

Q and A: B Share Scheme – March 2024

Q&A

Circular Announcement

What is a B Share Scheme?

A B share scheme is a method to return capital to the Company's Shareholders through the creation and subsequent redemption of B Shares.

How will the B shares be issued?

Subject to the Resolutions being passed, this will involve a bonus issue of new B Shares to holders of Ordinary Shares in proportion to their existing holdings. No payment is required from Shareholders as the shares are paid up using the Company's reserves from the Share Premium Account (the credited difference in price between the par value, or face value, of shares, and the total price a company received for the issue of shares) which will be used to issue bonus shares. As at the 13 March 2024 (being the latest practicable date prior to the publication of the circular), the amount standing to the credit of the share premium account (created as a result of shares issued by the Company) of the Company was £161.0 million.

Do I have to pay for the B Shares?

No. The B Shares will be allotted as fully paid up.

How is the cash returned to Shareholders and what are the tax consequences?

Subject to Resolutions being passed, the Company will have a mechanism to enable it to return capital to Shareholders at the Board's discretion. The mechanism should result in the majority of UK taxpayers receiving their cash proceeds on redemption of the B Shares as a capital return for UK tax purposes. However, all Shareholders should take their own tax advice in light of their own particular circumstances. This will not limit the ability of the Company to return cash to Shareholders by other mechanisms.

Why has the Board decided to issue B shares?

The Board has determined that the adoption of a B Share Scheme is one of the fairest and most efficient ways of returning capital to shareholders. It allows the Company to distribute capital on a pro rata basis and would ensure as far as possible no Shareholder or Shareholder group is disadvantaged.

There are other benefits to Shareholders of this B Share Scheme as opposed to a Tender Offer.

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- 1) Reduction in Company costs – relative to the costs of tender offers
- 2) Participation of all Shareholders – particularly for retail Shareholders who could miss a tender offer due to not electing to participate
- 3) No Shareholder requirement to take any further action in order to receive payments
- 4) Certainty of returned capital – mandatory and applicable to all Shareholders on a pro rata basis

When will capital be returned to shareholders and is there an update of the timeframe for the realisation of assets?

The maturity profile of the assets will be updated regularly and is included in the newsletter. The amount of the first B share issue will be announced following the General Meeting, assuming that shareholders vote in favour of the B issue.

Will share certificates be issued in respect of the B Shares?

No share certificates will be issued in respect of the B Shares.

Will a dividend be paid in respect of the B Shares?

Given the short time for which any B Shares are anticipated to be in issue, it is unlikely that any dividend will become payable on the B Shares.

Nothing in this Q&A summary constitutes tax or financial advice and it should not be relied upon as such.

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