



FINSBURY
GROWTH &
INCOME TRUST PLC

Finsbury Growth & Income Trust PLC

Notice of the 2022
Annual General Meeting

LINSELL TRAIN

Frostrow
CAPITAL

Letter from the Chairman

Dear Shareholder,

NOTICE OF ANNUAL GENERAL MEETING

I hope that you will be able to attend this year's Annual General Meeting ("AGM") of Finsbury Growth & Income Trust PLC (the "Company"), which is to be held on Wednesday, 9 February 2022 at 12 noon at Guildhall, City of London EC2V 7HH.

At the time of writing, it is hoped that it will be possible to hold the AGM in its normal format at the venue set out above. The Board will keep the impact of the COVID-19 pandemic under review and will make necessary changes to the arrangements for the AGM should circumstances dictate. Any changes to the AGM will be communicated on the Company's website which Shareholders are encouraged to consult for any final arrangements.

The notice of the AGM is set out on pages 2 to 6 of this document (the "Notice"). The map on page 7 shows the location of the venue of the AGM. Further details of each of the resolutions to be proposed at the AGM are set out in the explanatory notes on pages 8 and 9. I also refer you to the Company's Annual Report and Financial Statements for the year ended 30 September 2021 (the "Annual Report"), which is available on the Company's website. Printed copies of the Annual Report are being sent with this document to Shareholders who have requested it and are available on request from the Company's Secretary, Frostrow Capital LLP.

Our Portfolio Manager, Nick Train, will give a presentation at the Annual General Meeting and there will be opportunities for Shareholders to ask questions. The Board strongly encourages all Shareholders to exercise their votes in respect of the meeting in advance. Shareholders who hold their shares directly can vote online by visiting www.signalshares.com and following the instructions. Details of how Shareholders who hold their shares on retail platforms can vote are set out at pages 10 to 12.

Any Shareholder who requires a hard copy form of proxy may request one from the registrar, Link Group. Voting by proxy will ensure that your votes are registered in the event that attendance at the AGM is not possible or restricted. If the meeting is postponed your votes will still be valid when the meeting is eventually held.

The Board considers that the resolutions to be proposed at the AGM as detailed in the notice are in the best interests of the Company and the Shareholders as a whole. The Board therefore recommends unanimously to Shareholders that they vote in favour of each of the resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Yours faithfully

Simon Hayes

Chairman

Finsbury Growth & Income Trust PLC

Registered Office:

50 Lothian Road

Festival Square

Edinburgh

EH3 9WJ

14 December 2021

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the UK, or, if not, from another appropriately independent professional adviser in your own jurisdiction. If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale, transfer or disposal was effected, for onward transmission to the purchaser or transferee except that such documents should not be sent to any jurisdiction under any circumstances where to do so might constitute a violation of local securities laws and regulations.

If you have sold, transferred or otherwise disposed of only part of your holding of shares in the Company, you should retain this circular and the accompanying documents with this document and consult the stockbroker, bank or other agent through whom you made the sale, transfer or disposal.

Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Finsbury Growth & Income Trust PLC will be held at Guildhall, City of London EC2V 7HH on Wednesday, 9 February 2022 at 12 noon, for the following purposes:

Ordinary Business

To consider, and if thought fit, pass the following resolutions:

1. To receive the Annual Report and Financial Statements for the year ended 30 September 2021.
2. To re-elect Simon Hayes as a Director of the Company.
3. To re-elect James Ashton as a Director of the Company.
4. To re-elect Kate Cornish-Bowden as a Director of the Company.
5. To re-elect Sandra Kelly as a Director of the Company.
6. To re-elect Lorna Tilbian as a Director of the Company.
7. To receive and approve the Directors' Remuneration Report for the year ended 30 September 2021.
8. To re-appoint PricewaterhouseCoopers LLP as Auditors to the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which Financial Statements are laid before the Company.
9. To authorise the Audit Committee to determine the remuneration of the Auditors of the Company.
10. To receive and approve the Company's Dividend Policy, as set out in the Annual Report.

Special Business

To consider, and if thought fit, pass the following resolutions of which resolutions 12 to 16 are proposed as special resolutions:

Authority to Allot Shares

11. THAT in addition to any subsisting authorities the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to a maximum aggregate nominal amount of £5,606,562 being 10% of the issued share capital as at 14 December 2021 and representing 22,426,248 Ordinary shares of 25 pence each in the Company (the "Ordinary Shares"), (or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed) provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2023 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in a general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

Disapplication of Pre-emption Rights

12. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 13 set out in the notice convening the Annual General Meeting at which this resolution is proposed ("Notice of Annual General Meeting")) the Directors be and are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred on them by resolution 11 set out in the Notice of Annual General Meeting or otherwise as if Section 561(1) of the Act did not apply to any such allotment:
 - (a) pursuant to an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of Ordinary Shares are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

NOTICE OF THE ANNUAL GENERAL MEETING

CONTINUED

- (b) otherwise than pursuant to sub-paragraph (a) above an aggregate nominal value of £5,606,562, being 10% of the issued share capital of the Company as at 14 December 2021 and representing 22,426,248 Ordinary Shares or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed, and provided further that
- (i) the number of equity securities to which this power applies shall be reduced from time to time by the number of treasury shares which are sold pursuant to any power conferred on the Directors by resolution 13 set out in the Notice of Annual General Meeting; and
- (ii) no allotment of equity securities shall be made under this power which would result in Shares being issued at a price which is less than the higher of the Company's estimated cum or ex income net asset value per Share as at the latest practicable time before such allotment of equity securities as determined by the Directors in their reasonable discretion, and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of passing this resolution, whichever is earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might otherwise require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

Treasury Shares

13. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 12 set out in the Notice of Annual General Meeting) the Directors be and are hereby generally empowered pursuant to Section 570 of the Act to sell relevant shares (within the meaning of Section 560 of the Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in Section 724 of the Act ("Treasury Shares")), for cash as if Section 561(1) of the Act did not apply to any such sale provided that this power shall be limited to the sale of relevant shares having an aggregate nominal value of £5,606,562, being 10% of the issued share capital of the Company as at 14 December 2021 and representing 22,426,248 Ordinary Shares or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed, and provided further that the number of relevant shares to which power applies shall be reduced from time to time by the number of Ordinary Shares which are allotted for cash as if Section 561(1) of the Act did not apply pursuant to the power conferred on the Directors by resolution 12 set out in the Notice of Annual General Meeting,

and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of passing this resolution, whichever is earlier, unless previously revoked, varied or renewed by the Company in a general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might otherwise require treasury shares to be sold after such expiry and the Directors may sell Treasury Shares pursuant to such offer or agreement as if the power conferred hereby had not expired.

Authority to Repurchase Shares

14. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares (either for retention as Treasury Shares for future reissue, resale, transfer or cancellation) provided that:
- (i) the maximum aggregate number of Ordinary Shares authorised to be purchased is 33,616,946 or, if changed, the number representing 14.99% of the issued share capital of the Company at the date of the meeting at which this resolution is passed;
- (ii) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 25 pence;
- (iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Share is purchased and (ii) the higher of the last independent trade in shares and the highest then current independent bid for shares on the London Stock Exchange as stipulated in Article 5(1) of Regulation No. 2233/2003 of the European Commission (Commission Regulation of 22 December 2003 implementing the Market Abuse Directive as regards exemption for buyback programmes and stabilisation of financial instruments Buyback and Stabilisation Regulation (Commission Delegated Regulation (EU) 2016/1052));

- (iv) this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2023 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution unless such authority is renewed prior to such time; and
- (v) the Company may make a contract to purchase Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Shares in pursuance of any such contract.

Adoption of New Articles of Association

15. THAT the Articles of Association set out in the document produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

General Meetings

16. THAT any General Meeting of the Company (other than the Annual General Meeting of the Company) shall be called by notice of at least 14 clear days provided that the authority shall expire on the conclusion of the next Annual General Meeting of the Company, or, if earlier, on the expiry 15 months from the date of the passing of this resolution.

By order of the Board

Frostrow Capital LLP
Company Secretary
14 December 2021

Registered office:
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

NOTICE OF THE ANNUAL GENERAL MEETING

CONTINUED

NOTES

1. Subject to paragraph 8, members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
2. 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 resolutions. If no voting indication is given, a proxy may vote or abstain from voting as they think fit in relation to any other matter which is put before the meeting.
3. A proxy appointment should be completed so that it is received by the Company's registrars by no later than 12 noon on Monday, 7 February 2022. To do this please complete and submit your proxy vote online via the share portal of our Registrar, Link Group, at www.signalshares.com. You will need to log into your Finsbury Growth & Income Trust Signal Shares account or register if you have not previously done so. To register you will need your Investor Code; this is detailed on your share certificate or is available from our Registrar, Link Group. If you would prefer to receive a paper proxy form, please contact our Registrar, by email at enquiries@linkgroup.co.uk or on +44 (0) 371 664 0300.
4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a Shareholder attending the meeting and voting in person if they wish to do so.
6. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom they/their was nominated, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they/their may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
7. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by Shareholders of the Company.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered on the register of members of the Company (the "Register of Members") by close of business on 7 February 2022 (or, in the event of any adjournment, by close of business on the date which is two days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.
9. As at 14 December 2021 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 224,262,484 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 14 December 2021 are 224,262,484, excluding 728,819 Ordinary Shares held in treasury.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("CRESTCo"), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the 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.

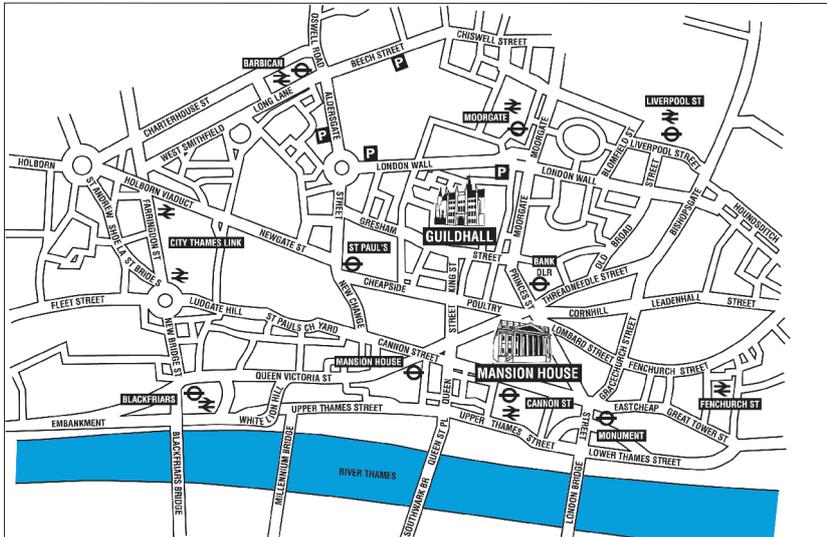
12. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. 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, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. 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.
14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, 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 Register of Members in respect of the joint holding (the first named being the most senior).
15. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
16. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
17. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to Link Group, PXS1, 10th floor, Central Square, 29 Wellington Street, LEEDS LS1 4DL by 12 noon on 7 February 2022.
18. In the case of a member 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 of attorney) must be included with the revocation notice. If a member attempts to revoke its proxy appointment but the revocation is received after the time for receipt of proxy appointments (see above) then, subject to paragraph 4, the proxy appointment will remain valid.
19. Given the risks posed by the spread of COVID-19 and in accordance with the Articles of Association of the Company and government guidance, the Company may impose restrictions on Shareholders wishing to attend the AGM in person. Such restrictions may include limiting the number of Shareholders permitted to attend the AGM in person. Other restrictions may be imposed as the Chairman of the meeting may specify in order to ensure the safety of those attending the AGM.
20. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

Location of the Company's Annual General Meeting

Guildhall, City of London EC2V 7HH, Basinghall Street Entrance on Wednesday, 9 February 2022 at 12 noon

How to get to Guildhall

Mailing address: City of London • PO Box 270 • Guildhall • London EC2P 2EJ
 For deliveries and to find us: City of London • Guildhall • London EC2V 7HH
 Tel: 020 7606 3030 • www.cityoflondon.gov.uk



Guidance for Shareholders

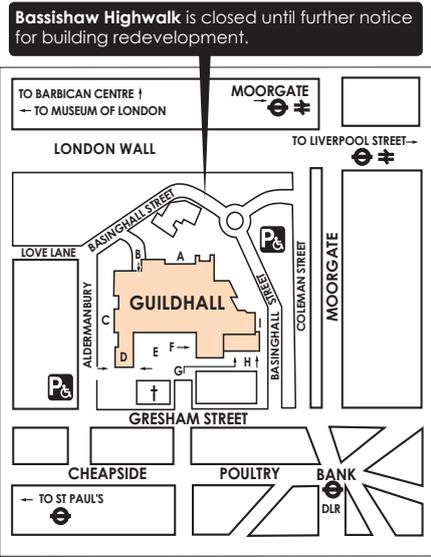
- We recommend that face masks are worn when moving around the venue.
- Guests will be asked to sanitise their hands on entry to the building.
- Bag checks will take place on arrival. Guests will place their bags in the security scanner which can be collected once they have been cleared.
- We would recommend that guests take a lateral flow test at home before attending the AGM. Anyone who is tested positive for COVID-19 should not attend the AGM.

Key

- A** North Wing entrance
- B** Vehicular goods delivery entrance
- C** Entrance to Guildhall Library and City Business Library
- D** West Wing entrance
- E** Guildhall Yard
- F** Guildhall Art Gallery
- G** 1 Guildhall Buildings/Guildhall Yard East - City of London Police Headquarters
- H** The City Centre
- I** 71 Basinghall Street entrance (for functions only, opposite Mason's Avenue)

Entrances A, C, E, F and G are level. Wheelchair accessible WC facilities are available and all public areas except the Crypt have induction loops.

P Designated parking spaces are located in Aldermanbury, Basinghall, Gresham and Coleman Streets (locate these on our [interactive map](#) using Driving and Cycling tab). Maximum stay four hours Monday to Friday. There is no time limit on Saturday and Sunday. Other concessions apply, for more information please visit our [parking pages](#).



<p>BUS Nearest Routes</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Bank</td> <td>11</td> <td>23</td> <td>26</td> <td>388</td> </tr> <tr> <td>Moorgate</td> <td>21</td> <td>43</td> <td>76</td> <td>133 141</td> </tr> <tr> <td>Cheapside</td> <td>8</td> <td>25</td> <td>242</td> <td></td> </tr> <tr> <td>London Wall</td> <td>100</td> <td></td> <td></td> <td></td> </tr> </table>		Bank	11	23	26	388	Moorgate	21	43	76	133 141	Cheapside	8	25	242		London Wall	100				<p>UNDERGROUND Nearest underground stations</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Moorgate</td> <td>Hammersmith and City, Metropolitan, Circle, and Northern</td> </tr> <tr> <td>Bank</td> <td>Northern, Central, Waterloo and City, and DLR</td> </tr> <tr> <td>Mansion House</td> <td>District, Circle</td> </tr> <tr> <td>St Paul's</td> <td>Central</td> </tr> </table>		Moorgate	Hammersmith and City, Metropolitan, Circle, and Northern	Bank	Northern, Central, Waterloo and City, and DLR	Mansion House	District, Circle	St Paul's	Central
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Explanatory Notes to the Resolutions

Resolution 1 – To receive the Annual Report and Financial Statements

The Annual Report and Financial Statements for the year ended 30 September 2021 will be presented to the AGM. These Financial Statements accompanied this Notice of Meeting and Shareholders will be given an opportunity at the meeting to ask questions.

Resolutions 2 to 6 – Re-election of Directors

Resolutions 2 to 6 deal with the re-election of each Director. Biographies of each of the Directors can be found on pages 34 and 35 of the Annual Report.

The Board has confirmed that the Directors standing for re-election continue to perform effectively.

The specific reasons why (in the Board's opinion) each Director's contribution is, and continues to be, important to the Company's long-term sustainable success are as follows:

Directors standing for re-election

Simon Hayes (Chairman)

Mr Hayes is the Chairman of Peel Hunt Limited and has extensive financial expertise with a strong interest in the investment trust sector. The Board and Portfolio Manager value his insight and contribution to discussions at meetings. The Board welcome both this continued contribution from Simon and his service as Chairman of the Board.

James Ashton

Mr Ashton is a financial journalist. During his time at the Evening Standard and Sunday Times he gained significant City and market knowledge which the Board believes will contribute towards the success of the Company.

Kate Cornish-Bowden

Ms Cornish-Bowden provides insight from her career in investment management; initially at M&G as a research analyst, and as a fund manager at Morgan Stanley where she was managing director and Head of the Global Equity team. Kate also brings to the Board experience as a non-executive of other companies in the investment trust sector.

Sandra Kelly (Chair of the Audit Committee and Senior Independent Director)

Ms Kelly, a qualified Chartered Accountant, has recent and relevant financial expertise with a strong background in accountancy. She is the Senior Independent Director and Chair of the Audit Committee and actively works with the Auditors and Frostrow to ensure a smooth year-end process and audit.

Lorna Tilbian

Ms Tilbian has had a successful career in broking and she was a main board executive director of Numis. She holds a number of other non-executive positions and brings to the Board current and active knowledge of the industry. As the Board has evolved Lorna provides insightful analysis with respect to the portfolio holdings.

Resolution 7 – Directors Remuneration Report

The Directors' Remuneration Report is set out in full on pages 46 to 49 of the Annual Report.

Resolutions 8 and 9 – Re-appointment of auditors

Resolution 8 relates to the re-appointment of PricewaterhouseCoopers LLP as the Company's independent auditor to hold office until the conclusion of the next general meeting at which Financial Statements are laid before the Company and Resolution 9 authorises the Audit Committee to set their remuneration. Following the implementation of the Competition and Markets Authority order on Statutory Audit Services only the Audit Committee may negotiate and agree the terms of the auditors' service agreement.

Resolution 10 – Dividend Policy

The Dividend Policy is set out in full at page 16 of the Annual Report dated 14 December 2021.

Resolutions 11 to 13

Ordinary Resolution 11 will renew the authority to allot up to an aggregate nominal amount of £5,606,562 (equivalent to 22,426,248 shares, or 10% of the Company's existing issued share capital on 14 December 2021, being the nearest practicable date prior to the signing of this Report). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 551 of the Companies Act 2006 (the "Act") provides that existing Shareholders have pre-emption rights and that the new shares must be offered first to such Shareholders in proportion to their existing holding of shares. However, Shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing Shareholders. Special Resolution 12 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 14 December 2021 (reduced by any treasury shares sold by the Company pursuant to Resolution 13, as described below), as if Section 551 of the Act does not apply. This is the same nominal amount of share capital

EXPLANATORY NOTES TO THE RESOLUTIONS

CONTINUED

which the Directors are seeking the authority to allot pursuant to Resolution 11. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

Under Section 724 of the Companies Act 2006 (“s724”) the Company is permitted to buy back and hold shares in treasury and then sell them at a later date for cash, rather than cancelling them. It is a requirement of s724 that such sale be on a pre-emptive, pro rata, basis to existing Shareholders unless Shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued share capital on a non pre-emptive basis pursuant to Resolution 12, Special Resolution 13, if passed, will give the Directors authority to sell shares held in treasury on a non pre-emptive basis. The benefit of the ability to hold treasury shares is that such shares may be resold. This should give the Company greater flexibility in managing its share capital, and improve liquidity in its shares. It is the intention of the Board that any re-sale of treasury shares would only take place at a premium to the cum income net asset value per share. It is also the intention of the Board that sales from treasury would only take place when the Board believes that to do so would assist in the provision of liquidity to the market. The number of treasury shares which may be sold pursuant to this authority is limited to 10% of the Company’s existing share capital on 14 December 2021. (reduced by any equity securities allotted for cash on a non-pro rata basis pursuant to Resolution 12, as described above). This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier.

The Directors intend to use the authority given by Resolutions 11, 12 and 13 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to Shareholders as a whole. The issue proceeds would be available for investment in line with the Company’s investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of Shareholders in general meeting.

Resolution 14

The Directors wish to renew the authority given by Shareholders at the previous Annual General Meeting to make market purchases of its own shares. The principal aim of a share buy-back facility is to enhance Shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to net asset value per share, should result in an increase in the net asset value per share for the remaining Shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining Shareholders and if it is in the best interests of Shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek Shareholder authority to renew this facility for another year at the Annual General Meeting.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share. Shares which are purchased under this authority will either be cancelled or held as treasury shares.

Special Resolution 14 in the Notice of Annual General Meeting will renew the authority to purchase in the market a maximum of 14.99% of shares in issue on 14 December 2021, being the nearest practicable date prior to the signing of this Report, (amounting to 33,616,946 shares). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

Resolution 15 – Articles of Association

Special Resolution 15 seeks Shareholder approval to adopt new Articles of Association in substitution for and to the exclusion of the Company’s existing Articles of Association, details of the changes are set out at pages 9 and 39 of the Annual Report.

Resolution 16 – General Meetings

Special Resolution 16 seeks Shareholder approval for the Company to hold General Meetings (other than the Annual General Meeting) at 14 clear days’ notice.

The Company will only use this shorter notice period where it is merited by the purpose of the meeting and will endeavour to give at least 14 working days’ notice if possible, in line with the recommendations of the UK Corporate Governance Code.

Recommendation

The Board considers that the resolutions relating to the above items are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends to the Shareholders that they vote in favour of the above resolutions to be proposed at the Forthcoming Annual General Meeting as the Directors intend to do in respect of their own beneficial holdings totalling 138,170 shares.

Shareholder voting – Consumer Platforms

As a Shareholder in an investment company, you have a say on how the company is run. However, it isn't always obvious how to exercise your right to vote when you hold investment company shares on platforms. To help, the AIC has asked the LongCat Ltd, a platform consultancy, to provide up-to-date information on how to vote in respect of your shares in an investment company on certain major platforms.

Can I vote in respect of my shares?	Is there a cost?	What do I have to do?	What information do I need to provide?	What if I have different accounts with the same platform? (ISA, SIPP, etc.)	How much notice do I need to give to the platform?	Further information provided by the platform
AJ Bell Youinvest						
Yes	No	For resolutions that could have a significant effect on a customer's shareholding (i.e. EGMs, special resolutions at AGMs or corporate actions such as M&A proposals), AJ Bell alerts customers via their account and enables them to vote online. For standard AGM resolutions that are unlikely to have a material effect on the customer's shareholding (ie director re-elections etc), customers can request to attend the meeting in order to vote or vote by proxy and AJ Bell will process this for them.	Voting may be enabled on the customer's online account and customers may self-serve.	Customers do not need to notify AJ Bell for each account.	As much notice as possible and at least 5 days prior to the relevant meeting.	Visit https://www.youinvest.co.uk/faq/can-i-vote-agm-or-egm
Barclays Smart Investor						
Yes	No	You can log into your account online and confirm by secure message if you would like to vote by proxy or attend the AGM/EGM in person. Alternatively, you can contact Barclays by phone, complete their security process and then let them know whether you would like to vote by proxy or attend the AGM/EGM in person.	You need to confirm how you are voting for each of the resolutions being voted on at the AGM/EGM.	The platform will record your wishes in respect of your full holding provided this is what you confirm. For example, if you have a holding of 1,000 shares split across an ISA and a SIPP and would like to vote in favour of all resolutions, this will be reflected in Barclays' nominee response.	5 working days prior to the relevant meeting for a proxy vote and 7 working days in advance of the relevant meeting if you would like to attend.	Typically on a customer account, when there is a corporate action, there is a flag available beside each asset line to alert the customer of a corporate action pending – from there they can follow the link to read more and log their response.
BestInvest						
Yes	No	Bestinvest can facilitate both voting and attendance at Shareholder meetings via its custodian (SEI) on your request either in writing (secure message, email or by post) or by phone. For resolutions on corporate actions that will have an impact on a customer's shareholding, e.g. M&A or wind-up proposals, Bestinvest will proactively alert you. For standard resolutions, voting by proxy is facilitated upon request. You will need to confirm to Bestinvest whether or not you wish to attend the meeting in person.	You need to confirm how you are voting for each of the resolutions being voted on at the AGM/EGM.	Bestinvest will take a single instruction across all of your accounts so that you can vote across your whole shareholding without having to issue multiple instructions.	6 working days notice is required by Bestinvest's custodian. Notice shorter than 6 working days will be processed by Bestinvest's custodian on a best endeavours basis.	N/A

SHAREHOLDER VOTING – CONSUMER PLATFORMS

CONTINUED

Can I vote in respect of my shares?	Is there a cost?	What do I have to do?	What information do I need to provide?	What if I have different accounts with the same platform? (ISA, SIPP, etc.)	How much notice do I need to give to the platform?	Further information provided by the platform
Charles Stanley Direct						
Yes	No	You need to send Charles Stanley a secure message via your online account with your clear instruction, Charles Stanley will then submit the instruction electronically via Crest.	You need to provide the name of the stock along with your clear instructions stating how you wish to vote on all the resolutions.	If you hold shares in more than one account with Charles Stanley, then they require a separate instruction for each account. The instruction must clearly state the account number to which it relates.	At least 5 business days prior to the meeting.	N/A
Fidelity Personal Investing						
Yes	No	You need to opt into the Fidelity Shareholders' rights service online. From there, you will receive notifications of meetings for each asset you hold. You can then vote online for all resolutions under discussion in that AGM.	No extra information is required once you have opted in on the Shareholders' rights service online.	You can vote in respect of all accounts simultaneously.	At least 7 days prior to the meeting.	N/A
Hargreaves Lansdown						
Yes	No	You can let Hargreaves Lansdown know by calling the helpdesk, emailing or sending a secure message. There is no form to fill in, you can just tell Hargreaves what you want to do and they will follow your instructions.	You need to give Hargreaves Lansdown clear instructions in relation to how you want to vote.	You need to give instructions in respect of each account you have with Hargreaves Lansdown.	5 working days prior to the relevant meeting.	Visit https://www.hl.co.uk/shares/corporate-actions/corporate_action_frequently_asked_questions
HSBC						
Yes	No	You can either call the share dealing help desk or send a secure message from your online share dealing account confirming the voting details.	You will not need to fill in any forms, you just need to inform HSBC what you want to do in respect of each stock.	You need to give instructions in respect of each account you have with HSBC.	As much notice as possible and no later than 2 days prior to the relevant meeting.	N/A

Can I vote in respect of my shares?	Is there a cost?	What do I have to do?	What information do I need to provide?	What if I have different accounts with the same platform? (ISA, SIPP, etc.)	How much notice do I need to give to the platform?	Further information provided by the platform
Interactive investor						
Yes	No	You can sign up to the voting and information service, which will enable you to receive Shareholder materials and vote on decisions directly affecting your UK registered shareholdings. You will then receive notifications when new documents are available. When you are ready to vote, you can log in to your account where the options will be presented in your voting mailbox and you can vote according to your preferences.	You may sign-up within your secure account. The sign-up process is a straightforward tick-box process, you just need to confirm your email address.	You need to sign up to the voting and information service for each account you have with Interactive investor.	Broadridge, the platform's voting and information service, sets its own deadlines that a customer has to adhere to in order to get their vote processed. Voting responses are usually required 2-3 days prior to the relevant meeting.	Individual forms are sent to customers relating to each individual Shareholder vote, explaining what options customers have, how to fill in the details and the relevant deadlines.

