase pursuant to the *In Specie* Consideration Option, at an aggregate price equal to the amount paid by Winterflood for its purchase of the *In Specie* Exit Shares.

In acquiring *In Specie* Exit Shares pursuant to valid tenders made under the *In Specie* Consideration Option and in selling such *In Specie* Exit Shares to the Company, Winterflood will act as principal.

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

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

## **7 SHARE SALE AGREEMENT**

The Company and Saba entered into a Share Sale Agreement on 15 April 2025 pursuant to which Saba, in respect of all of the Committed Shares which become *In Specie* Exit Shares (the “**Accepted Saba Shares**”), has agreed to procure the purchase of the relevant proportion of the Company’s portfolio of assets within the *In Specie* Consideration Pool.

The consideration for the purchase of the relevant proportion of the Company’s portfolio of assets within the *In Specie* Consideration Pool shall be the Tender Price per *In Specie* Exit Share multiplied by the number of Accepted Saba Shares. Under the Share Sale Agreement, Saba has agreed to procure the payment of all transfer or registration taxes properly incurred in connection with the transfer of the relevant proportion of the Company’s portfolio of assets within the *In Specie* Consideration Pool pursuant to the Share Sale Agreement.

The Share Sale Agreement contains customary warranties given by the Company to Saba and customary warranties given by Saba to the Company.

The Share Sale Agreement is governed by and construed in accordance with English law.

## **8 GENERAL**

Winterflood has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

## PART 6 – RISK FACTORS

The Directors consider that the following risk factors should be considered by Shareholders prior to deciding how to cast their votes at the General Meeting and whether or not to participate in the Tender Offer. Shareholders in any doubt about the action they should take should consult a suitably qualified independent financial adviser authorised under the FSMA if in the United Kingdom, or from another appropriately authorised independent financial adviser if in a territory outside of the United Kingdom, without delay.

Investment in the Ordinary Shares involves a degree of risk. The risks described below are all of the material risks applicable to the Company of which the Directors are aware as at the date of this document. Additional risks that are not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company.

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

### Conditionality of the Tender Offer

Implementation of the Tender Offer is conditional, *inter alia*, upon the Resolution being passed at the General Meeting. In the event that the Resolution is not passed, the Tender Offer will not proceed and the Company will be required to bear certain fixed costs relating to the Tender Offer.

### Risks associated with the Tender Offer

The repurchase by the Company of Ordinary Shares pursuant to the Tender Offer will result in the issued share capital of the Company being reduced and the Company may therefore be smaller. Consequently, the fixed costs of the Company would be spread over fewer Ordinary Shares and the Company's total expense ratio may increase. Accordingly, Shareholders who do not tender all of their Ordinary Shares under the Tender Offer may experience reduced returns following implementation of the Tender Offer by reason of the increased total expense ratio. In addition, the Ordinary Shares may become less liquid due to the decreased size of the Company following implementation of the Tender Offer.

A Shareholder who does not tender their Ordinary Shares under the Tender Offer may, following completion of the Tender Offer, own a higher percentage of the issued share capital of the Company than prior to the implementation of the Tender Offer. As a result, a Shareholder wishing to realise their investment in the Company following implementation of the Tender Offer may experience greater difficulty in disposing of their shareholding in the Company than they would have experienced had they sought to dispose of their shareholding on market prior to the implementation of the Tender Offer.

Tender Forms and TTE Instructions, once submitted, are irrevocable. Shareholders should note that all Ordinary Shares tendered will be held in escrow by the Registrar and may not be switched, sold, transferred, charged, lent or otherwise disposed of other than in accordance with the Tender Offer.

The Tender Price per Cash Exit Share will be dependent on the price at which the assets comprising the Cash Exit Pool are realised. There can be no assurance as to the value that will be realised from such assets as this will depend on the performance of individual assets within the Cash Exit Pool, the ability of the Manager to sell them and the value realised from the assets relative to the Company's current valuation.

The Tender Price per Cash Exit Share may represent a significant discount to the Net Asset Value per Ordinary Share due primarily to the cost of realising the assets in the Cash Exit Pool and the costs of the Tender Offer (including stamp duty and commissions). In particular, Shareholders should note that the Company invests in smaller companies which are typically less liquid. This may affect the price at which such holdings can be realised within a reasonable timeframe which may ultimately impact the net proceeds of the Cash Exit Pool and hence the Tender Price per Cash Exit Share. Shareholders should also note that there could be a significant period of time between the Tender Closing Date and the date on which all of the assets comprising the Cash Exit Pool will be

realised, following which Shareholders will receive payment of the Tender Price per Cash Exit Share.

Furthermore, the volatility currently being experienced in global markets caused by geopolitical factors may adversely impact the price at which assets in the Cash Exit Pool can be realised and the time necessary to realise such assets.

Eligible Shareholders should note that if they choose to participate in the Tender Offer, the Tender Price will be determined, for those electing or deemed to have elected for the Cash Exit Option, based on the realisation value of the Cash Exit Pool net of the *pro rata* share of the Tender Offer Costs and less any stamp duty and commission payable on the repurchase of the Cash Exit Shares and less accrued liabilities as at the Cash Exit Pool Determination Date (or, for those electing for the *In Specie* Consideration Option, based on the value of the holdings in the *In Specie* Consideration Pool net of the *pro rata* share of the Tender Offer Costs and less the amount of any stamp duty and commission payable on the repurchase of the *In Specie* Exit Shares and less transfer or registration taxes which the Company as transferor is required to pay in relation to any assets which may be transferred to any Qualifying Shareholder), which may be less than the price at which they bought their Ordinary Shares or the price or value at which they might ultimately realise their Ordinary Shares should they continue to hold them.

If the number of Qualifying Shareholders electing for the *In Specie* Consideration Option would, in the opinion of the Directors, in consultation with Winterflood and the Investment Manager, result in it being impractical or impossible for the Company to effect settlement of the *In Specie* Consideration Option, then, unless the Directors (in consultation with Winterflood) exercise their discretion to terminate the Tender Offer in accordance with paragraph 8 of Part 3 of this document, any election by a Qualifying Shareholder for the *In Specie* Consideration Option will be deemed to be an election for the Cash Exit Option. In these circumstances, the greater size of the positions in the Cash Exit Pool may result in increased time to sell the underlying holdings and greater potential for short-term volatility and have an adverse impact on the Tender Price per Cash Exit Share.

If the Tender Offer does not proceed for any reason, the Company would bear certain fixed costs in relation to the Tender Offer.

In addition, Shareholders should refer to the information contained in the section headed "Taxation" in Part 4 of this document in relation to any tax consequences relating to the Tender Offer.

### **Economic conditions**

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and other factors, could substantially and adversely affect the Company's prospects.

### **Foreign currency risks**

The Company invests in securities which are not denominated or quoted in sterling, the Company's functional and presentational currency. The movement of exchange rates between sterling and any other currencies in which the Company's investments are denominated (predominantly Euros) may affect the sterling value of those investments.

The Manager does not currently use derivative instruments to hedge the investment portfolio against currency risks.

### **Smaller companies**

The Company invests in smaller companies. As smaller companies do not generally have the financial strength, diversity and resources of large companies they may find it more difficult to overcome periods of economic slow down or recession. In addition, the relatively small market capitalisation of such companies may make the market in their shares less liquid. In the event that smaller companies take a downturn, this may affect the performance of smaller companies in which the Company is invested.

### **No guarantee the Company will meet its investment objective**

Achieving the Company's investment objective and generating returns for investors is dependent upon the continued ability of the Manager to pursue the Company's investment objective, and

implement the investment strategy, successfully. There can be no assurance that the Manager will continue to be successful in exercising judgment in investment decisions, pursuing the Company's investment objective and implementing the investment strategy or that the Manager will be able to invest the Company's assets on attractive terms, generate any investment returns for the Company's investors or avoid investment losses.

### **Cyber and technology risk**

The information and technology systems of the Company's service providers (including, in particular, the Manager and Investment Manager) may be vulnerable to operational, information and physical security and related risks, including resulting from failures of, or breaches in, cybersecurity, such as damage or interruption from cyber criminals and infiltration by unauthorised persons, viruses and malware, network, computer and telecommunication failures, failure of any technology system, security breaches, usage errors by its professionals, power outages and catastrophic events such as fires.

While the Manager and the Investment Manager, along with the Company's other service providers, have established information technology resilience and security related continuity plans and adequate controls to seek to prevent cyber and technology risks, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified.

If any of the cyber or technology risks described above were to materialise, it may cause material disruption to, and have a material adverse impact on, the Company's operations, including violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

Further, none of the Company, the Manager or the Investment Manager can control the security plans, strategies, systems, policies and procedures put in place by the entities in which the Company invests to manage cyber and technology risks. Any failure of an investee company to effectively manage cyber and technology risks could have an adverse effect on the Company's Portfolio and consequently on the Company's financial condition, and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Ordinary Shares.

### **Borrowing risk**

The Company may use borrowings to seek to enhance investment returns. Whilst the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is positive and exceeds the cost of the borrowings, it will have the opposite effect where the return on the Company's underlying assets is at a lower rate than the cost of the borrowings, reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Ordinary Share.

As a result of gearing, any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its NAV (which is likely to adversely affect the price of an Ordinary Share). Any reduction in the number of Ordinary Shares in issue (for example, as a result of share buybacks, including the Tender Offer) will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

The borrowings which the Company uses contain certain covenants, being the accepted market practice. If assets owned by the Company decrease in value, such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; payment of a fee to the lender; or a sale of an asset. This could result in a total or partial loss of equity value for each specific asset, or indeed the Company as a whole.

**Reliance on the Manager, Investment Manager and their key personnel**

The Manager is solely responsible for the management of the Company's investments, with the Manager delegating its portfolio management responsibilities to the Investment Manager. All its investment and asset management decisions are in the ordinary course made by the Manager and the Investment Manager and not by the Company. The Company is therefore reliant upon, and its ability to achieve its investment objective and generate returns for investors depends on, the Manager and the Investment Manager and their personnel, services and resources.

Further, the ability of the Company to pursue its investment objective and policy successfully depends on the continued service of key personnel of the Manager and the Investment Manager, and/or the Manager's and the Investment Manager's ability to recruit individuals of similar experience and calibre. Whilst the Manager and the Investment Manager seek to ensure that the principal members of their management teams are suitably incentivised, the retention of key members of those teams cannot be guaranteed. There is no guarantee that following the death, disability or departure from the Manager or the Investment Manager of any key personnel the Manager or the Investment Manager would be able to recruit a suitable replacement or avoid any delay in doing so. The loss of key personnel and any inability to recruit an appropriate replacement in a timely fashion could have an adverse effect on the future performance of the Company, with a consequential adverse effect on returns to Shareholders and the market value of the Ordinary Shares.

The Manager and the Investment Manager are not required to commit all their resources to the Company's affairs. Insofar as the Manager and the Investment Manager devote resources to their responsibilities to other business interests, their ability to devote resources and attention to the Company's affairs will be limited.

**Past performance is not a guarantee or an indication of the future performance of the Company**

The information contained in this document relating to the prior performance of investments made by the Manager and the Investment Manager on behalf of the Company is being provided for illustrative purposes only and is not indicative of the likely future performance of the Company. Shareholders should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that the Company will achieve comparable results or be able to avoid losses.

**Conflicts of interest**

The Manager, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment adviser to other clients, including funds and managed accounts that may have similar investment objectives and policies to that of the Company. These investment management services may on occasion give rise to conflicts of interest with the Company and may have a material adverse effect on the Company's business, financial condition and the market price of the Ordinary Shares. For example, the Manager, the Investment Manager and/or their affiliates may have conflicts of interest in allocating their time and activity between the Company and their other clients, in allocating investments among the Company and their other clients and in effecting transactions between the Company and other clients, including ones in which the Manager, the Investment Manager and/or their affiliates may have a greater financial interest. The Manager and the Investment Manager will manage conflicts of interest in accordance with their policies and procedures relating to conflicts of interest. However, there can be no assurance that the Manager and the Investment Manager will resolve all conflicts of interest in a manner that is favourable to the Company.



## PART 7 – DEFINITIONS

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

<b>2025 Performance Fee</b>	has the meaning given in paragraph 9 of Part 2 of this document
<b>Accepted Saba Shares</b>	has the meaning given in paragraph 7 of Part 5 of this document
<b>Available Shares</b>	the total number of Ordinary Shares available to be acquired under the Tender Offer and representing 42.5 per cent. of the Ordinary Shares in issue (excluding Ordinary Shares held in treasury), rounded down to the nearest whole number of Ordinary Shares, as at the Record Date
<b>Basic Entitlement</b>	has the meaning given to such term in paragraph 3.1 of Part 1 of this document
<b>Board or Directors</b>	the directors of the Company or any duly constituted committee thereof
<b>Business Day</b>	any day other than a Saturday, Sunday or public holiday in England and Wales
<b>Calculation Date</b>	close of business on 19 May 2025
<b>Cash Exit Option</b>	the option for Eligible Shareholders to elect to receive cash in respect of some or all of their Ordinary Shares tendered under the Tender Offer
<b>Cash Exit Option Conditions</b>	has the meaning given to it in paragraph 2.3 of Part 3 of this document
<b>Cash Exit Pool</b>	the pool of cash and assets to be created in accordance with the terms of the Tender Offer and relating to the Exiting Shareholders (other than Qualifying Shareholders that have elected for the <i>In Specie</i> Consideration Option)
<b>Cash Exit Pool Determination Date</b>	the date specified by the Directors as being as soon as practicable following the date on which all assets in the Cash Exit Pool (other than any contingent assets, if any) have been realised and settled and liabilities (other than <i>ad valorem</i> costs to be payable) have been paid and on which the Cash Exit Tender Offer Final Asset Value attributable to the Cash Exit Pool will be calculated
<b>Cash Exit Share</b>	an Ordinary Share which has been successfully tendered for purchase by Winterflood pursuant to the Cash Exit Option
<b>Cash Exit Tender Offer FAV</b>	the formula asset value as calculated in accordance with paragraph 8 of Part 2 of this document
<b>Cash Exit Tender Offer Final Asset Value</b>	the unaudited net asset value of the assets in the Cash Exit Pool on the Cash Exit Pool Determination Date less: (a) the relevant proportion of the Tender Offer Costs; (b) the amount of any stamp duty and commission payable on the repurchase of the Cash Exit Shares; and (c) an amount equal to the accrued liabilities attributable to the Cash Exit Pool as at the Cash Exit Pool Determination Date
<b>certificated or in certificated form</b>	not in uncertificated form
<b>Committed Shares</b>	the 115,386,122 Ordinary Shares in respect of which any Saba Investment Vehicle is entitled to instruct that all the votes in relation to such Ordinary Shares are cast
<b>Companies Act</b>	the Companies Act 2006
<b>Company or ESCT</b>	The European Smaller Companies Trust PLC

<b>Continuation Resolution</b>	a resolution to approve the continuation of the Company
<b>Continuing Pool</b>	the pool of stocks, cash, assets and liabilities to be created in accordance with the terms of the Tender Offer and relating to those Shareholders who are not Exiting Shareholders
<b>Court</b>	The High Court of Justice in England and Wales
<b>CREST</b>	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
<b>CREST Manual</b>	the compendium of documents entitled CREST Manual issued by Euroclear from time to time
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations)
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance published by the FCA and transparency rules made by the FCA under Section 73A of FSMA
<b>Eligible Shareholder</b>	a Shareholder who is eligible to participate in the Tender Offer (which excludes certain Overseas Shareholders as detailed in Part 3 of this document)
<b>Equiniti</b>	Equiniti Limited
<b>Euroclear</b>	Euroclear UK & International Limited, the operator of CREST
<b>Excess Application</b>	has the meaning given to such term in paragraph 3.1 of Part 1 of this document
<b>Exit Shares</b>	the Cash Exit Shares and the <i>In Specie</i> Exit Shares
<b>Exiting Shareholders</b>	those Shareholders who have successfully tendered Ordinary Shares for purchase pursuant to the Tender Offer
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom
<b>Form of Proxy</b>	the personalised form of proxy for use by Shareholders in relation to the General Meeting, which accompanies this document
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>General Meeting</b>	the general meeting of the Company convened for 2.00 p.m. on 7 May 2025 (or any adjournment thereof), notice of which is set out at the end of this document
<b>HMRC</b>	HM Revenue & Customs
<b><i>In Specie</i> Consideration Option</b>	the option for Qualifying Shareholders to elect to receive an <i>In Specie</i> transfer of assets of the Company in respect of some or all of their Ordinary Shares tendered under the Tender Offer
<b><i>In Specie</i> Consideration Option Conditions</b>	has the meaning given to it in paragraph 2.2 of Part 3 of this document
<b><i>In Specie</i> Consideration Pool</b>	the pool of the Company's portfolio of assets to be established under the Tender Offer in respect of Qualifying Shareholders making valid elections for the <i>In Specie</i> Consideration Option
<b><i>In Specie</i> Exit Share</b>	an Ordinary Share which has been successfully tendered for purchase by Winterflood pursuant to the <i>In Specie</i> Consideration Option and such further terms and/or conditions as Winterflood (in its absolute discretion) may require
<b><i>In Specie</i> Tender Offer Asset Value</b>	the <i>In Specie</i> Tender Offer FAV less the relevant proportion of the Tender Offer Costs and less the amount of any stamp duty and

	commission payable on the repurchase of the <i>In Specie</i> Exit Shares and less the amount of any transfer or registration taxes which the Company as transferor is required to pay in relation to any assets which may be transferred to any Qualifying Shareholder
<b><i>In Specie</i> Tender Offer FAV</b>	the formula asset value as calculated in accordance with paragraph 8 of Part 2 of this document
<b>Investment Manager</b>	Janus Henderson Investors UK Limited
<b>London Stock Exchange Manager</b>	London Stock Exchange PLC
<b>Member Account ID</b>	the identification code or number attached to any member account in CREST
<b>Net Asset Value or NAV</b>	the value of the assets of the Company less its liabilities determined in accordance with the accounting policies and principles adopted by the Board from time to time
<b>Net Asset Value per Ordinary Share</b>	the Net Asset Value divided by the number of Ordinary Shares then in issue (excluding any Ordinary Shares held in treasury)
<b>Ordinary Shares</b>	ordinary shares of 1.5625 pence each in the capital of the Company
<b>Overseas Shareholder</b>	a Shareholder who is a citizen or national of, or resident in, a jurisdiction outside the United Kingdom or the United States or a custodian, nominee or trustee for a citizen, national or resident of a jurisdiction outside the United Kingdom or the United States
<b>Participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>Qualifying Shareholders</b>	Eligible Shareholders that: (i) if they were clients of Winterflood, would be categorised as “professional clients” pursuant to Chapter 3 of the FCA’s Conduct of Business Sourcebook; (ii) can demonstrate to Winterflood’s satisfaction that they are capable of taking custody of a <i>pro rata</i> share of the Company’s portfolio; and (iii) agree to enter into the relevant documentation required to effect the lawful transfer of a <i>pro rata</i> share of the Company’s portfolio, including, without limit, an agreement on substantially the same terms as the Share Sale Agreement
<b>Receiving Agent or Registrar</b>	Equiniti Limited
<b>Record Date</b>	6.00 p.m. on 16 April 2025
<b>Register</b>	the register of members of the Company
<b>Regulatory Information Service or RIS</b>	a service approved by the London Stock Exchange for the distribution to the public of announcements
<b>Related Party Transactions</b>	has the meaning given to such term in paragraph 3.8 of Part 1 of this document
<b>Repurchase Agreements</b>	together: <ul style="list-style-type: none"> <li>(i) the agreement dated 15 April 2025 between the Company and Winterflood relating to the repurchase by the Company on the London Stock Exchange of the Cash Exit Shares purchased by Winterflood pursuant to the Tender Offer; and</li> <li>(ii) the agreement dated 15 April 2025 between the Company and Winterflood relating to the repurchase by the Company on the London Stock Exchange of the <i>In Specie</i> Exit Shares purchased by Winterflood pursuant to the Tender Offer,</li> </ul>

	summaries of which are set out in paragraph 6 of Part 5 of this document
<b>Requisitioned General Meeting</b>	has the meaning given to such term in paragraph 2 of Part 1 of this document
<b>Resolution</b>	the special resolution to be proposed at the General Meeting and contained in the notice of the General Meeting at the end of this document
<b>Saba</b>	Saba Capital Management, L.P.
<b>Saba Investment Vehicles</b>	any funds, accounts and investment vehicles managed, advised or sub-advised by Saba or any of its affiliates, excluding the Saba RICS
<b>Saba RICS</b>	means any investment companies from time to time registered under the U.S. Investment Company Act of 1940, as amended which are managed by Saba or any of its affiliates
<b>SEC</b>	The United States Securities and Exchange Commission
<b>Second Requisition Notice</b>	has the meaning given to such term in paragraph 2 of Part 1 of this document
<b>Share Sale Agreement</b>	the agreement dated 15 April 2025 between the Company and Saba relating to the acquisition by Saba of the relevant proportion of the Company's portfolio of assets within the <i>In Specie</i> Consideration Pool, a summary of which is set out in paragraph 7 of Part 5 of this document
<b>Shareholders</b>	holders of Ordinary Shares
<b>Standstill Agreement</b>	the agreement dated 15 April 2025 between the Company and Saba pursuant to which Saba has given certain commitments to the Company in respect of voting and other matters, a summary of which is set out in paragraph 5 of Part 5 of this document
<b>Standstill Period</b>	has the meaning given to it in paragraph 5 of Part 5 of this document
<b>Takeover Code</b>	the City Code on takeovers and mergers, as amended from time to time
<b>Takeover Panel</b>	the UK Panel on Takeovers and Mergers
<b>Tender Closing Date</b>	1.00 p.m. on 16 May 2025, being the final date on which Tender Forms and TTE Instructions may be received and the date on which the Tender Offer closes to Shareholders
<b>Tender Form</b>	the personalised tender form accompanying this document for use by Eligible Shareholders holding their Ordinary Shares in certificated form to elect for the Cash Exit Option
<b>Tender Offer</b>	the invitation by Winterflood to Eligible Shareholders to tender Ordinary Shares for purchase on the terms and subject to the conditions set out in this document and (i), in the case of Ordinary Shares held in certificated form, the Tender Form (ii) in the case of the <i>In Specie</i> Consideration Option, such further terms and/or conditions as Winterflood (in its absolute discretion) may require
<b>Tender Offer Conditions</b>	has the meaning given to it in paragraph 2.1 of Part 3 of this document
<b>Tender Offer Costs</b>	all fixed costs and expenses incurred by the Company or for which the Company is responsible in connection with the preparation and implementation of the Tender Offer, including all legal, tax and other advisory costs, but excluding any <i>ad valorem</i> costs such as

	stamp duty or stamp duty reserve tax or commissions arising on the repurchase of Ordinary Shares by the Company from Winterflood pursuant to the Tender Offer, and excluding the costs of realising assets in the Cash Exit Pool
<b>Tender Offer FAV</b>	the Cash Exit Tender Offer FAV and/or the <i>In Specie</i> Tender Offer FAV, as the context requires, calculated in accordance with paragraph 8 of Part 2 of this document
<b>Tender Price</b>	the Tender Price per Cash Exit Share and/or the Tender Price per <i>In Specie</i> Exit Share, as the context requires or permits
<b>Tender Price per Cash Exit Share</b>	in relation to each Cash Exit Share, the Cash Exit Tender Offer Final Asset Value divided by the total number of Cash Exit Shares (rounded down to two decimal places) expressed in pence
<b>Tender Price per <i>In Specie</i> Exit Share</b>	in relation to each <i>In Specie</i> Exit Share, the <i>In Specie</i> Tender Offer Asset Value divided by the total number of <i>In Specie</i> Exit Shares (rounded down to two decimal places) expressed in pence
<b>Tendering Shareholder</b>	a Shareholder who has tendered Ordinary Shares pursuant to the Tender Offer
<b>TFE Instruction</b>	a transfer from escrow instruction (as defined by the CREST Manual issued by Euroclear)
<b>TTE Instruction</b>	a transfer to escrow instruction (as defined by the CREST Manual issued by Euroclear)
<b>uncertificated or in uncertificated form</b>	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>US Exchange Act</b>	the U.S. Securities Exchange Act of 1934, as amended
<b>US Shareholder</b>	a Shareholder that is in the United States
<b>Winterflood</b>	Winterflood Securities Limited



# NOTICE OF GENERAL MEETING

## THE EUROPEAN SMALLER COMPANIES TRUST PLC

*(Incorporated in England & Wales with company number 02520734 and registered as an investment company under section 833 of the Companies Act 2006)*

**NOTICE IS HEREBY GIVEN** that a general meeting of The European Smaller Companies Trust PLC (the “**Company**”) will be held at 201 Bishopsgate, London EC2M 3AE at 2.00 p.m. on 7 May 2025 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

### SPECIAL RESOLUTION

**THAT**, in addition to any subsisting or other authority conferred on the Company, the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the “**Act**”) to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares of 1.5625 pence each in the capital of the Company (the “**Ordinary Shares**”) pursuant to the tender offer to be made by Winterflood Securities Limited on the terms and subject to the conditions set out in the circular of the Company dated 15 April 2025 of which this notice forms part (the “**Circular**”), PROVIDED THAT:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 167,372,000 Ordinary Shares or, if lower, such number as is equal to 42.5 per cent. of the issued number of Ordinary Shares (excluding shares held in treasury) on the Record Date (as defined in the Circular);
- (b) the price which may be paid for an Ordinary Share is the Tender Price per Cash Exit Share under the Cash Exit Option and the Tender Price per *In Specie* Exit Share under the *In Specie* Consideration Option (as such phrases are defined in the Circular), which shall be both the maximum and the minimum prices for the purposes of section 701 of the Act;
- (c) the authority hereby conferred shall expire on the earlier of: (i) completion of the Tender Offer in accordance with its terms; and (ii) 31 December 2025, (unless such authority is renewed prior to such date), save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry and make a purchase of such Ordinary Shares pursuant to any such contract; and
- (d) any Ordinary Shares so purchased shall be cancelled or held in treasury.

**By order of the Board:**

Janus Henderson Secretarial Services UK Limited  
Corporate Secretary

**Registered Office:**

201 Bishopsgate  
London EC2M 3AE

15 April 2025

## NOTES TO THE NOTICE OF GENERAL MEETING

### 1 Entitlement to attend and vote

Only those shareholders registered in the Company's register of members at:

- 6.30 p.m. on 2 May 2025; or,
- if this meeting is adjourned, at 6.30 p.m. on the day two days before the adjourned meeting,

shall be entitled to vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

### 2 Website giving information regarding the meeting

Information regarding the meeting, including the information required by section 311A of the Companies Act, can be found at [www.europeansmallercompaniestrust.com](http://www.europeansmallercompaniestrust.com).

### 3 Appointment of proxies

A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in their place at the General Meeting. A proxy need not be a member of the Company.

To be valid, a form of proxy and (if required) the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company's Registrars Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by 2.00 p.m. on 2 May 2025.

If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "*Appointment of proxies*" section. Please read the section "*Nominated persons*" below.

You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy, you may photocopy the form of proxy enclosed with this Notice of General Meeting or alternatively, please contact the Company's Registrar Equiniti Limited on +44 (0) 371 384 2472 with a view to obtaining a duplicate form. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. Failure to specify the number of shares to which each proxy appointment relates or specifying a number in excess of those held by the shareholder will result in the proxy appointment being invalid. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. All forms must be signed and should be returned together in the same envelope.

If you have not received a proxy form and believe that you should have one, or if you require additional proxy forms, please contact Equiniti Limited on +44 (0) 371 384 2472.

You may appoint a proxy (or proxies) electronically to exercise all or any of your rights to attend, to speak and to vote on your behalf at the meeting through the Registrar's website [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your voting reference numbers (the voting ID, Task ID and Shareholder Reference Number shown on your Form of Proxy). If you have registered for a Shareview portfolio, please log onto your portfolio using your usual user ID and password. Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on-screen instructions. Please remember that, to be valid, the Registrar must receive your appointment of a proxy no later than 2.00 p.m. on 2 May 2025.

In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in

relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

#### **4 Appointment of proxies through CREST**

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via [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.

For a proxy appointment or instructions 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 Ltd’s (“**Euroclear**”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company’s agent (ID number RA19) no later than the deadline specified above. 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 Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

#### **5 Appointment of proxies through Proxymity**

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). To be valid, the Registrar must receive your appointment of a proxy no later than 2.00 p.m. on 2 May 2025. Before you can appoint a proxy via this process you will need to have agreed to Proxymity’s associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

#### **6 Termination of proxy appointment**

A shareholder may revoke a proxy instruction but to do so you will need to inform the Company in writing by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

Equiniti Limited must receive the revocation notice no later than 2.00 p.m. on 2 May 2025.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will automatically be terminated.

## **7 Corporate representatives**

A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.

## **8 Nominated persons**

If you are a person who has been nominated under section 146 of the Companies Act to enjoy information rights:

You may have a right under an agreement between you and the shareholder of the Company who has nominated you to have information rights (the “**Relevant Shareholder**”) to be appointed or to have someone else appointed as a proxy for the meeting.

If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Shareholder to give instructions to the Relevant Shareholder as to the exercise of voting rights.

Your main point of contact in terms of your investment in the Company remains the Relevant Shareholder (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

The rights relating to proxies set out above do not apply directly to nominated persons.

## **9 Withheld votes**

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the meeting.

## **10 Issued shares and total voting rights**

As at 11 April 2025 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital comprised 394,632,326 ordinary shares, carrying one vote each, of which 817,028 ordinary shares were held in treasury. Therefore, the total voting rights in the Company as at 11 April 2025 were 393,815,298. Information regarding the number of ordinary shares and voting rights may be obtained from the Company's website, at [www.europeansmallercompaniestrust.com](http://www.europeansmallercompaniestrust.com).

## **11 Questions at the meeting**

Any member attending the meeting has the right to ask questions. The Company must answer any question you ask relating to the business being dealt with at the meeting unless:

- answering the question would interfere unduly with the orderly conduct of the meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

## **12 Voting**

Voting on the resolution will be conducted by way of a poll. As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and also published on the Company's website.

## **13 Communication**

Except as provided above, shareholders who have general queries about the meeting should telephone Equiniti Limited on +44 (0) 371 384 2472. Calls are charged at the standard geographic rate and will vary by phone provider. Calls outside the United Kingdom will be charged at the applicable international rate. Equiniti Limited are open between 08:30 – 17:30, Monday to Friday excluding public holidays in England and Wales. No other methods of communication will be accepted.

You may not use any electronic address provided in this Notice, or in any related documents for communicating with the Company for the purposes other than those expressly stated.



