

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 financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document, which comprises a prospectus relating to Castelnau Group Limited (the "**Company**") has been approved by the Financial Conduct Authority (the "**FCA**") under the UK version of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Prospectus (Amendment, etc) (EU Exit) Regulations 2019 (the "**Prospectus Regulation**") and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Regulation Rules. This document has been made available to the public as required by the Prospectus Regulation Rules.

This document has been approved by the FCA of 12 Endeavour Square, London E20 1JN, as the competent authority under the Prospectus Regulation. Contact information relating to the FCA can be found at <http://www.fca.org.uk/content>.

The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of this document. Investors should make their own assessment as to the suitability of investing in securities.

The Shares will be admitted to the Specialist Fund Segment, which is intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment. The Specialist Fund Segment is only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in securities admitted to trading on the Specialist Fund Segment is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. It should be remembered that the price of the Shares can go down as well as up.

Applications will be made to the London Stock Exchange for: (i) up to 133,052,656 Ordinary Shares issued in connection with the Takeover Offer (the "**Takeover Shares**"), (ii) 32,442,740 Ordinary Shares issued in connection with the Consortium Rollover, and (iii) all of the Ordinary Shares issued in connection with the Placing (the "**Placing Shares**") to be admitted to trading on the Specialist Fund Segment. Applications will be made for all of the Shares issued pursuant to each Subsequent Placing under the Placing Programme to be admitted to trading on the Specialist Fund Segment.

It is expected that Admission of the Placing Shares will become effective and that dealings will commence in the Placing Shares at 8.00 a.m. on the date being two business days following the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service). It is expected that Admission of the Ordinary Shares issued in connection with the Consortium Rollover will become effective and that dealings will commence in such Ordinary Shares at 8.00 a.m. on a date on or around the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service). It is expected that Admission of the Takeover Shares (other than any Takeover Shares issued to Eligible Dignity Shareholders who elect for the Listed Share Alternative pursuant to the Statutory Squeeze Out) will become effective and that dealings will commence in such Takeover Shares at 8.00 a.m. on or around the fifth business day after the 14th day after the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service). It is expected that Admission of any Takeover Shares issued to Eligible Dignity Shareholders who elect for the Listed Share Alternative pursuant to the Statutory Squeeze Out will become effective and that dealings will commence in such further Takeover Shares at 8.00 a.m. approximately six weeks from the date of the Squeeze Out Notice (whereupon an announcement will be made by the Company to a Regulatory Information Service).

It is expected that Admissions pursuant to Subsequent Placings under the Placing Programme will become effective and dealings will commence between 1 February 2023 and 31 January 2024. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other stock exchange.



CASTELNAU GROUP LIMITED

(a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 67529)

Proposed issue of up to 133,052,656 new Ordinary Shares to be issued by the Company in connection with the acquisition of Dignity Plc (the "Takeover Offer")

Proposed issue of 32,442,740 Ordinary Shares to be issued by the Company pursuant to the Consortium Rollover

Placing of Ordinary Shares at 75.02p per Ordinary Share

Placing Programme for up to 300 million Ordinary Shares and/or C Shares

Admission to trading on the Specialist Fund Segment of the Main Market

Investment Manager

Phoenix Asset Management Partners Limited

Financial Adviser and Sole Bookrunner to the Company in relation to the Placing and the Placing Programme

LIBERUM CAPITAL LIMITED

Financial Adviser to the Consortium in relation to the Takeover Offer

MORGAN STANLEY

Specialist Fund Segment securities are not admitted to the Official List of the FCA. Therefore, the Company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not subject to the FCA's Listing Rules. The London Stock Exchange has not examined or approved the contents of this document.

The Company and each of the Directors, whose names appear on page 35 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Prospective investors should read the entire document and, in particular, the section headed "Risk Factors" on pages 12 to 24 of this document when considering an investment in the Company.

Liberum Capital Limited ("**Liberum**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser and bookrunner to the Company and for no one else in relation to the Admission of any Shares, the Placing, the Placing Programme and the other arrangements referred to in this document. Liberum will not regard any other person (whether or not a recipient of this document) as its client in relation to the Admission of any Shares, the Placing, the Placing Programme and the other arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to, the Admission of any Shares, the Placing, the Placing Programme, the contents of this document or any transaction or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, Liberum does not make any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Admission of any Shares, the Placing or the Placing Programme. Liberum (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it might otherwise have in respect of the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Admission of any Shares, the Placing or the Placing Programme.

Morgan Stanley & Co. International Plc ("**Morgan Stanley**"), which is authorised by the PRA and regulated in the United Kingdom by the PRA and the Financial Conduct Authority, is acting exclusively as financial adviser for the Consortium and for no one else in relation to the Takeover Offer. Morgan Stanley will not regard any other person (whether or not a recipient of this document) as its client in relation to the Takeover Offer and will not be responsible to anyone other than the Consortium for providing the protections afforded to its clients or for providing any advice in relation to, the Takeover Offer.

Apart from the responsibilities and liabilities, if any, which may be imposed on Morgan Stanley by FSMA or the regulatory regime established thereunder, Morgan Stanley does not make any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Takeover Shares, the Admission of the Takeover Shares or the Takeover Offer. Morgan Stanley (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it might otherwise have in respect of the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Takeover Shares, the Admission of the Takeover Shares or the Takeover Offer.

Investors should rely only on the information contained in this document, the Offer Document and the Form of Acceptance (when published) and the documents (or parts thereof) incorporated herein by reference. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this document, the Offer Document and the Form of Acceptance (when published) and the documents (or parts thereof) incorporated herein by reference and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the Investment Manager, Liberum or Morgan Stanley. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation, the Takeover Code and MAR, neither the delivery of this document nor any subscription for or purchase of Shares pursuant to the Takeover Offer, the Placing and/or the Placing Programme, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Liberum and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Investment Manager for which they would have received customary fees. Liberum and its affiliates may provide such services to the Company and the Investment Manager and any of their respective affiliates in the future.

Morgan Stanley and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Consortium for which they would have received customary fees. Morgan Stanley and its affiliates may provide such services to the Consortium and any of their respective affiliates in the future.

In connection with the Placing and/or Subsequent Placings, Liberum and any of its affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Shares and other securities of the Company or related investments in connection with the Placing and/or Subsequent Placings or otherwise. Accordingly, references in this document to Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Liberum and any of its affiliates acting as an investor for its or their own account(s).

Neither Liberum nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Liberum may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Liberum may from time to time acquire, hold or dispose of shareholdings in the Company.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, the Investment Manager, Liberum, Morgan Stanley nor any of their respective representatives is making any representation to any offeree or purchaser of Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Notice to U.S. and other overseas investors

The release, publication or distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Takeover Offer disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative will be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an election for either of the Alternative Offers by any use, means or instrumentality (including facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange of a Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative will not be made available to any Dignity Shareholder whose registered address is in an EEA Member State.

The availability of the Takeover Offer to Dignity Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions.

Further details in relation to Dignity Shareholders in overseas jurisdictions will also be contained in the Offer Document (when published).

The Takeover Offer will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

The Shares have not been, and will not be, listed on any stock exchange other than London Stock Exchange and have not been, and will not be, registered under the US Securities Act or under any laws of any state, district or other jurisdiction, of the United States, nor have clearances been, nor will they be, obtained from the securities commission or similar authority of any province or territory of Canada and no prospectus has been, or will be, filed, or registration made, under any securities law of any province or territory of Canada nor has a prospectus in relation to the Shares been, nor will one be, lodged with, or registered by, the Australian Securities and Investments Commission, nor have any steps been taken, nor will any steps be taken, to enable the Shares to be offered in compliance with applicable securities laws of Japan or the Republic of South Africa and no regulatory clearances in respect of the Shares have been, or will be, applied for in any other jurisdiction.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares

or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

The Company is a registered closed-ended collective investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Registered Collective Investment Scheme Rules and Guidance, 2021 issued by the Guernsey Financial Services Commission (the "GFSC"). The GFSC, in granting registration, has not reviewed this document but has relied upon specific declarations provided by the Administrator. Neither the GFSC nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

This document has not been reviewed by the GFSC and, in granting registration, the GFSC has relied upon specific warranties provided by the Administrator.

Copies of this document will be available on the Company's website (www.castelnaugroup.com) and the National Storage Mechanism of the FCA at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and hard copies of the document can be obtained free of charge from the Administrator.

Without limitation, neither the contents of the Company's website, the Investment Manager's website (www.phoenixassetmanagement.com), Dignity's website (www.dignityplc.com) or any other website nor the content of any website accessible from hyperlinks on the Company's website, the Investment Manager's website, Dignity's website (or any other website) is incorporated into, or forms part of this document, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Shares on the contents of this document alone.

Dated: 1 February 2023

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SUMMARY

1. INTRODUCTION, CONTAINING WARNINGS

This summary should be read as an introduction to this document and any decision to invest in Shares should be based on consideration of this document as a whole by the investor. The investor could lose all or part of its invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in Shares.

The securities which the Company intends to issue pursuant to the Takeover Offer, the Consortium Rollover and the Placing are Ordinary Shares. The Company also intends to issue Ordinary Shares and/or C Shares pursuant to the Placing Programme.

The ISIN of the Ordinary Shares is GG00BMWWM28 and the SEDOL is BMWWM2.

The ISIN of the C Shares is GG00BMWWM35 and the SEDOL is BMWWM3.

Castelnau Group Limited (the "Company") can be contacted by writing to its registered office, PO Box 255, Les Banques, Trafalgar Court, St. Peter Port, Guernsey GY1 3QL or by calling, within business hours, +44 (0) 1481 745001. The Company can also be contacted through its Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited, by writing to PO Box 255, Les Banques, Trafalgar Court, St. Peter Port, Guernsey GY1 3QL, calling, within business hours, +44 (0) 1481 745001 or emailing NTIFASGL_Corporate_Secretarial@ntrs.com.

This document was approved on 1 February 2023 by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN. Contact information relating to the FCA can be found at <https://www.fca.org.uk/contact>.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the issuer of the securities?

The Company was incorporated with limited liability in Guernsey under the Companies Law on 13 March 2020 as a closed-ended company limited by shares with an indefinite life and is domiciled in Guernsey. The Company's LEI number is 213800PED8RFUBMK1T64.

The Articles of the Company provide that the Company has unlimited objects. The Company's principal activity is to seek to achieve a high rate of compound return over the long term by carefully selecting investments using a thorough and objective research process and paying a price which provides a material margin of safety against permanent loss of capital, but also a favourable range of outcomes.

So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date, 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 Shares
Phoenix UK Fund Limited	57,997,909	31.5
Pentaris Qiaif PLC	35,411,811	19.2
Aurora Investment Trust PLC	24,563,184	13.3
SPWOne III Ltd	25,000,000	13.6
Aventis RP Sanofi-Aventis Pensions Trust Ltd.	6,526,514	3.5

Due to the discretionary management exercised by the Investment Manager in relation to the investment holdings of the Other Phoenix Accounts, the Investment Manager, as at the Latest Practicable Date, is able to exercise the voting rights attaching to Ordinary Shares which in aggregate carry 71.2 per cent. of the voting rights of the Company.

Potential investors' attention is drawn to the fact that, as at the date of this document, the Investment Manager is, through the combined holdings of the Other Phoenix Accounts, interested in Shares carrying more than 50 per cent. of the voting rights of the Company and, consequently, the Investment Manager is, as at the date of this document, able to acquire interests in further Ordinary Shares without incurring any further obligation under Rule 9 of the Takeover Code to make a general offer.

On the assumption that: (i) the maximum number of 133,052,656 Takeover Shares is issued to Other Dignity Shareholders pursuant to the Takeover Offer; (ii) 32,442,740 Ordinary Shares are issued to the Other Phoenix Accounts pursuant to the Consortium Rollover, and (iii) 154,000,000 Placing Shares are issued to third party investors (who are not Other Phoenix Accounts), the aggregate percentage of the

voting rights of the Company which the Investment Manager would be able to exercise, following such allotments, would be reduced to 32.5 per cent.

The Investment Manager holds the B Share as a result of which it exercises a significant degree of control over the Company. The Investment Manager, as the holder of the B Share, has the right to: (i) appoint one Director of the Company from time to time and remove or replace such Director from time to time; (ii) ensure no Directors are appointed or removed without its consent; (iii) ensure no Shareholder resolutions are proposed (save for any proposal required by the Companies Law) or passed without its consent (save for the B Share Continuation Resolution, as defined below); and (iv) save as required by law, ensure no acquisition or disposal by the Company or any of its subsidiaries (but excluding any subsidiary whose shares are admitted to trading on a market of the London Stock Exchange) of an asset may occur without its consent.

The B Share will lose the B Share Rights: (i) after 7 years (from 3 September 2021) if Shareholders do not vote in favour of a continuation for another 7 years by passing an ordinary resolution to do so (the "B Share Continuation Resolution"); or (ii) if the B Share is transferred by Phoenix Asset Management Partners Limited; or (iii) if Gary Channon and his close relatives (as such term is defined in the Takeover Code) together cease to directly or indirectly control shares carrying more than 50 per cent. of the voting rights in Phoenix Asset Management Partners Limited.

If at any point during this first 7 years, the board chooses to change the Company's investment manager, the B Share, and the associated B Share Rights, will remain with Phoenix Asset Management Partners Limited.

Save as set out above, as at the Latest Practicable Date insofar as is known to the Company, there are no parties known to have a notifiable interest under English or Guernsey law in the Company's capital or voting rights.

The Board is comprised of: Joanne Peacegood (Independent Non-Executive Chair); Andrew Whittaker (Independent Non-Executive Director); Joanna Duquemin Nicolle (Independent Non-Executive Director); Graham Shircore (Non-Independent Non-Executive Director); and David Stevenson (Non-Independent Non-Executive Director).

The Company's Auditor is Grant Thornton Limited of Lefebvre House, Lefebvre Street, St Peter Port, Guernsey, GY1 3TF.

What is the key financial information regarding the issuer?

Selected historical key financial information

The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the financial statements of the Company for the period from incorporation on 13 March 2020 to 31 December 2020 and the financial year ended 31 December 2021 and the interim financial statements for the period from 1 January 2022 to 30 June 2022:

Table 1: Additional information relevant to closed end funds

Share Class	Total NAV*	No. of Shares▲	NAV per Share*	Historical performance of the Company
Ordinary	£138.0 million	183,996,058 Ordinary Shares and the B Share held by the Investment Manager	75.02 pence	From the date of the Company's IPO on 18 October 2021 to 31 December 2022, the Company achieved a cumulative net asset value return of -23.4 per cent. and a cumulative share price total return of -31.0 per cent.

* Unaudited NAV calculated as at 31 December 2022.

▲ As at the Latest Practicable Date.

Table 2: Income Statement for closed end funds

	From 13 March 2020 to 31 December 2020 (unaudited)	Financial year ended 31 December 2021 (audited)	For the period from 1 January 2022 to 30 June 2022 (unaudited)
Statement of Comprehensive Income			
Income	–	–	47,028
Total income	–	–	47,028
Expenses			
Net losses on financial assets at fair value through profit and loss	–	(10,021,645)	(29,678,240)
Other expenses	–	(1,968,331)	(433,501)
Loss before taxation	–	(11,989,976)	(30,064,713)
Tax	–	–	–
Total comprehensive loss for the year/period	–	(11,989,976)	(30,064,713)
Loss per share - Basic & diluted	–	(6.57)	(16.34)

Table 3: Balance Sheet for closed end funds

Statement of Financial Position	31 December 2020 (unaudited)	31 December 2021 (audited)	30 June 2022 (unaudited)
Non-current assets			
Investments - bonds	–	–	3,998,795
Investments - equity	–	126,617,646	118,572,197
Investments - loans	–	3,361,795	5,186,795
Current assets			
Trade and other receivables	1	39,033	54,139
Cash and cash equivalents	–	44,497,139	16,701,180
Total assets	1	174,515,613	144,513,106
Non-current liabilities			
Earn out liability	–	1,283,333	2,300,442
Current liabilities			
Earn out liability	–	916,667	–
Other payables	–	188,828	150,592
Total liabilities	–	2,388,828	2,451,034
Net assets	1	172,126,785	142,062,072
Equity			
Share capital	1	184,116,761	184,116,761
Retained deficit	–	(11,989,976)	(42,054,689)
Total equity	1	172,126,785	142,062,072
Number of Ordinary Shares in issue	–	183,996,059	183,996,059
Net asset value per Ordinary Share (pence)	–	93.55	77.21

The auditor's report on the Company's financial statements for the financial period ended 31 December 2021 was unqualified. The Company's financial information for the period from 13 March 2020 to 31 December 2020 was not required to be audited, however, the Company's auditors, Grant Thornton Limited, provided an opinion dated 23 September 2021 that the financial information for this period gives a true and fair view of the state of affairs for the Company as at 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the European Union.

2.2 What are the key risks that are specific to the issuer?

The attention of investors is drawn to the risks associated with an investment in the Company which, in particular, include the following:

Key risks relating to the Company

- The Company is a newly formed company with a limited operating history.
- The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company will be reliant upon the performance of third party service providers for its executive function.
- Net Asset Value figures published by the Company will be estimates only and may be materially different from the actual results and figures appearing in the Company's financial statements.

Risks relating to the Investment Strategy

- The value of the Portfolio may be dominated by a relatively limited number of assets.
- The Company may not meet its investment objective.
- Whilst the valuations of the Company's investments will be in compliance with IFRS, some of the Company's investments will be difficult to value accurately.

Risks relating to the Investment Manager

- The success of the Company depends on the ability and expertise of the Investment Manager.
- The Investment Manager relies on the knowledge, judgement and expertise of Gary Channon.
- The Investment Manager will become entitled to a performance fee subject to meeting certain performance thresholds which may create an incentive for the Investment Manager to make riskier investments.

Risks relating to regulation and taxation

- Changes in laws or regulations governing the Company's or the Investment Manager's operations may adversely affect the business and performance of the Company.

3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

3.1.1 Shares

The securities which the Company intends to issue pursuant to the Takeover Offer, the Consortium Rollover and the Placing are Ordinary Shares. The Company also intends to issue up to 300 million Ordinary Shares and/or C Shares in aggregate pursuant to the Placing Programme. The Shares are denominated in Sterling. The Company intends to issue: (i) up to 133,052,656 Ordinary Shares pursuant to the Takeover Offer; (ii) 32,442,740 Ordinary Shares pursuant to the Consortium Rollover and (iii) up to 154,000,000 Ordinary Shares pursuant to the Placing. The Ordinary Shares are being offered under the Placing at the Issue Price of 75.02p per Ordinary Share (the Issue Price is equal to the unaudited Net Asset Value per Share as at 31 December 2022). Ordinary Shares offered under the Placing Programme will be offered at a price not less than the Net Asset Value per Share. Any C Shares issued under the Placing Programme will be issued at a price of £1.00 per C Share. As at the date of this document, the issued share capital of the Company comprises, (i) one B Share, and (ii) 183,996,058 Ordinary Shares. The B Share and the Ordinary Shares in issue are fully paid up.

3.1.2 Rights attaching to the Shares

The Shares have the following rights:

Dividend: The holders of the Shares shall be entitled to receive, and to participate in, any dividends declared in relation to the class of Shares that they hold.

Rights as respect to capital: On a winding-up or a return of capital, if there are any C Shares in issue, the net assets attributable to the C Shares shall be divided pro rata amongst the holders of the C Shares. For so long as the C Shares are in issue, the assets attributable to the C Shares shall at all times be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to any C Shares in issue. The holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to any C Shares in issue. On a winding-up, the Ordinary Shares and C Shares rank senior to the B Share.

Voting: The Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company and on a poll, to one vote for each Share held. The consent of the holders of the Shares will be required for the variation of any rights attached to the relevant class of Shares.

3.1.3 Restrictions on the free transferability of Shares

There are no restrictions on the free transferability of the Shares, subject to compliance with applicable securities laws.

3.1.4 **Where will the securities be traded?**

Applications will be made to the London Stock Exchange for all of the Takeover Shares, the Ordinary Shares issued pursuant to the Consortium Rollover, the Placing Shares and the Shares issued pursuant to the Placing Programme to be admitted to trading on the Specialist Fund Segment of the Main Market. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other stock exchange.

3.2 **What are the key risks specific to the securities?**

The attention of investors is drawn to the risks associated with an investment in the Shares which, in particular, include the following:

- the price at which the Shares trade will likely not be the same as their Net Asset Value (although they may be related) and the Shares may trade at a discount to their Net Asset Value for a variety of reasons;
- the price that can be realised for Shares can be subject to market fluctuations;
- there may not be a liquid market in the Shares and Shareholders have no right to have their Shares redeemed or repurchased by the Company;
- securities quoted on the Specialist Fund Segment may experience higher volatility and carry greater risks than those listed on the premium segment of the Main Market; and
- the Investment Manager exercises control over the Company. Since the control rights that the Investment Manager exercises via the B Share are negative in nature, there is a risk that, should the interests of the Investment Manager and the Company and/or the other Shareholders come into conflict, the Company would be deadlocked and unable to take any action to further its operations and strategy.

4. **KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET**

4.1 **Under which conditions and timetable can I invest in this security?**

The Takeover Offer and the Consortium Rollover

It is expected that Admission of the Ordinary Shares issued in connection with the Consortium Rollover will become effective and that dealings will commence in such Ordinary Shares at 8.00 a.m. on a date on or around the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service).

It is expected that Admission of the Takeover Shares (other than any Takeover Shares issued to Eligible Dignity Shareholders who elect for the Listed Share Alternative pursuant to the Statutory Squeeze Out) will become effective and that dealings will commence in such Takeover Shares at 8.00 a.m. on or around the fifth business day after the 14th day after the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service).

It is expected that Admission of any Takeover Shares issued to Eligible Dignity Shareholders who elect for the Listed Share Alternative pursuant to the Statutory Squeeze Out will become effective and that dealings will commence in such further Takeover Shares at 8.00 a.m. approximately six weeks from the date of the Squeeze Out Notice (whereupon an announcement will be made by the Company to a Regulatory Information Service).

The dates and times associated with the Takeover Offer are subject to change and will depend on, among other things, the date on which the Conditions to the Takeover Offer are satisfied or waived. The Company will give adequate notice to Shareholders of all of those dates and times, when known, by announcement through a Regulatory Information Service.

The Placing and the Placing Programme

Ordinary Shares will be issued pursuant to the Placing at an Issue Price of 75.02p per Ordinary Share (the Issue Price is equal to the unaudited Net Asset Value per Share as at 31 December 2022). The maximum number of Ordinary Shares to be issued under the Placing is 154,000,000. The Net Proceeds, after deduction of expenses, are expected to be £112.4 million on the assumption that the Gross Proceeds are £115.5 million.

It is expected that Admission of the Placing Shares will become effective and that dealings will commence in the Placing Shares at 8.00 a.m. on the date being two business days following the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service).

The Directors are authorised to issue up to 300 million Ordinary Shares and/or C Shares pursuant to the Placing Programme. The issue of Shares is at the discretion of the Directors. Following the Placing, the Placing Programme may be implemented by any number of placings of Shares pursuant to the Placing Programme. The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The Placing Programme will open on 1 February 2023 and will close on 31 January 2024 (or an earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). Applications will be made for the Shares to be issued pursuant to the Placing and the Placing Programme to be admitted to trading on the Specialist Fund Segment of the Main Market.

The costs and expenses of, and incidental to, the Placing are not expected to exceed approximately £3.2 million. The costs will be deducted from the Gross Proceeds. The Company will not charge investors any separate costs or expenses in connection with the Placing. The costs and expenses of each Subsequent Placing pursuant to the Placing Programme will depend on subscriptions received but are not expected to exceed 2 per cent. of any such Subsequent Placing. The costs of any issue of C Shares will be allocated solely to the relevant C Share pool of assets. The Placing is conditional, *inter alia*, on: (i) the Takeover Offer becoming or being declared unconditional, (ii) Admission of the Placing Shares having become effective on or before 8.00 a.m. on the date being two business days following the date on which the Takeover Offer has become or been declared unconditional or such later time and/or date as the Company and Liberum may agree (being not later than 8.00 a.m. on 31 July 2023 or such later date as the Company and Liberum may agree from time to time); and (iii) the Placing Agreement becoming wholly unconditional in respect of the Placing (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission. Each issue of Shares pursuant to a Subsequent Placing under the Placing Programme, following the Placing, is conditional, *inter alia*, on: (i) Admission of the relevant Shares occurring by no later than 8.00 a.m. on such date as the Company and Liberum may agree from time to time in relation to that Admission, not being later than 31 January 2024; (ii) a valid supplementary prospectus being published by the Company, if such is required by the Prospectus Regulation Rules; (iii) the Placing Programme Price being determined by the Directors, and (iv) the Placing Agreement being wholly unconditional as regards to the relevant Subsequent Placing (save as to Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.

Dilution

The Company proposes to issue up to (i) 133,052,656 Takeover Shares in connection with the Takeover Offer; (ii) 32,442,740 Ordinary Shares pursuant to the Consortium Rollover and (iii) up to 154,000,000 Placing Shares. On the assumption that: (a) 154,000,000 Placing Shares are issued pursuant to the Placing, (b) 32,442,740 Ordinary Shares are issued pursuant to the Consortium Rollover and (iii) 133,052,656 Takeover Shares are issued pursuant to the Takeover Offer, the Takeover Shares, the Ordinary Shares issued pursuant to the Consortium Rollover and the Placing Shares will, in aggregate, constitute approximately 37 per cent. of the total issued share capital of the Company. If an Existing Ordinary Shareholder does not participate in the Placing (or the Takeover Offer or Consortium Rollover, if relevant) their holding in the Company will be diluted by 63.5 per cent. If an Existing Ordinary Shareholder does not subscribe for C Shares and/or Ordinary Shares issued under the Placing Programme, such Shareholder's proportionate ownership and voting rights in the Company will be reduced.

4.2 Why is this Prospectus being produced?

On 23 January 2023, the boards of directors of Dignity and Bidco announced that they had reached agreement on the terms of a recommended cash offer to be made by Bidco to acquire the entire issued and to be issued share capital of Dignity other than the Dignity Shares already owned or controlled by the Company and the Investment Manager. As at the close of business on 20 January 2023 (being the business day before the date of the Announcement), the Company and the Investment Manager owned or controlled in aggregate 14,876,159 Dignity Shares, representing approximately 29.08 per cent. of Dignity's fully diluted share capital.

Under the terms of the Takeover Offer, each Dignity Shareholder (other than the Company and the Other Phoenix Accounts) will be entitled to elect to receive 550 pence in cash for each Dignity Share (the "**Cash Offer**"). As alternatives to the Cash Offer, Eligible Dignity Shareholders may elect to receive: (i) for each Dignity Share, 5.50 unlisted non-voting D shares in the capital of Valderrama (the indirect parent company of Bidco) (the "**Unlisted Share Alternative**"); and/or (ii) for each Dignity Share, 7¹/₃ Takeover Shares (the "**Listed Share Alternative**" and, together with the Unlisted Share Alternative, the "**Alternative Offers**"). The Alternative Offers are limited to an aggregate maximum of 18,143,544 Dignity Shares, representing approximately 50 per cent. of Dignity's fully diluted share capital (excluding the Consortium Rollover Shares) as at 20 January 2023 (being the business day before the date of the Announcement).

The Consortium Rollover Shares will not be acquired by Bidco as part of the Takeover Offer. Instead, pursuant to the Consortium Rollover SPA:

- (i) the Company will exchange the 10,361,149 Consortium Rollover Shares owned by it for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, for Valderrama E Shares; and
- (ii) the Other Phoenix Accounts will exchange the 4,424,010 Consortium Rollover Shares owned by them for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, for (i) Valderrama E Shares or (ii) new Ordinary Shares, as set out in the Consortium Rollover SPA,

with these exchanges taking effect at such time as would result in the Acceptance Condition being capable of satisfaction when taking into account, (i) the Consortium Rollover Shares, and (ii) Dignity Shares in respect of which acceptances have been received (and not validly withdrawn in accordance with the rules and requirements of the Takeover Code and the terms of the Takeover Offer) by Bidco from Other Dignity Shareholders (the “**Consortium Rollover**”).

The Takeover Shares and the Ordinary Shares issued pursuant to the Consortium Rollover will, when issued, rank *pari passu* in all respects with each other and with each Existing Ordinary Share.

In addition, the Placing is intended to raise money to assist with the funding of the Company's cash funding obligation pursuant to the Takeover Offer. As the Placing is not underwritten, the Company has entered into the Standby Loan Facilities with Phoenix UK Fund Limited so that the required “cash confirmation” could be made in the Announcement. The Company will seek to draw upon the Standby Loan Facilities in the event that the Net Proceeds are insufficient to fully fund its financing obligations in relation to Valderrama pursuant to the Takeover Offer.

Following the Placing, the Company may wish to issue further Shares to raise additional capital. The Directors intend to use the net proceeds of any Subsequent Placing under the Placing Programme to acquire investments in accordance with the Company's investment objective and investment policy and for the Company's working capital purposes. Neither the Placing nor any Subsequent Placing will be underwritten.

This document is being produced in connection with: (i) the offer of the Takeover Shares to Eligible Dignity Shareholders, (ii) the issue of Ordinary Shares pursuant to the Consortium Rollover, (iii) the offer of the Placing Shares pursuant to the Placing, (iv) the offer of Shares pursuant to the Placing Programme and (v) the proposed application for the Admission of all such Shares to trading on the Specialist Fund Segment of the Main Market.

RISK FACTORS

An investment in the Shares carries a number of risks, including the risk that the entire investment may be lost. In addition to all other information set out in this document, the following specific factors should be considered when deciding whether to make an investment in the Shares. The risks set out below are those that are considered to be the material risks relating to the Company and to an investment in the Shares but are not the only risks relating to the Company and to such investment in the Shares. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Shares. It should be remembered that the price of securities can go down as well as up.

Prospective investors should note that the risks relating to the Company, its investment strategy and the Shares summarised in the section of this document headed “Summary” are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed “Summary” but also, among other things, the risks and uncertainties described in this “Risk Factors” section of this document. Additional risks and uncertainties not currently known to the Company or the Directors or that the Company or the Directors consider to be immaterial as at the date of this document may also have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Company’s Net Asset Value and/or the market price of the Shares.

The Specialist Fund Segment is only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in securities traded on the Specialist Fund Segment is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company.

Potential investors in the Shares should review this document carefully in its entirety and consult with their professional advisers prior to making an application to subscribe for Shares.

RISKS RELATING TO THE COMPANY

The Company has a limited operating history

The Company was incorporated on 13 March 2020 and consequently has a limited operating history. As the Company lacks an extensive operating history, investors have no basis on which to evaluate the Company’s ability to achieve its investment objective and provide a satisfactory investment return. There can be no assurance that the Company’s investment policy will be successful.

Reliance on third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Administrator and the Registrar perform services which are integral to the operation of the Company. Failure by any third party service provider to carry out its obligations in accordance with the terms of appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Company’s performance. To the extent that these third party service providers are unable or unwilling to perform their contractual commitments, there is a risk of reputational damage to the Company or the Company will have to seek alternative contractors (or to perform such services itself) which could be difficult or more costly. The termination of the Company’s relationships with any third party service provider, or any delay in appointing a replacement for such service provider, could disrupt the business of the Company materially and could have a material adverse effect on the Company’s financial condition, business, prospects, and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

Further, misconduct or misrepresentations by employees of the third party service providers could cause significant losses to the Company.

Net Asset Value figures published by the Company will be estimates only and may be materially different from actual results and figures appearing in the Company's financial statements

In addition to investing in listed or quoted securities, under its investment policy the Company will invest in private unlisted investments. Generally, there will be no readily available market for unlisted private investments and, hence, these investments will be difficult to value. The valuations used to calculate the Net Asset Value will in part be based on the Investment Manager's unaudited estimated fair market values of such unlisted private investments, although independent third-party valuers may also be used by the Company to assist with valuations of these unlisted private investments. It should be noted that any such estimates may vary (in some cases materially) from the results published in the Company's financial statements (as the figures are published at different times) and that they, and any Net Asset Value figure published, may vary (in some cases materially) from realised or realisable values.

Further, the Company intends to publish unaudited Net Asset Value figures on a monthly basis. The Net Asset Value figures issued by the Company should be regarded as indicative only and the actual, realisable Net Asset Value per Share may be materially different and this may have a material adverse effect on the market price of the Shares.

Use of borrowings

There is no limit in the Articles on the level of gearing which the Company can employ. Whilst the Company does not currently expect to have long-term gearing as part of its strategy, any such gearing utilised would be expected to be below 50 per cent. of the Company's gross asset value (including undrawn capital commitments), in each case measured at the time of investment. The Board may, however, approve a higher level of gearing from time to time, in circumstances where the Investment Manager recommends it should do so on an opportunistic basis.

In particular, as the Placing is not underwritten, the Company has entered into the Standby Loan Facilities with Phoenix UK Fund Limited so that the required "cash confirmation" could be made in the Announcement. The Company will seek to draw upon the Standby Loan Facilities in the event that the Net Proceeds are insufficient to fully fund its financing obligations in relation to Valderrama pursuant to the Takeover Offer. The interest rates under the Standby Loan Facilities are respectively (i) the aggregate of 2.5 per cent. and the compounded reference rate for that day plus a margin of 5 per cent. per annum and (ii) 15 per cent. per annum.

While the use of borrowings should enhance the total return on the Shares, where the return on the Company's Portfolio exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's Portfolio is lower than the cost of borrowing. The use of borrowings by the Company may increase the volatility of the Net Asset Value per Share.

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 borrowing and gearing policy, borrowing limits or loan covenants, the Company may have to sell investments in order to reduce borrowings. Such investments may be difficult to realise and therefore the market price which is achievable may give rise to a significant loss of value compared to the book value of the relevant investments, as well as a reduction in income from the Company's Portfolio.

The Company may also find it difficult, costly or not possible to refinance indebtedness as it matures or that the terms become more expensive. For example, the Company may be unable to enter into an agreement to secure refinancing on similar terms or on a timely basis or at all. Further, if interest rates are higher when any relevant indebtedness is refinanced, the Company's finance costs could increase. Any of the foregoing events may have a material adverse effect on the Company's financial condition, business, prospects, and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares and may lead to Shareholder dilution as a result of further equity capital raisings by the Company or the forced sales of assets.

There may be circumstances in which a Director has a conflict of interest

There may be circumstances in which a Director has, directly or indirectly, a material interest in a transaction being considered by the Company or a conflict of interest with the Company. Any of the Directors and/or any person connected with them may, from time to time, act as a director or

employee of, or invest in or be otherwise involved with: (i) other investment vehicles that have investment objectives and policies similar to those of the Company; or (ii) entities or other vehicles that are the subject of transactions with the Company, subject, in both cases and at all times, to the provisions governing such conflicts of interest both in law and in the Articles.

In particular:

- Graham Shircore, is an employee of the Investment Manager and consequently is the director appointed to the Board by the Investment Manager pursuant to the B Share Rights. In addition, Graham Shircore represents the Investment Manager on the boards of Stanley Gibbons and Showpiece Technologies Ltd; and
- David Stevenson is a director of Aurora Investment Trust Plc. Aurora Investment Trust Plc is another investment fund under the discretionary management of the Investment Manager, and a material Shareholder in the Company.

As such, each of Graham Shircore and David Stevenson are not independent Directors and these parallel roles create conflicts of interest between their duties to the Company and their duties to the Investment Manager and Aurora Investment Trust Plc respectively.

The Company may invest in assets through one or more investment vehicles

The Company expects to make both direct investments into assets, and may also invest indirectly through another company or one or more investment vehicles. In particular, in the event that the Takeover Offer becomes Effective, the Company's exposure to Dignity will be held indirectly via its joint venture holding in Valderrama.

Where investments are acquired indirectly, the value of the company or investment structure may not be the same as the value of the underlying asset due, for example, to tax, contractual, contingent and other liabilities, or structural considerations. To the extent that the valuations of the Company's investments in other investment structures prove to be inaccurate or do not fully reflect the value of the underlying assets, whether due to the above factors or otherwise, this may have a material adverse effect on the Company's financial condition, business, prospects, and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

RISKS RELATING TO AN INVESTMENT IN THE SHARES

The Shares may trade at a discount to the relevant Net Asset Value per Share

The price at which the Shares trade will likely not be the same as their Net Asset Value per Share (although they may be related). The shares of investment companies have a tendency to trade at a discount to their net asset value and the Shares could in future trade at a discount to their Net Asset Value per Share for a variety of reasons, including due to market conditions or an imbalance between supply and demand for the Shares. While the Directors may seek to mitigate any discount to Net Asset Value per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful. As a result of this, investors that dispose of their interests in the secondary market may realise returns that are lower than they would have realised if an amount equivalent to the Net Asset Value per Share was distributed.

The price that can be realised for Shares can be subject to market fluctuations

Potential investors should not regard an investment in the Shares as a short-term investment. Shareholders may not recover the full amount initially invested, or any amount at all. The market price of the Shares may fluctuate significantly and Shareholders may not be able to sell their Shares at or above the price at which they purchased them. Factors that may cause the price of the Shares to vary include those detailed in the risk disclosures made in this document, such as; changes in the Company's financial performance and prospects, or in the financial performance and market prospects of the assets in which the Company invests; the termination of the Investment Management Agreement or the departure of some or all of the Investment Manager's key investment professionals; changes in or new interpretations or applications of laws and regulations that are applicable to the Company's business or to the companies in which the Company makes investments; sales of Shares by Shareholders; general economic trends and other external factors; poor performance in any of the Investment Manager's activities or any event that affects the Company's, the Investment Manager's or any Portfolio Company's reputation; and speculation in the press or investment community regarding the Company's or the Investment Manager's business or

the assets or factors or events that may directly or indirectly affect the Company's or Investment Manager's business or any of the assets.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of particular companies. Market fluctuations may adversely affect the trading price of the Shares.

As with any investment, the share price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains or subsequent investments made.

There may not be a liquid market in the Shares and Shareholders have no right to have their Shares redeemed or repurchased by the Company

Admission should not be taken as implying that there will be an active and liquid market for the Shares. Limited numbers and/or holders of such Shares may mean that there is limited liquidity in such Shares, which may affect: (i) an investor's ability to realise some or all of their investment; and/or (ii) the price at which such investor can effect such realisation; and/or (iii) the price at which such Shares trade in the secondary market.

The Company is a closed-ended investment company and therefore Shares cannot be redeemed at the option of the Shareholder.

Securities quoted on the Specialist Fund Segment may experience higher volatility and carry greater risks than those listed on the Premium Segment of the Official List

Shares traded on the Specialist Fund Segment may have limited liquidity and may experience greater price volatility than shares listed on the Premium Segment of the Official List. Limited liquidity and high price volatility may result in Shareholders being unable to sell their Shares at a price that would result in them recovering their original investment.

The Investment Manager exercises control over the Company

As holder of the B Share, the Investment Manager has extensive control rights over the Company. The Investment Manager has the ability to appoint a Director to the Board and to remove and replace that director. The appointment or termination of any Director and any acquisition or disposal by the Company or a subsidiary (save in respect of any subsidiary of the Company whose shares are admitted to trading on a market of the London Stock Exchange) requires the prior written consent of the Investment Manager. The Investment Manager, through the voting rights attaching to the B Share, has the ability to defeat any resolution proposed to the Shareholders (save where such proposal may be required by the Companies Law and save in respect of the B Share Continuation Resolution).

The control exercised by the Investment Manager means that certain transactions are impossible without the support of the Investment Manager and may have the effect of preventing an acquisition or other change in control of the Company.

In addition, were the Company to terminate the Investment Management Agreement, the Investment Manager would remain the holder of the B Share.

Since the control rights that the Investment Manager exercises via the B Share are negative in nature, there is a risk that, should the interests of the Investment Manager and the Company and/or the other Shareholders come into conflict, the Company would be deadlocked and unable to take any action to further its operations and strategy. To the extent that the Company does become deadlocked, this will have a material adverse effect on its business, financial condition, results of operations or prospects and the value of the Shares.

Potential investors' attention is also drawn to the fact that, as at the date of this document, the Investment Manager, through the Other Phoenix Accounts, is interested in, and exercises the voting rights attaching to, Shares carrying more than 50 per cent. of the voting rights of the Company. Consequently, the Investment Manager is currently able to acquire interests in further Ordinary Shares without incurring any further obligation under Rule 9 to make a general offer.

As the Investment Manager is interested in, and exercises the voting rights attaching to Shares carrying more than 50 per cent. of the voting rights of the Company, the Investment Manager currently exercises control over the Company.

The Company may in the future issue new equity, which may dilute Shareholders' equity

The Company may seek to issue new equity in the future, including the Placing Shares, the Takeover Shares and Ordinary Shares issued in connection with the Consortium Rollover. While the Articles contain pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied. Where pre-emption rights are disapplied, any additional equity financing will be dilutive to the voting interests of those Shareholders who cannot, or choose not to, participate in such financing.

Future sales of Shares could cause the market price of the Shares to fall

Sales of Shares or interests in the Shares by significant investors could depress the market price of the Shares. A substantial amount of Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Shares at a time and price that they deem appropriate.

Risks relating specifically to the C Shares

C Shares may be issued as separate classes of shares in the capital of the Company and, if issued, would convert into Ordinary Shares at the Conversion Date. Pending conversion of such C Shares into Ordinary Shares, the portfolio of assets attributable to the C Shares may differ from the portfolio of assets attributable to the Ordinary Shares in terms of both performance (the assets in the portfolios may be different) and diversification (the portfolio of assets attributable to the C Shares may be more concentrated than the portfolio of assets attributable to the Ordinary Shares pending Conversion).

RISKS RELATING TO THE INVESTMENT STRATEGY

The value of the Portfolio may be dominated by a relatively limited number of assets

A large proportion of the overall value of the Portfolio may at any time be accounted for by a relatively limited number of assets.

In particular, as at the Latest Practicable Date, approximately 31 per cent. of the Company's Net Asset Value is exposed to the shares of Dignity and, on the assumption that the Takeover Offer becomes Effective, approximately 63 per cent. of the Company's Net Asset Value will be exposed (either directly or indirectly) to the shares of Dignity.

Accordingly, there is a risk that if one or more such assets (including in particular Dignity) experiences financial, regulatory or operational difficulties, requires material additional investment, fails to achieve anticipated results or suffers from poor stock market conditions (if admitted to trading on a public stock exchange) and, as a result, its value were to be adversely affected, this could have a material adverse impact on the overall value of the Portfolio and the Company's financial condition, business, prospects, and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

The Company may not meet its investment objective

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's investment objective is to compound Shareholders' capital at a higher rate of return than the FTSE All Share Total Return Index over the long term. The payment of any future dividends and other distributions and the level of any future dividends or distributions paid by the Company is subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing its investment policy and the Company's earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time. There can be no assurance that any dividends or distributions will be paid in respect of any financial year or period and no guarantee as to the level of any future dividends or distributions to be paid by the Company.

Investment valuation uncertainty

Some of the Company's investments include securities and other interests that are very thinly traded, for which no market exists or which are restricted as to their transferability under applicable laws

and/or the relevant investment documentation. Whilst the valuations of the Company's investments will be in compliance with IFRS, some of the Company's investments will be difficult to value accurately. Such valuations may be conducted on an infrequent basis, are subject to a range of uncertainties and will involve the Investment Manager and/or the Audit Committee exercising judgement. Valuations made by or on behalf of the Company may be made, in part, on valuation information provided by the Investment Manager and/or third parties (including entities in which the Company may directly or indirectly invest). The Company and the Investment Manager may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. There can be no guarantee that the basis of calculation of the value of the Company's investments used in the valuation process will reflect the actual value achievable on realisation of those investments. This may lead to volatility in the valuation of the Portfolio and, as a result, volatility in the price of the Shares.

Investments in small and mid-cap quoted/listed and private companies may pose greater risk than investments in larger, established companies

The Company invests and, in accordance with its investment policy, will invest in small and mid-cap quoted/listed and private companies. Investments in such companies may be very volatile and investing in them often carries a high degree of risk because such companies may lack the experience, financial resources, product diversification, proven profit-making history and competitive strength of larger companies. It may take time and significant resources for the Company to realise its investment in small or mid-cap companies and such assets may not grow rapidly or at all. As such, the value of the Company's investment in small and mid-cap companies may not increase or even may decrease. Particularly if the relevant Portfolio Company represents a significant proportion of the Company's assets, this could have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

The Company's investments in private assets will not be liquid, which may limit its ability to realise investments at short notice, at a fair value or at all and may be subject to risks

Investments in private assets are highly illiquid and have no public market. There may not be a secondary market for interests in private assets. Such illiquidity may affect the Company's ability to vary its Portfolio or dispose of, or liquidate part of, its Portfolio, in a timely fashion (or at all) and at satisfactory prices in response to changes in economic or other conditions.

If the Company were required to dispose of or liquidate an investment on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded, which could result in a decrease in Net Asset Value.

The performance of investments in private assets can also be volatile because those assets may have limited product lines, markets or financial reserves, or be more susceptible to major economic setbacks or downturns. Private assets may be exposed to a variety of business risks including, but not limited to: competition from larger, more established firms; advancement of incumbent services and technologies; and the resistance of the market towards new companies, services or technologies.

The crystallisation of any of these risks or a combination of these risks may have a material adverse effect on the development and value of a Portfolio Company and, consequently, on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the Net Asset Value and/or the market price of the Shares.

Furthermore, repeated failures by Portfolio Companies to achieve success may adversely affect the reputation of the Company or Investment Manager, which may make it more challenging for the Company and the Investment Manager to identify and exploit new opportunities and for other Portfolio Companies to raise additional capital, which may therefore have a material adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the Net Asset Value and/or the market price of the Shares.

The Company may be exposed to market risks, principally equity securities price risk, as a result of its equity investments in publicly traded Portfolio Companies and private Portfolio Companies that subsequently become publicly traded

As a result of investments in publicly traded Portfolio Companies, the Company will be exposed to equity securities price risk. The market value of the Company's holdings in publicly traded Portfolio Companies could be affected by a number of factors, including, but not limited to: a change in sentiment in the market regarding such companies; the market's appetite for specific business sectors; and the financial or operational performance of the publicly traded Portfolio Companies which may be driven by, amongst other things, the cyclical nature of some of the sectors in which some or all of the publicly traded Portfolio Companies operate.

Equity prices and returns from investing in equity markets are sensitive to various factors, including but not limited to: expectations of future dividends and profits; economic growth; exchange rates; interest rates; and inflation. The value of any investment in equity markets is therefore volatile and it is possible, even when an investment has been held for a long time, that an investor may not get back the sum invested. Any adverse effect on the value of any equities in which the Company invests from time to time could have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

The Company may be subject to restrictions on its ability to buy or sell securities in Portfolio Companies as a result of the size of its holding or the aggregated holdings managed by the Investment Manager

The Takeover Code will generally apply to any UK Portfolio Companies that are admitted to trading on a public stock exchange in the UK. Under Rule 9 of the Takeover Code any person, (i) who acquires an interest in shares which, when taken together with shares in which they and persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights in a Portfolio Company, or (ii) who, together with persons acting in concert with them, is interested in shares which carry not less than 30 per cent. but no more than 50 per cent. of the voting rights in a Portfolio Company and subsequently acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested, such person would be required (except with the consent of the Panel) to make a cash or cash alternative offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by them or their concert parties during the previous 12 months. There is a potential risk that the Company may be required to make an offer under Rule 9 of the Takeover Code to purchase the remaining shares in a Portfolio Company which may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

The Company may invest in companies that are subject to a potential acquisition or restructuring and may suffer loss on investment where such transaction does not take place or is unsuccessful

The Company may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganisations, bankruptcies or other key changes or similar transactions. In any investment opportunity involving such type of special situation, there is a risk that the contemplated transaction will either be unsuccessful, will take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Company. Similarly, if an anticipated transaction does not occur, the Company may be required to sell its investment at a loss. As there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss by the Company of its entire investment in such companies, which may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

Underperforming companies may continue to perform poorly

A Portfolio Company may have experienced or may be expected to experience operating issues and may have associated financial difficulties. While the investment policy of the Company is to identify and invest in a company where value might be added, a Portfolio Company may not prove to be

capable of generating any additional value for its Shareholders. Such risks could lead to the partial or total loss of the Company's investment.

Leverage of assets

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. A Portfolio Company may make use of varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates may significantly increase a Portfolio Company's interest expense, causing losses and/or the inability to service debt levels. If a Portfolio Company cannot generate adequate cash flow to meet debt obligations, the Company may suffer a partial or total loss of capital invested in such Portfolio Company.

The Company may not be able to raise additional capital for expansion activity in the long term on acceptable terms or at all

In the long term, the Company may require additional capital to fund expansion activity and/or further investment in Portfolio Companies. If the returns generated by the Company over the longer term are not sufficient and/or if the Company is unable to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon any expansion activity and/or further investment in the assets and this could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the Net Asset Value and/or the market price of the Shares.

Proceeds from equity disposals and any payments of dividends received by the Company may vary from year to year

Proceeds from any disposal of the Company's interests in Portfolio Companies through liquidity events, including sales of equity following IPOs and trade sales, may vary substantially from year to year. In addition, earnings produced by Portfolio Companies are typically reinvested for the purpose of growth, and payments of dividends by assets are often subject to milestones which may not be achieved. This means the return received by the Company from these sources may vary substantially from year to year. Notwithstanding that the Company does not expect to receive much in the way of returns from dividends, these variations in overall returns may have a material adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the Net Asset Value and/or the market price of the Shares.

RISKS RELATING TO THE INVESTMENT MANAGER

The success of the Company depends on the ability and expertise of the Investment Manager

In accordance with the Investment Management Agreement, all of the investment and asset management decisions of the Company are made by the Investment Manager, under the overall supervision of the Directors, and not by the Company and, accordingly, the Company is reliant upon, and its success is to a great extent depend on, the ability and expertise of the Investment Manager and its personnel, services and resources in executing the Company's investment policy.

The Investment Manager relies on the knowledge and expertise of Gary Channon

The ability of the Investment Manger to make successful investment decisions is largely based on the knowledge, judgment and expertise of Gary Channon. If Gary Channon were no longer to work for the Investment Manager, and if the Investment Manager was unable to recruit an individual with similar experience, expertise and calibre, this could have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

The Investment Manager may have conflicts of interest due to the roles of representatives of the Investment Manager on the boards of the Portfolio Companies

The Investment Manager has a representative on the boards of each of the following Portfolio Companies:

- Graham Shircore is currently a non-executive director of Stanley Gibbons and Showpiece Technologies Ltd;

- Daniel Carter (an analyst at the Investment Manager) is a non-executive director of Hornby and Showpiece Technologies Ltd;
- Charlotte Maby is a director of Cambium Group; and
- Lorraine Smyth is a director of Rawnnet and Castelnau Group Services Ltd.

It is also likely that the Investment Manager will seek to maintain board representation on the boards of future Portfolio Companies where appropriate.

Pursuant to these board positions, each of the Investment Manager's representatives owe statutory and fiduciary duties to the relevant companies. Although these board positions are considered by the Investment Manager to be an important part of its investment management strategy and process, the presence of these statutory and fiduciary duties may create conflicts of interest between the duties owed to the relevant companies and the duties owed to the Company by the Investment Manager under the Investment Management Agreement which could have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

In particular, where representatives of the Investment Manager are involved (either as directors or on a more informal basis as advisers) in a Portfolio Company whose shares are publicly listed or quoted, there is a risk that the Company will be restricted in transacting in, or redeeming, its investment in that Portfolio Company as a result of, among other things, legal restrictions on transactions by company directors or affiliates or due to the fact that the Investment Manager will be deemed to be in receipt of inside information for the purposes of MAR. Consequently, this could have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

Performance fees

The Investment Manager will not receive a management fee in respect of its portfolio management services to the Company. The Investment Manager will become entitled to a performance fee subject to meeting certain performance thresholds. The potential for a performance fee to be payable under the Investment Management Agreement may create an incentive for the Investment Manager to make riskier or more speculative investments than it would otherwise make in the absence of such fee.

Any performance fee payable to the Investment Manager will be satisfied by the issue to the Investment Manager of Ordinary Shares. The issue of such Ordinary Shares to the Investment Manager is likely to have a dilutive effect on other Shareholders holding Ordinary Shares.

The Investment Manager and its affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company

The Investment Manager and its affiliates may in the future be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager will manage managed accounts and funds other than the Company (including Aurora and Phoenix UK Fund Limited) and may provide investment management, investment advisory or other services in relation to these current and future funds and managed accounts which may have similar investment policies to that of the Company. The Investment Manager and its affiliates may give advice and recommend securities to such other managed accounts or funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

The Company's ability to achieve its investment objective relies on the Investment Manager's ability to source and advise appropriately on investments

Returns on Shareholders' investments will depend upon the Investment Manager's ability to source and make successful investments on behalf of the Company. There can be no assurance that the Investment Manager will be able to do so on an on-going basis. Many investment decisions of the Investment Manager will depend upon the ability of its employees to obtain relevant information. There can be no guarantee that such information will be available or, if available, can be obtained by the Investment Manager and its employees. Further, the Investment Manager will often be required to make investment decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. Furthermore, the Company may have to

compete for attractive investments with other public or private entities, or persons, some or all of which may have more capital and resources than the Company. These entities may invest in potential investments before the Company is able to do so or their offers may drive up the prices of potential investments, thereby potentially lowering returns and, in some cases, rendering them unsuitable for the Company. An inability to source investments would have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

The Company cannot guarantee that the investments will perform as well as the past investments made by the Investment Manager

The past performance of the investments in other investment vehicles or accounts managed by the Investment Manager (including, but not limited to, Phoenix UK Fund Limited and Aurora) cannot be relied upon as an indicator of the future performance of the Company. Although in many cases the Company's investments will be similar to those held in other investment vehicles or accounts, the Company cannot guarantee that this will be the case at all times and in all circumstances and can offer no assurance that the investments (or any part thereof) will perform as well as the past investments made by the Investment Manager; that gains and income will be generated; or that any gains or income that may be generated on particular investments will be sufficient to offset any losses sustained.

Further, this document also contains certain limited historical information in relation to the Current Assets. The Company cannot guarantee that the Current Assets will generate similar or the same returns as they have done in the past.

The due diligence process that the Investment Manager undertakes in evaluating specific investment opportunities may not reveal all facts that may be relevant in connection with an investment in a Portfolio Company

When conducting due diligence and making an assessment regarding an investment in a Portfolio Company, the Investment Manager will be required to rely on resources available to it, including internal sources of information as well as information provided by such Portfolio Company and any independent sources, including information filed with regulators and publicly available or made directly available to the Investment Manager by third parties. Although the Investment Manager will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, the Investment Manager may not be in a position to confirm the completeness, genuineness or accuracy of such information and data. The Company (or any entity through which the Company invests) may have limited information relating to the assets. Therefore, there may be information that relates to the investments that a prospective investor would like to know that the Company is not able to provide.

Accordingly, the Company cannot guarantee that the due diligence investigation the Investment Manager carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Investment Manager to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

There can be no assurance that the Board will be able to find a replacement Investment Manager if the Investment Manager resigns

Under the terms of the Investment Management Agreement, the Investment Management Agreement may be terminated by the Investment Manager or the Company on not less than 24 months' notice to the other party, such notice not to be served earlier than the fifth anniversary of IPO admission.

The Board would, in these circumstances, have to find a replacement Investment Manager for the Company and there can be no assurance that a replacement with the necessary skills and experience would be available and/or could be appointed on terms acceptable to the Company. In this event, the Board may have to formulate and put forward to Shareholders proposals for the future of the Company which may include its merger with another investment company, reconstruction or winding up. While the Directors would seek to mitigate the effects of such a course of action, it may not be possible to avoid this having a material adverse effect on the Company's financial condition,

business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

RISKS RELATING TO THE TAKEOVER OFFER

The Takeover Offer is subject to a number of conditions that may not be satisfied or waived

The Takeover Offer is subject to the satisfaction (or waiver, where applicable) of a number of conditions, including, *inter alia*:

- (i) the Acceptance Condition being satisfied; and
- (ii) change of controller approval being granted by the FCA in relation to Dignity Funerals Limited (being the regulated funeral plan business of Dignity).

Bidco's ability to invoke a Condition to the Takeover Offer is subject to the Panel's consent. The Panel will need to be satisfied that the underlying circumstances are of "material significance" to the Consortium in the context of the Takeover Offer and this is a high threshold to fulfil. Consequently, there is a significant risk that the Consortium may be required to complete the Takeover Offer even where certain Conditions have not been satisfied (for example, not all the regulatory consents or consents from commercial counterparties have been obtained) or where an adverse change has occurred to Dignity. If events such as those described in this paragraph were to occur, they might result in additional costs and/or the delay or the failure to realise the financial benefits relating to the Takeover Offer identified by the parties.

Proceeding to complete the Takeover Offer without particular clearances and consents from third parties, which may include regulators and commercial counterparties, may impact Dignity's future strategy and operations, result in the imposition of penalties, fines and other criminal and civil sanctions. If events such as those described in the preceding sentence were to occur, there may be a material adverse effect on the Company's financial condition, business, prospects, and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

Bidco may be unable to acquire the entire issued and to be issued share capital of Dignity which would mean there would be minority shareholders in Dignity

To effect a Statutory Squeeze Out of any remaining Dignity Shares, Bidco will need first to have acquired, or unconditionally contracted to acquire, not less than 75 per cent. in value of the Dignity Shares to which the offer relates and not less than 90 per cent. of the voting rights carried by the Dignity Shares to which the offer relates. The Takeover Offer is conditional upon valid acceptances being received (and not, where permitted, withdrawn) in respect of not less than 75 per cent. of the Dignity Shares to which the offer relates, but this percentage may be reduced by Bidco to any percentage above 50 per cent. Bidco could, therefore, complete the Takeover Offer without being able to acquire compulsorily the remaining Dignity Shares it does not own via a Statutory Squeeze Out. Although Bidco would 'control' Dignity and be entitled to affect the composition of the Dignity Board, depending on the level of acceptances received, Bidco may not control sufficient voting rights to be able to procure that Dignity makes applications to cancel the listing of the Dignity Shares on the Official List with a premium listing or to cancel the trading in Dignity Shares on the Main Market. In such circumstances, minority shareholders would retain a stake in Dignity and they would benefit from certain legal protections afforded to them under English law in respect of their minority shareholdings.

In addition, it may also take longer and be more difficult to effect any post-closing operational improvement; and the full benefits of the Takeover Offer may not be obtained or may only be obtained over a longer period of time. In addition, if Bidco owns less than 100 per cent. of Dignity after the Takeover Offer becomes Effective, Bidco may not be able to pass certain shareholder resolutions. This may adversely affect Bidco's ability to achieve the expected benefits of the Takeover Offer after the Takeover Offer becomes Effective, which may have a material adverse effect on the Company's financial condition, business, prospects, and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

There may be an adverse impact on the Company's reputation if the Takeover Offer does not become Effective

If the Takeover Offer does not become Effective, there may be an adverse impact on the reputation of the Company, as one of the Consortium members, as a result of media scrutiny arising in connection with the attempted Takeover Offer. In the future, this may make it more difficult for the

Company (either alone or in conjunction with the other Consortium members) to make other acquisitions. Any such reputational risks may have a material adverse effect on the Company's financial condition, business, prospects, and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

Investments in listed securities may not be a suitable investment for all recipients and the market price of the Takeover Shares may be volatile

The Takeover Shares may not be a suitable investment for all the recipients of this document. Before making a final decision, investors are advised to consult an appropriate independent investment adviser authorised under FSMA (or from another appropriately authorised financial adviser) who specialises in advising on the acquisition of shares and other securities.

Prospective investors should be aware that the value of an investment in the Company may go down as well as up.

The market price of the Takeover Shares could be volatile and subject to significant fluctuations due to a variety of factors outside the control of the Company. Stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Company's operating performance, underlying Net Asset Value or prospects.

The market price of the Takeover Shares may be adversely affected by any of the preceding or other factors regardless of the Company's actual results of operations and financial condition. Furthermore, the Company's operating results and prospects from time to time may be below the expectations of market analysts and investors.

The Company may be required to contribute to Dignity's defined benefit pension scheme

Dignity Funerals Limited ("DFL") has a defined benefit pension scheme (the "DB Scheme"). In the event of a shortfall in the value of the DB Scheme the Pensions Regulator has wide powers to require contributions to the DB Scheme from entities that are "connected" or "associated" with DFL by issuing contribution notices ("CNs") or financial support directions ("FSDs"). A CN or FSD is in effect a requirement to meet or support the funding of the DB Scheme. In the event that the Takeover Offer becomes Effective and Bidco holds at least 66 per cent. of the voting rights in Dignity, the Company would be considered to be associated with DFL, and within the scope of the Pensions Regulator's powers to issue CNs or FSDs. If the Company were to become liable under a CN or an FSD to make payments to meet or support the funding of the DB Scheme, this could have a material adverse effect on the Company's financial condition, business, prospects, and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

RISKS RELATING TO REGULATION AND TAXATION

Changes in laws or regulations governing the Company's or the Investment Manager's operations may adversely affect the business and performance of the Company

The Company, as a Guernsey-incorporated closed-ended investment company trading on the Specialist Fund Segment of the Main Market, is subject to laws and regulations in such capacity, including the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, MAR, the UK AIFM Regime, the PRIIPs Regulation, the Rules and the Companies Law. The Company is subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Specialist Fund Segment of the Main Market. These rules, regulations and laws govern the way that, amongst other things, the Company can be operated (i.e. its governance), how its Shares can be marketed and how it must deal with its Shareholders, together with requiring the Company to make certain reports, filings and notifications (and governing their respective content).

The Investment Manager is subject to, and will be required to comply with, certain regulatory requirements of the FCA, some of which affect the investment management of the Company.

The laws and regulations affecting the Company and/or the Investment Manager are evolving. Any such changes may have an adverse effect on the ability of the Company to pursue its investment policy, and may have a material adverse effect the Company's business, financial condition, prospects, results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Any change in the Company's tax status, or in taxation legislation or practice in the UK, Guernsey or elsewhere, could affect the value of the Company's investments, any future investments made by the Company and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and taxation of Shareholders are based upon current Guernsey and UK tax law and published practice, any aspect of which is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Shares.

Statements in this document in particular take into account the UK offshore fund rules contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 and published guidance from HMRC on the definition of an "offshore fund". Should the Company become subject to the UK offshore fund rules as a result of falling within the definition of an "offshore fund", this may have adverse tax consequences for certain UK resident Shareholders and/or result in additional tax reporting obligations for the Company.

Potential investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

IMPORTANT INFORMATION

GENERAL

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations other than those contained in this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, Liberum or Morgan Stanley. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, and MAR, neither the delivery of this document nor any subscription for or purchase of Shares pursuant to the Placing and/or the Placing Programme, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for, Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

This document should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document is received are required to inform themselves about and to observe such restrictions.

An investment in the Shares should constitute part of a diversified investment portfolio. The Specialist Fund Segment is only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in securities traded on the Specialist Fund Segment is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company. It should be remembered that the price of the Shares can go down as well as up.

GUERNSEY REGULATORY INFORMATION

The Company is a registered closed-ended investment scheme registered pursuant to the POI Law and RCIS Rules.

The Directors have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors accept responsibility accordingly.

If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser.

Both of the Administrator and the Registrar have certain responsibilities under the AML Legislation to verify the identity of investors. Failure to provide the necessary documentation may result in applications being rejected or in delays in the despatch of documents under the Placing or the Placing Programme.

FOR THE ATTENTION OF UNITED STATES RESIDENTS

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

NOTICE TO DIGNITY SHAREHOLDERS IN RESTRICTED JURISDICTIONS

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative will be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an election for either of the Alternative Offers by any use, means or instrumentality (including facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange of a Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative will not be made available to any Dignity Shareholder whose registered address is in an EEA Member State.

The availability of the Takeover Offer to Dignity Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions.

Further details in relation to Dignity Shareholders in overseas jurisdictions will also be contained in the Offer Document (when published).

The Takeover Offer will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

FOR THE ATTENTION OF UNITED KINGDOM INVESTORS

No Shares have been offered or will be offered pursuant to the Takeover Offer, the Consortium Rollover, the Placing or the Placing Programme to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which have been approved by the Financial Conduct Authority, except that the Shares may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation); or
- (c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the Shares shall require the Company to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in

relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, Shares will only be offered to the extent that the Shares are permitted to be marketed in the UK pursuant to the UK AIFM Regime.

Notwithstanding the foregoing, as the Shares will be admitted to the Specialist Fund Segment, the Shares are intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the EEA (each a “**Relevant State**”), no Shares have been offered or will be offered pursuant to the Placing or the Placing Programme to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State, or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Shares to the public may be made at any time under the following exemptions under the EEA Prospectus Regulation:

- to any legal entity which is a “qualified investor” as defined under Article 2 of the EEA Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the EEA Prospectus Regulation) in such Relevant State; or
- in any other circumstances falling within Article 1(4) of the EEA Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EEA Prospectus Regulation or a supplemental prospectus pursuant to Article 23 of the EEA Prospectus Regulation and each person who initially acquires any Shares or to whom any offer is made under the Placing or the Placing Programme will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the EEA Prospectus Regulation.

The expression an “offer to the public” in relation to any offer of Shares in any Relevant State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, and the expression “**EEA Prospectus Regulation**” means Regulation (EU) 2017/1129.

In addition, Shares will only be offered to the extent that the Shares: (i) are permitted to be marketed into the Relevant State pursuant to the EU AIFM Directive; or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor) and “EU AIFM Directive” shall mean Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time.

The Listed Share Alternative will not be made available to any Dignity Shareholder whose registered address is in an EEA Member State.

Notwithstanding the foregoing, as the Shares will be admitted to the Specialist Fund Segment, the Shares are intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment.

NOTICE TO PROSPECTIVE INVESTORS IN GUERNSEY

The Placing and the Placing Programme referred to in this document are available, and are and may be made, and are being provided in or from within the Bailiwick of Guernsey only:

- by persons licensed to do so (or permitted by way of exemption granted) by the Guernsey Financial Services Commission (the “**Commission**”) under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (as amended) (the “**POI Law**”); or

- by non-Guernsey bodies who: (i) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of certain designated countries or territories which, in the opinion of Commission, afford adequate protection to investors; and (ii) meet the criteria specified in section 44(1)(c) of the POI Law; or
- to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 2020, the Insurance Business (Bailiwick of Guernsey) Law, 2020, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2020 or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020 by non-Guernsey bodies who: (i) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of certain designated countries or territories which, in the opinion of Commission, afford adequate protection to investors; and (ii) meet the criteria specified in section 44(d) of the POI Law; or
- as otherwise permitted by the Commission.

The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

The Placing and Placing Programme referred to in this document and this document are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs and must not be relied upon by any person unless made or received in accordance with such paragraphs.

NOTICE TO PROSPECTIVE INVESTORS IN JERSEY

The Placing and Placing Programme that is the subject of this document may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. Consent under the Control of Borrowing (Jersey) Order 1958, as amended, has not been obtained for the circulation of this offer and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable valuation of the offer.

Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended. Neither the Company nor the activities of any functionary with regard to the Company are subject to all the provisions of the Financial Services (Jersey) Law 1998.

NOTICE TO PROSPECTIVE INVESTORS IN OTHER JURISDICTIONS

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within PROD 3 of the FCA's Product Intervention and Product Governance Sourcebook (the "**Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares to be issued pursuant to the Placing and Subsequent Placings are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in COBS 3.5 and 3.6 of the FCA's Conduct of Business Sourcebook, respectively; and (ii) eligible for distribution through all distribution channels as are permitted by the Product Governance Requirements (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: (a) the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no

guaranteed income and no capital protection; (b) an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom; and (c) the Shares will be admitted to the Specialist Fund Segment, which is intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing and/or Subsequent Placings. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Liberum will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the FCA's Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

PRIIPS REGULATION

In accordance with the PRIIPs Regulation, a Key Information Document in respect of the Ordinary Shares has been prepared by the Investment Manager and is available to investors at www.castelnaugroup.com. If any C Shares are offered pursuant to the Placing Programme, a Key Information Document in respect of such C Shares will be prepared by the Investment Manager and will be available to investors at www.castelnaugroup.com. If you are distributing the Ordinary Shares or any C Shares, it is your responsibility to ensure that the relevant Key Information Document is provided to any clients that are "retail clients" pursuant to the PRIIPs Regulation.

The Investment Manager is the only manufacturer of the Shares for the purposes of the PRIIPs Regulation and Liberum is not a manufacturer for these purposes. Liberum makes no representations, express or implied, or accepts any responsibility whatsoever for the contents of any Key Information Documents prepared by the Investment Manager nor accepts any responsibility to update the contents of any Key Information Documents in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such Key Information Documents to future distributors of Shares. Liberum and its affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of any Key Information Documents prepared by the Investment Manager.

DATA PROTECTION

The information that a prospective investor in the Company provides in documents in relation to a subscription for Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party in Guernsey or the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with: (a) the relevant DP Legislation and regulatory requirements applicable in Guernsey and/or the United Kingdom as appropriate; and (b) the Company's privacy notice, a copy of which is available for consultation on the Company's website at www.castelnaugroup.com ("**Privacy Notice**") (and if applicable any other third party delegate's privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the Company's Privacy Notice which include:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company; and

- meeting the legal, regulatory, reporting and/or financial obligations of the Company in Guernsey, the United Kingdom or elsewhere or any third party functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Company's Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of Guernsey to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors in Guernsey, provided that suitable safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Company's Privacy Notice.

PRESENTATION OF FINANCIAL INFORMATION

All financial information for the Company is prepared under IFRS. Certain financial and statistical information contained in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

NOTE ON DIGNITY INFORMATION

This document contains certain information relating to Dignity and the Dignity Group and its business, management and operations including information contained in Part 3 and Part 5. This information has been compiled from Dignity's annual reports and accounts and information publicly available on its website, each of which have been published by Dignity, and has not been commented on or verified by the Company. The Company is not affiliated with Dignity. This information has been accurately reproduced from such sources and, so far as the Company is aware and is able to ascertain from information published by Dignity, no facts have been omitted which would render the reproduced information inaccurate or misleading and the source of such information has been disclosed.

NOTE ON THE ISSUE PRICE

The Issue Price pursuant to the Placing is equal to the unaudited Net Asset Value per Share as at 31 December 2022. As part of the process for the calculation of the unaudited Net Asset Value per Share as at 31 December 2022, an independent third-party valuation of the Company's unlisted assets has been undertaken.

PRESENTATION OF MARKET AND OTHER DATA

Market and economic data used throughout this document is sourced from various independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such

sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CURRENCY PRESENTATION

Unless otherwise indicated, all references in this document to “£”, “pence” or “GBP” are to the lawful currency of the UK and all references in this document to “Euro” or “€” are to the lawful currency of the EU.

DEFINITIONS

A list of defined terms used in this document is set out in Part 12.

WEBSITES

Without limitation, neither the contents of the Company’s, Dignity’s or the Investment Manager’s website (or any other website) nor the content of any website accessible from hyperlinks on the Company’s, Dignity’s or the Investment Manager’s website (or any other website) is incorporated into, or forms part of this document, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Shares on the contents of this document alone.

GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and/or the law and practice of Guernsey (as relevant) and are subject to change.

FORWARD LOOKING STATEMENTS

This document contains forward looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “might”, “will” or “should” or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the Prospectus Regulation Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules and MAR.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 8 of Part 11 of this document.

EXPECTED TIMETABLE

Expected Placing Timetable

Publication of this document and Placing open	1 February 2023
Latest time and date for receipt of commitments under the Placing	midday on 3 March 2023
Announcement of the results of the Placing	7.00 a.m. on 6 March 2023
Admission and dealings in the Placing Shares commence	8.00 a.m. on the date being two business days following the date on which the Takeover Offer has become or been declared unconditional
Crediting of CREST stock accounts in respect of the Placing Shares	as soon as reasonably practicable on the date of Admission
Where applicable, definitive share certificates despatched in respect of the Placing Shares	within 10 Business Days of Admission

Expected Placing Programme Timetable

Placing Programme opens	1 February 2023
Announcement of the results of each Subsequent Placing	as soon as practicable after the closing of each Subsequent Placing pursuant to the Placing Programme
Admission and crediting of CREST stock accounts in respect of each Subsequent Placing	as soon as practicable after the closing of each Subsequent Placing pursuant to the Placing Programme
Share certificates despatched in respect of Shares issued pursuant to each Subsequent Placing (if applicable)	within 10 Business Days of the Admission of Shares pursuant to a Subsequent Placing
Placing Programme closes and last date for Shares to be issued pursuant to the Placing Programme	31 January 2024

The dates and times specified are subject to change subject to agreement between the Company and Liberum. All references to times in this document are to London time unless otherwise stated. Any changes to the expected timetable will be notified by the Company via a Regulatory Information Service.

INDICATIVE STATISTICS RELATING TO THE TAKEOVER OFFER

Number of Ordinary Shares in issue as at the Latest Practicable Date	183,996,059
Maximum number of Takeover Shares to be issued	133,052,656
Number of Ordinary Shares to be issued pursuant to the Consortium Rollover	32,442,740
Number of Ordinary Shares in issue immediately following Admission (on the assumption that the maximum number of Ordinary Shares is issued pursuant to the Takeover Offer, the Consortium Rollover and the Placing)	503,491,455
Takeover Shares as a percentage of the enlarged issued share capital of the Company immediately following Admission (on the assumption that the maximum number of Ordinary Shares is issued pursuant to the Takeover Offer, the Consortium Rollover and the Placing)	26.4 per cent.

PLACING AND PLACING PROGRAMME STATISTICS

Placing Statistics

Issue Price*	75.02p
Maximum number of new Placing Shares being issued	154,000,000
Gross Proceeds**	£115.5 million
Estimated Net Proceeds**	£112.4 million

* The Issue Price is equal to the unaudited Net Asset Value per Share as at 31 December 2022.

** Assuming 154 million Placing Shares are issued. The number of Placing Shares to be issued pursuant to the Placing, and therefore the Gross Proceeds and the Net Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service prior to Admission.

Placing Programme Statistics

Maximum size of the Placing Programme	300 million Shares
Minimum Placing Programme Price	in respect of the Ordinary Shares, at least Net Asset Value per Share
	or
	in respect of an issue of C Shares, £1.00 per C Share

DEALING CODES

The dealing codes for the Ordinary Shares are as follows:

ISIN	GG00BMWWJM28
SEDOL	BMWWJM2
Ticker	CGL

The dealing codes for the C Shares are as follows:

ISIN	GG00BMWWJN35
SEDOL	BMWWJN3
Ticker	CGLC

DIRECTORS, MANAGEMENT AND ADVISERS

Directors (all non-executive)	Joanne Peacegood (<i>Chair</i>) Andrew Whittaker Joanna Duquemin Nicolle Graham Shircore David Stevenson all of the registered office below:
Registered Office	PO Box 255 Les Banques Trafalgar Court St. Peter Port Guernsey GY1 3QL
AIFM and Investment Manager	Phoenix Asset Management Partners Limited 64-66 Glenthams Road Barnes London SW13 9JJ
Administrator and Company Secretary	Northern Trust International Fund Administration Services (Guernsey) Limited PO Box 255 Les Banques Trafalgar Court St. Peter Port Guernsey GY1 3QL
Financial Adviser and Sole Bookrunner to the Company in relation to the Placing and the Placing Programme	Liberum Capital Limited 25 Ropemaker Street London EC2Y 9LY
Financial Adviser to the Consortium in relation to the Takeover Offer	Morgan Stanley & Co. International Plc 25 Cabot Square Canary Wharf London E14 4QA
Solicitors to the Company as to English law	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Solicitors to the Company as to Guernsey law	Carey Olsen (Guernsey) LLP Carey House Les Banques Guernsey GY1 4BZ
Solicitors to Liberum	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Registrar	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St. Sampson Guernsey GY2 4LH

Receiving Agent	Link Group Corporate Actions 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL
Depository and Custodian	Northern Trust (Guernsey) Limited PO Box 71, Trafalgar Court Les Banques, St. Peter Port Guernsey GY1 3DA
Reporting Accountants	Ernst and Young LLP 1 More London Place London SE1 2AF
Auditor	Grant Thornton Limited Lefebvre House Lefebvre Street St Peter Port Guernsey GY1 3TF
Principal Banker	Northern Trust (Guernsey) Limited PO Box 71, Trafalgar Court Les Banques, St. Peter Port Guernsey GY1 3DA

VOLUNTARY COMPLIANCE WITH THE LISTING RULES

The Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the FCA do not apply to the Company. The Company is subject to the LSE Admission and Disclosure Standards whilst traded on the Specialist Fund Segment. In addition, the Directors have resolved that, as a matter of best practice and good corporate governance, the Company will voluntarily comply with the following key provisions of the Listing Rules:

- the Company is not required to comply with the Listing Principles set out at Chapter 7 of the Listing Rules. Nonetheless, the Company complies with these Listing Principles;
- the Company is not required to appoint a listing sponsor under Chapter 8 of the Listing Rules. It has appointed Liberum as broker and financial adviser to guide the Company in understanding and meeting its responsibilities in connection with Admission;
- the Company is not required to comply with the provisions of Chapter 9 of the Listing Rules regarding continuing obligations. The Company complies with the following provisions of Chapter 9 of the Listing Rules: (i) Listing Rule 9.3 (Continuing obligations: holders); (ii) Listing Rule 9.5 (Transactions); (iii) Listing Rule 9.6.4 to Listing Rule 9.6.21 other than Listing Rule 9.6.19(2) and Listing Rule 9.6.19(3) (Notifications), and (iv) Listing Rule 9.8 (Annual financial report);
- the Company is not required to comply with the provisions of Chapter 11 of the Listing Rules regarding related party transactions. The Company had adopted a related party policy (in relation to which Liberum, as financial adviser, will guide the Company) which applies to any transaction which it may enter into with any Director, the Investment Manager or any of their affiliates, which would constitute a “related party transaction” as defined in, and to which would apply, Chapter 11 of the Listing Rules. In accordance with its related party policy, the Company shall not enter into any such related party transaction without first obtaining: (i) the approval of a majority of the Directors who are independent of the relevant related party; and (ii) a third-party valuation (as appropriate) in respect of such related party transaction from an appropriately qualified independent adviser. In particular: (i) transactions or arrangements of the nature set out in Listing Rule 11.1.5(2) (i.e. co-investments or the joint provision of finance); (ii) issues of new securities in, or a sale of treasury shares of, the Company to “substantial shareholders” pursuant to an offer to the public or a placing, on materially similar terms to those applicable to other subscribers or purchasers under such offer or placing, or (iii) any arrangements entered into in relation to the investment joint venture between the Company and SPWOne, shall not be considered “related party transactions”;
- the Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company of its Ordinary Shares. Nonetheless, the Company has adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2;
- the Company is not required to comply with the provisions of Chapter 13 of the Listing Rules regarding contents of circulars. The Company however complies with the following provisions of Chapter 13 of the Listing Rules: (i) Listing Rule 13.3 (Contents of all circulars); (ii) Listing Rule 13.7 (Circulars about purchase of own equity shares); and (iii) Listing Rule 13.8 (Other circulars); and
- the Company is not required to comply with the provisions of Chapter 15 of the Listing Rules (Closed-Ended Investment Funds: premium listing). Nonetheless, the Company complies with the following provisions of Chapter 15 of the Listing Rules: (i) Listing Rule 15.4.6 to Listing Rule 15.4.8 (save that the Company shall not be required to seek FCA approval in relation to any material change to its investment policy). Listing Rule 15.4.9 to Listing Rule 15.4.11 (Continuing obligations), and (ii) Listing Rule 15.6.1 and 15.6.6 to 15.6.8 (Notifications and periodic financial information).

Specialist Fund Segment securities are not admitted to the Official List. Therefore the Company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not required to comply with the Listing Rules. The London Stock Exchange has not examined or approved the contents of this document. It should be noted that the FCA does not have the authority to monitor the Company’s voluntary compliance with the Listing Rules applicable to closed-ended

investment companies which are listed on the Specialist Fund Segment nor will it impose sanctions in respect of any failure of such compliance by the Company.

FCA authorised firms conducting designated investment business with retail customers under COB Rules are reminded that securities admitted to trading on the Specialist Fund Segment will be securities that may have characteristics such as: (i) variable levels of secondary market liquidity; (ii) sophisticated corporate structures; (iii) highly leveraged structures; and (iv) sophisticated investment propositions with concentrated risks and are therefore intended for institutional, professional and highly knowledgeable investors.

PART 1

INFORMATION ABOUT THE TAKEOVER OFFER

1. INTRODUCTION

On 23 January 2023, the boards of directors of Dignity and Bidco announced that they had reached agreement on the terms of a recommended cash offer to be made by Bidco to acquire the entire issued and to be issued share capital of Dignity other than the Dignity Shares already owned or controlled by the Company and the Investment Manager. As at the close of business on 20 January 2023 (being the business day before the date of the Announcement), the Company and the Investment Manager owned or controlled in aggregate 14,876,159 Dignity Shares, representing approximately 29.08 per cent. of Dignity's fully diluted share capital.

Bidco is a wholly-owned indirect subsidiary of Valderrama, the joint venture vehicle for the Company's Joint Venture with SPWOne, an investment vehicle funded and wholly-owned and controlled by Sir Peter Wood. Further information relating to the Joint Venture is set out in Part 4 of this document. The Company, SPWOne and the Investment Manager have "joint offeror" status for the purposes of the Takeover Code (the "**Consortium**").

The Takeover Offer is subject to a number of conditions, including the receipt of change of controller approval being received from the FCA in relation to Dignity's regulated funeral plan business. The full terms and Conditions of the Takeover Offer, including how to accept the Takeover Offer, will be set out in the Offer Document (when published).

The Takeover Offer will be effected by way of a takeover offer (as defined in Part 28 of the Companies Act). Subject to the Panel's consent, Bidco has reserved the right to effect the Takeover Offer by way of a Scheme.

2. SUMMARY OF THE TERMS OF THE TAKEOVER OFFER

Under the terms of the Takeover Offer, each Dignity Shareholder (other than the Company and the Other Phoenix Accounts) will be entitled to receive 550 pence in cash for each Dignity Share (the "**Cash Offer**"). As alternatives to the Cash Offer, Eligible Dignity Shareholders may elect to receive: (i) for each Dignity Share, 5.50 unlisted non-voting D shares in the capital of Valderrama (the indirect parent company of Bidco) (the "**Valderrama D Shares**") (the "**Unlisted Share Alternative**"); and/or (ii) for each Dignity Share, $7\frac{1}{3}$ Takeover Shares (the "**Listed Share Alternative**" and, together with the Unlisted Share Alternative, the "**Alternative Offers**").

The Alternative Offers are limited to an aggregate maximum of 18,143,544 Dignity Shares, representing approximately 50 per cent. of Dignity's fully diluted share capital (excluding the Consortium Rollover Shares) as at 20 January 2023 (the "**Alternative Offers Maximum**").

Based on the Cash Offer, the Takeover Offer values the entire issued and to be issued share capital of Dignity at approximately £281 million on a fully diluted basis and implies an enterprise value of approximately £789 million.

Upon the Takeover Offer becoming Effective, Eligible Dignity Shareholders will, as a result of the Takeover Offer, hold:

- approximately 29.02 per cent. of the economic rights attaching to the total number of Valderrama Shares in issue (assuming, (i) all Eligible Dignity Shareholders validly elect for the Unlisted Share Alternative up to the Alternative Offers Maximum and no such elections are scaled back, (ii) Valderrama A Shares and Valderrama B Shares are issued at £1.00 per share to raise proceeds of £162.3 million in connection with the Takeover Offer, and (iii) other than as referred to in (i) and (ii) above, no further shares in Valderrama are issued from the date of the Announcement to the Takeover Offer becoming Effective);
- approximately 29.58 per cent. of the economic rights attaching to the total number of Ordinary Shares in issue (assuming, (i) all Eligible Dignity Shareholders validly elect for the Listed Share Alternative up to the Alternative Offers Maximum and no such elections are scaled back, (ii) the Company raises net proceeds of £75 million in aggregate pursuant to the Placing, and (iii) other than as referred to in (i) and (ii) above, no further Shares are issued from the date of the Announcement to the Takeover Offer becoming Effective); and

- approximately 38.07 per cent. of the economic rights attaching to the total number of Ordinary Shares in issue (assuming (i) all Eligible Dignity Shareholders validly elect for the Listed Share Alternative up to the Alternative Offers Maximum and no such elections are scaled back, (ii) the Company does not raise any proceeds pursuant to the Placing and (iii) other than as referred to in (i) above, no further Shares are issued from the date of the Announcement to the Takeover Offer becoming Effective).

Those Eligible Dignity Shareholders electing to receive Takeover Shares will be exposed to both the Company's Current Assets (excluding Dignity) and the current Dignity business. Further information relating to the Current Assets is set out in Part 5 of this document.

The Takeover Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares in issue at the time the Takeover Shares are issued pursuant to the Takeover Offer, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the date of issuance. Application will be made for the Takeover Shares to be admitted to trading on the Specialist Fund Segment of the Main Market.

If, on or after the date of the Announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Dignity Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Takeover Offer for the Dignity Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in the Announcement or in the Offer Document (when published) to the consideration payable under the terms of the Takeover Offer will be deemed to be a reference to the consideration as so reduced.

3. BACKGROUND TO AND REASONS FOR THE TAKEOVER OFFER

Dignity is an established business in the end-of-life market, with dedicated employees providing a vital service to customers in often difficult circumstances. The Consortium's combined experience in the end-of-life-market, as well as its skill in creating market-leading providers and transforming industries through disruptive operating models, gives it belief that it can enhance Dignity's offering as a trusted provider with high standards and quality and unlock Dignity's potential to be the leading end-of-life business in the United Kingdom.

Since inception, Dignity has developed into an important player in the industry, operating 46 crematoria and with 725 funeral branches and over 388,000 pre-need funeral plans held in trust. Bidco stated in the Announcement that it recognises Dignity's track record and strongly believes in its current strategy, including its transition to a more competitive pricing model. Bidco also stated in the Announcement that it believes that, under private ownership, Dignity will not only have access to patient, long-term capital, but also a supportive environment for management to implement its current strategy, ahead of an envisaged medium-term exit.

In particular, Bidco stated in the Announcement that it believes that Dignity's strategy will be enhanced through access to a significant level of investment to expand organically through increased marketing investment in its new funeral plan products, upgrading and modernising of physical infrastructure, further investment in its workforce and technology, and strategic expansion of its crematoria portfolio. Bidco stated that it will also provide Dignity with the financial support to grow inorganically by taking advantage of acquisition opportunities as they arise at attractive prices, given the current uncertain market environment. Bidco also stated in the Announcement that it believes that these investments will lead to a higher quality estate, growth in market share and better profitability.

Bidco stated that it believes that recent regulatory changes across the funeral services sector provide Dignity with an opportunity to compete fairly on merit going forward, thereby improving its growth potential. Bidco also stated that it believes that the deep expertise of Sir Peter Wood and his team in working with regulated businesses, combined with a greater involvement of the Investment Manager's and Company's teams, will position Dignity to successfully navigate the improved regulatory environment.

Bidco stated in the Announcement that it supports the current long-term strategy, as set out in Dignity's presentation at its 2021 Annual General Meeting, to invest in Dignity and return it to a path of continued and sustainable growth.

4. OVERSEAS SHAREHOLDERS

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative will be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an election for either of the Alternative Offers by any use, means or instrumentality (including facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange of a Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative will not be made available to any Dignity Shareholder whose registered address is in an EEA Member State.

The availability of the Takeover Offer to Dignity Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions.

Further details in relation to Dignity Shareholders in overseas jurisdictions will also be contained in the Offer Document (when published).

5. THE TAKEOVER SHARES

The Takeover Shares to be issued pursuant to the Listed Share Alternative will be issued in registered form and will be capable of being held in certificated and uncertificated form.

The Takeover Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including in relation to the right to receive notice of, and to attend and vote at, general meetings of the Company, the right to receive and retain any dividends and other distributions declared, made or paid by reference to a record date falling after the date of issuance and to participate in the assets of the Company upon a winding-up. As with the Existing Ordinary Shares, the Takeover Shares will not be subject to any redemption provisions.

6. LISTING, DEALINGS AND SETTLEMENT OF THE TAKEOVER SHARES

Application will be made for the admission of the Takeover Shares to trading on the Specialist Fund Segment of the Main Market.

It is expected that Admission of the Takeover Shares (other than any Takeover Shares issued to Eligible Dignity Shareholders who elect for the Listed Share Alternative pursuant to the Statutory Squeeze Out) will become effective and that dealings will commence in such Takeover Shares at 8.00 a.m. on or around the fifth business day after the 14th day after the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service).

It is expected that Admission of any Takeover Shares issued to Eligible Dignity Shareholders who elect for the Listed Share Alternative pursuant to the Statutory Squeeze Out will become effective and that dealings will commence in such further Takeover Shares at 8.00 a.m. approximately six weeks from the date of the Squeeze Out Notice (whereupon an announcement will be made by the Company to a Regulatory Information Service).

No application has been made or is currently intended to be made by the Company for the Takeover Shares to be admitted to listing or trading on any other exchange.

7. TAXATION

Certain information about UK taxation in relation to the Shares is set out in Part 10 of this document. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own independent tax adviser without delay.

PART 2

INFORMATION ON THE COMPANY

1. INTRODUCTION

The Company was incorporated with limited liability in Guernsey under the Companies Law on 13 March 2020 as a closed-ended company limited by shares. The Company's investment objective is to compound Shareholders' capital at a higher rate of return than the FTSE All Share Total Return Index over the long term.

On 18 October 2021, the Company completed its initial public offering with the admission of 177.6 million Ordinary Shares to trading on the Specialist Fund Segment. These Ordinary Shares included consideration shares issued pursuant to the Initial Portfolio Acquisition Agreements, pursuant to the terms of which the Company acquired interests in a portfolio of investments (from funds and managed accounts managed by the Investment Manager), in accordance with the Company's investment objective and policy.

The Company has a majority independent Board of non-executive Directors and has engaged Phoenix Asset Management Partners Limited as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company. Subject to the overall supervision and control of the Directors, the Investment Manager is responsible for the portfolio and risk management of the Company's assets.

The Investment Manager has been investing in UK listed equities for 25 years. The Investment Manager uses a "value investing" approach to buy high-quality businesses at attractive prices. The Investment Manager has delivered excellent long-term investment returns since being set up by Gary Channon in 1998.

The Investment Manager's investment process aims to identify great businesses and management through intensive primary research. The Investment Manager is known for the depth of its research which can often last many years before making an investment. Once an investment is made, the investment team maintains this intensive approach to research by monitoring the competitive landscape of investments.

Further information relating to the Investment Manager is set out in Part 6 of this document.

As at 31 December 2022 the Company had an unaudited Net Asset Value of £138.0 million and, as at the Latest Practicable Date, a market capitalisation of £140.8 million.

As at the date of this document, the Company has made strategic investments in the following companies:

- Dignity Plc;
- Hornby Plc;
- Phoenix SG Limited;
- Cambium International Limited
- Rawnet Limited;
- Ocula Technologies Ltd;
- Showpiece Technologies Ltd; and
- Silverwood Brands Plc,

(together the "**Current Assets**").

The Directors and the Investment Manager consider that the upside value potential of the Current Assets is significant compared to their current net asset values.

Further information relating to the Current Assets is set out in Part 5 of this document.

In addition, the Company holds a 50 per cent. interest in Valderrama, the joint venture vehicle for the Company's Joint Venture with SPWOne, an investment vehicle funded and wholly-owned and controlled by Sir Peter Wood. Sir Peter is a serial entrepreneur having founded seven companies in the UK, Europe and US and has a track record of founding, building and investing in disruptive businesses and brands, spanning nearly four decades.

Further information relating to the Joint Venture is set out in Part 4 of this document.

The Company owns 20.25 per cent. of the issued share capital of Dignity as at the date of this document. In addition, the Other Phoenix Accounts, in aggregate, hold a further 8.82 per cent. of the issued share capital of Dignity as at the date of this document.

On 23 January 2023, the boards of directors of Dignity and Bidco announced that they had reached agreement on the terms of a recommended cash offer to be made by Bidco to acquire the entire issued and to be issued share capital of Dignity, other than the Dignity Shares already owned or controlled by the Company and the Investment Manager.

Further information relating to the Takeover Offer is set out in Part 1 of this document.

The Consortium Rollover Shares will not be acquired by Bidco as part of the Takeover Offer. Instead pursuant to the Consortium Rollover SPA:

- the Company will exchange the 10,361,149 Consortium Rollover Shares owned by it for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, for Valderrama E Shares; and
- the Other Phoenix Accounts will exchange the 4,424,010 Consortium Rollover Shares owned by them for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, for (i) Valderrama E Shares or (ii) new Ordinary Shares, as set out in the Consortium Rollover SPA,

with these exchanges taking effect at such time as would result in the Acceptance Condition being capable of satisfaction when taking into account, (i) the Consortium Rollover Shares, and (ii) Dignity Shares in respect of which acceptances have been received (and not validly withdrawn in accordance with the rules and requirements of the Takeover Code and the terms of the Takeover Offer) by Bidco from Other Dignity Shareholders (the “**Consortium Rollover**”).

Applications will be made for the Takeover Shares and the Ordinary Shares to be issued pursuant to the Consortium Rollover to be admitted to trading on the Specialist Fund Segment of the Main Market.

It is expected that Admission of the Ordinary Shares issued in connection with the Consortium Rollover will become effective and that dealings will commence in such Ordinary Shares at 8.00 a.m. on a date on or around the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service).

It is expected that Admission of the Takeover Shares (other than any Takeover Shares issued to Eligible Dignity Shareholders who elect for the Listed Share Alternative pursuant to the Statutory Squeeze Out) will become effective and that dealings will commence in such Takeover Shares at 8.00 a.m. on or around the fifth business day after the 14th day after the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service).

It is expected that Admission of any Takeover Shares issued to Eligible Dignity Shareholders who elect for the Listed Share Alternative pursuant to the Statutory Squeeze Out will become effective and that dealings will commence in such further Takeover Shares at 8.00 a.m. approximately six weeks from the date of the Squeeze Out Notice (whereupon an announcement will be made by the Company to a Regulatory Information Service).

This document is being produced in connection with: (i) the offer of the Takeover Shares to Eligible Dignity Shareholders, (ii) the issue of Ordinary Shares pursuant to the Consortium Rollover, (iii) the offer of the Placing Shares pursuant to the Placing, (iv) the offer of Shares pursuant to the Placing Programme and (v) the proposed application for the Admission of all such Shares to trading on the Specialist Fund Segment of the Main Market.

2. BACKGROUND TO CASTELNAU

The Investment Manager has an investment philosophy and approach that is inspired and influenced by some of the great investors such as Warren Buffett, Phil Fisher, Charlie Munger and John Maynard Keynes. These philosophies have been built into a “Phoenix approach”, which the Investment Manager has continuously refined using experience of application and analysis and learning. This has turned the philosophical approach into a proprietary technical approach with tools such as DREAM (the evaluation handbook-based model at the heart of the Investment Manager’s process

more fully described in Part 6 of this document) which have been applied to the investments managed by the Investment Manager and have helped to deliver long term outperformance.

Building on the investment management team's experience of investing in private companies and companies where they have control or influence, and in particular in respect of what is now the Cambium Group, the Investment Manager has built a "Castelnau Toolbox", which is essentially a way of standardising the Investment Manager's critical knowledge and techniques that can be applied to a specific type of investee company, which can be assessed and improved through application over time. At the heart of this is the Investment Manager's insight that there are businesses with core franchises that are suffering from the changes occurring in the marketplace (such as the rise of e-commerce), which, if they could embrace the best of modern techniques, would allow these businesses to thrive and ultimately deliver value not recognised in their current valuations.

In addition, the Company owns businesses that are considered by the Investment Manager to be "enablers", and which can be used to enable the business transformations of investee companies. These businesses are Rawnet, a digital marketing and software development company, and Ocula, a data science company. These are Portfolio Companies that are intended to be able to build their capabilities with other Portfolio Companies and then sell those capabilities externally. These "enablers" could ultimately deliver value to Shareholders, both through the "enabling" process with other Portfolio Companies and also through their own valuations as standalone businesses.

In summary, the Company was launched to apply modern techniques to traditional businesses, which it owns, controls and influences, with the intention of creating sustainable long-term value for Shareholders.

From the date of the Company's IPO on 18 October 2021 to 31 December 2022, the Company achieved a cumulative net asset value return of -23.4 per cent. and a cumulative share price total return of -31.0 per cent.

3. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Company's investment objective and investment policy are set out below.

Investment Objective

The Company's investment objective is to compound Shareholders' capital at a higher rate of return than the FTSE All Share Total Return Index over the long term.

Investment Policy

The Company will seek to achieve a high rate of compound return over the long term by carefully selecting investments using a thorough and objective research process and paying a price which provides a material margin of safety against permanent loss of capital, but also a favourable range of outcomes.

The Company will follow a high conviction investment strategy. The expertise and processes developed by the Investment Manager can be applied to all parts of the capital structure of a business, both private and publicly quoted. These positions could be represented by a minority stake, a control position combined with operational involvement, full ownership of a company, a joint venture, a loan or convertible instrument, a short position or any other instrument which allows the Company to access value.

The Company may select investments from all asset classes, geographies and all parts of the capital structure of a business. Both private and public markets are within the scope of the Company's investment policy. The constraints on the Investment Manager lie in the high standards, strict hurdles and diligent processes used to select investments. These constraints help to maximise returns by reducing mistakes, enforcing a margin of safety and only accepting investments with a favourable range of outcomes.

The Company expects to hold a concentrated portfolio of investments and the Company will not seek to reduce concentration risk through diversification. The opportunity set will dictate the number of holdings and the weighting of investments in the Portfolio. The investments with the best return profiles will receive the largest weightings. The Company will therefore have no set diversification policies.

The volatility of mark-to-market prices does not affect the investment process. It is likely that volatility in the market price of a listed investment will provide attractive entry or exit points and so investors should expect high volatility to sit alongside the high long-term compounding rates that the Company is aiming to achieve.

The constituents of local indices, the weightings of investments in these indices and the volatility of the indices relative to the Company will not affect investment decisions. It is anticipated that agnosticism towards local indices will help focus research efforts, decision making and ultimately investment performance.

The Company may invest directly or through special purpose vehicles if considered appropriate.

Investment Restrictions

The Company will not invest in companies whose principal business is, (a) tobacco or tobacco related products, (b) engaged directly in weapons production, or (c) engaged in the pornography industry.

There will be no cross-financing between the companies forming part of the Portfolio and no operation of a common treasury function between the Company and any of its Portfolio Companies.

The Company will invest no more than 15 per cent. of its total assets in other investment companies whose shares are admitted to the premium listing segment of the Official List.

Derivatives

The Company currently does not intend to, but may, use derivatives, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the investment portfolio resulting from fluctuations in the securities and changes in currencies and interest rates; (ii) protect the Company's unrealised gains in the value of the investment portfolio; (iii) enhance or preserve returns, spreads or gains on any investment in the investment portfolio; (iv) hedge the interest rate or currency exchange rate on any of the Company's liabilities or assets; (v) protect against any increase in the price of any securities the Company anticipates purchasing at a later date; (vi) more efficiently gain access to the economics of an investment opportunity using derivatives; or (vii) for any other reason that the Investment Manager deems appropriate on an opportunistic basis.

Borrowing Policy

There is no limit in the Articles on the level of gearing which the Company can employ. Whilst the Company does not currently expect to have long-term gearing as part of its strategy, any such gearing utilised would be expected to be below 50 per cent. of the Company's gross asset value (including undrawn capital commitments), in each case measured at the time of investment. The Board may, however, approve a higher level of gearing from time to time, in circumstances where the Investment Manager recommends it should do so on an opportunistic basis.

Cash management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("**Cash and Cash Equivalents**"). There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position.

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting.

4. DIVIDEND POLICY AND TARGET RETURNS

The Company has no stated dividend target. The Company's investment objective is one of capital growth and it is anticipated that returns for Shareholders will derive primarily from capital gains.

The Company will target a Net Asset Value total return of 10-15 per cent. above the return on the FTSE All-Share Total Return Index per annum and a minimum absolute Net Asset Value total return of 20 per cent. per annum.

Investors should note that the target returns noted above are a target only and not a profit forecast. There may be a number of factors that adversely affect the Company's ability to achieve the target returns and there can be no assurance that the target will be met.

5. NET ASSET VALUE

Publication of Net Asset Value per Share

The Company's Net Asset Value is the value of all assets of the Company less its liabilities (including provisions for such liabilities) calculated in accordance with the Company's valuation methodology. The Net Asset Value per Share is the Net Asset Value divided by the number of Shares in issue at the relevant time (in respect of the Ordinary Shares, excluding any Ordinary Shares held in treasury).

An unaudited Net Asset Value and Net Asset Value per Share is calculated in Sterling on a monthly basis as at the last business day of each month, pursuant to the valuation methodology described below, by the Administrator in conjunction with the Investment Manager.

The Net Asset Value and the Net Asset Value per Share are provided to Shareholders through a Regulatory Information Service and are also published on the Company's website as soon as practicable thereafter.

Valuation Methodology

As a collective portfolio management investment firm for FCA purposes, the Investment Manager is required to ensure that each AIF it manages has appropriate and consistent policies and procedures in place so that a proper and independent valuation of the AIF's assets can be performed on an ongoing basis. The framework should capture each type of assets in which the AIF may invest, in accordance with the UK AIFM Regime, the instruments of incorporation and applicable national laws.

There are two type of valuation processes: one for liquid investments and one for less liquid investments. All valuations of liquid investments are reviewed and authorised by the Investment Manager's Chief Operating Officer before being provided to the Administrator.

The Company invests in UK quoted securities and the Administrator performs its own independent price verifications before finalising the Company's valuation. Publicly traded securities are valued by reference to their bid price or last traded price, if applicable, on the relevant exchange. If one of these quoted securities is temporarily suspended, the Investment Manager will use the last quoted price of that security until it resumes trading. If there have been any redemptions or subscriptions in the intervening period, then adjustments will be made to reflect the new quoted price so that all investors are fairly treated.

For investments that are significantly less liquid, additional processes are in place to ensure valuations provide an objective, consistent and transparent basis for the fair value of unquoted securities in accordance with International Financial Reporting Standards. Following the purchase of a new investment the Investment Manager will engage with a third-party valuation expert to receive input on the proposed valuation framework. This framework will follow accepted valuation principles and will be specific to the underlying asset in question.

On a monthly basis the Investment Manager's investment team formally perform an initial valuation and this will be reviewed and approved by the business team. Ultimate approval is from the Investment Manager's Chief Operating Officer. The valuation is then provided to the Administrator, for the Administrator to finalise.

In addition to these controls, the third-party specialist independent valuer carries out an independent semi-annual valuation for unlisted investments against which the Investment Manager's valuation is compared. The final control is the annual review by the Company's Auditors.

Independent valuation may be more frequent than semi-annual and its frequency will be determined by the characteristics of each investment and the occurrence of a material change in value.

Although the initial valuation is carried out by the Investment Manager's investment team, final review and sign off is undertaken by the business team and the Chief Operating Officer, who are functionally separate from the investment team. The business team will liaise directly with the third party who reviews the Investment Manager's valuation methodology.

Suspension of the calculation of the Net Asset Value

The calculation of the Net Asset Value (and Net Asset Value per Share) will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Administrator and/or the Investment Manager) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through an RIS as soon as practicable after any such suspension occurs.

6. REPORTS, ACCOUNTS AND MEETINGS

The audited accounts of the Company are prepared in Sterling under IFRS. The Company's annual report and accounts are prepared up to 31 December each year. It is expected that copies of the report and accounts will be published by the end of April each year and copies sent to Shareholders. The Company also publishes an unaudited half-yearly report covering the six months to 30 June each year, which is expected to be published within the following three months.

The financial report and accounts and unaudited half-yearly report once published are available for inspection at the Company's registered office and on the Company's website (www.castelnaugroup.com).

All general meetings are held in Guernsey. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders.

7. THE B SHARE

The Investment Manager, as the holder of the B Share, has the right to:

- appoint one Director of the Company from time to time and remove or replace such Director from time to time;
- ensure no Directors are appointed or removed without its consent (and includes any Director appointed by the holder of the B Share);
- ensure no Shareholder resolutions are proposed (save as such proposal may be required by the Companies Law) or passed without its consent (save for the B Share Continuation Resolution); and
- save as required by law, ensure no acquisition or disposal by the Company or any of its subsidiaries (but excluding any subsidiary whose shares are admitted to trading on a market of the London Stock Exchange) of an asset may occur without its consent.

The B Share will lose the B Share Rights: (i) after 7 years (from 3 September 2021) if Shareholders do not vote in favour of a continuation for another 7 years by passing an ordinary resolution to do so (the "**B Share Continuation Resolution**"); or (ii) if the B Share is transferred by Phoenix Asset Management Partners Limited; or (iii) if Gary Channon and his close relatives (as such term is defined in the Takeover Code) together cease to directly or indirectly control shares carrying more than 50 per cent. of the voting rights in Phoenix Asset Management Partners Limited.

If at any point during this first 7 years, the board chooses to change the Company's investment manager, the B Share, and the associated B Share Rights, will remain with Phoenix Asset Management Partners Limited.

Shareholders should be aware that, as a consequence of the B Share Rights, the Investment Manager has, in addition to the other rights described above, the right to prevent the passing of any Shareholder resolution to which it does not consent.

In practical terms, this has the effect of deterring any offeror from making an offer for the Company without the Investment Manager's support.

The B Share and the presence of the B Share Rights in favour of the Investment Manager is intended to allow the Investment Manager to invest and manage the Company's investments with a long-term mind set, which the Investment Manager believes to be a significant investment and competitive advantage.

The presence of the B Share is therefore intended to enshrine in the Company the following positive benefits:

- The Company's investment strategy is to optimise Shareholder value over the long-term, which often necessitates upfront investment and the need to forego short term profits, which could have an impact on share price. Sometimes this multi-year process can lead to situations where short-term arbitrage investors with a short investment horizon buy up large stakes. The B Share will provide the Company with some extra protection against such short term value play investors, whose activities may disrupt the long-term optimal path to value realisation.
- The presence of the B Share will allow the Investment Manager to have a different conversation with the management of the Portfolio Companies, as the management of the Portfolio Companies will have the clarity of communicating with a stakeholder with certain strategic control rights who intends to support them all the way through a long-term investment strategy.
- The extra protections that the B Share provides will allow the Investment Manager to have more meaningful conversations with business owners who want to find a buyer that can act in the long-term interests of all stakeholders and continue the legacy that a founder has started. The Investment Manager believes that this "brand" will, over time, be easier with the B Share structure and will ultimately lead to increasingly attractive investment opportunities.

8. THE TAKEOVER CODE

The Takeover Code applies to the Company.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he/she is already interested and shares in which persons acting in concert with him/her are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him/her, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company, but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person. An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him/her, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

When a person, together with persons acting in concert with him/her, hold more than 50 per cent. of the voting rights in a company, no obligations under Rule 9 normally arise from acquisitions by any member of the concert party. They may accordingly increase their aggregate interests in shares without incurring any obligation under Rule 9 to make a general offer, although individual members of a concert party will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without Panel consent.

Shareholders should note that, as a result of holding the B Share, the Investment Manager will, in addition to the rights described more fully in paragraph 7 above, be able to exercise the B Share Rights to prevent the passing of any Shareholder resolution to which it does not consent.

In practical terms, this will have the effect of deterring any offeror from making an offer for the Company without the Investment Manager's support.

Application of the Takeover Code to the Company

The Company's analysis of the application of certain key rules of the Takeover Code to the Company in relation to the B Share is set out below. Having been consulted, the Panel has given an ex parte view that it is in agreement with the Company's analysis as to the application of Rule 9 and Rule 10 of the Takeover Code to the Company.

Application of Rule 9

Rule 9 of the Takeover Code is summarised above. The voting rights of the B Share are taken into account when calculating the interest of any Shareholder or group of Shareholders acting in concert in the voting rights of the Company. Accordingly, the acquisition of not less than 30 per cent. of the

Shares in issue from time to time by any Shareholder or group of Shareholders acting in concert would oblige such person to make a general offer for the Company under Rule 9.

If an obligation to make a general offer for the Company under Rule 9 were to arise, the voting rights of the B Share would not be taken into account in formulating a condition as to acceptances for the purposes of Rule 9.3(a). Accordingly, any such offer must be conditional only upon the offeror having received acceptances in respect of Shares which, together with Shares acquired or agreed to be acquired before or during the offer, will result in the offeror and any person acting in concert with it holding more than 50 per cent. of the Shares then in issue.

Shareholders should note that, in the event of such a mandatory offer, the Investment Manager would be under no obligation to sell the B Share notwithstanding the offer becoming unconditional. The Investment Manager could therefore retain negative control of the Company through the B Share Rights.

Application of Rule 10

Rule 10 of the Takeover Code states that it must be a condition of any offer for voting equity share capital which, if accepted in full, would result in the offeror holding shares carrying over 50 per cent. of the voting rights of the offeree company that the offer will not become or be declared unconditional unless the offeror has acquired or agreed to acquire shares carrying over 50 per cent. of the voting rights.

If a qualifying offer were to be made for the voting equity share capital of the Company, the voting rights of the B Share would not be taken into account in formulating a condition as to acceptances for the purposes of Rule 10. Accordingly, Rule 10 would apply so that any offer for the voting equity share capital of the Company would be required to include a condition that the offer would not be declared unconditional unless the offeror has acquired or agreed to acquire (either pursuant to the offer or otherwise) more than 50 per cent. of the Shares then in issue.

Shareholders should note that, in the event that such an offer were made and became unconditional, the Investment Manager would be under no obligation to sell the B Share to the offeror. The Investment Manager could therefore retain negative control of the Company through the B Share Rights.

9. THE CONTROLLING POSITION OF THE INVESTMENT MANAGER

Due to the discretionary management exercised by the Investment Manager in relation to the investment holdings of the Other Phoenix Accounts, the Investment Manager, as at the date of this document, is able to exercise the voting rights attaching to Shares which in aggregate carry 71.2 per cent. of the voting rights of the Company.

In addition, the Investment Manager is interested in the B Share and exercises the B Share Rights. The B Share Rights result in the Investment Manager being able to exercise over 50 per cent. of the voting rights of the Company in relation to any resolutions which it votes against.

Potential investors' attention is drawn to the fact that, as at the date of this document, the Investment Manager is, through the combined holdings of the Other Phoenix Accounts, interested in Shares carrying more than 50 per cent. of the voting rights of the Company and, consequently, the Investment Manager is, as at the date of this document, able to acquire interests in further Ordinary Shares without incurring any further obligation under Rule 9 to make a general offer.

On the assumption that: (i) the maximum number of 133,052,656 Takeover Shares is issued to Other Dignity Shareholders pursuant to the Takeover Offer, (ii) the Other Phoenix Accounts receive 32,442,740 Ordinary Shares pursuant to the Consortium Rollover, and (iii) 154,000,000 Placing Shares are issued to third party investors (who are not Other Phoenix Accounts), the aggregate percentage of the voting rights of the Company which the Investment Manager would be able to exercise, following such allotments, would be reduced to 32.5 per cent.

The Investment Manager would remain interested in the B Share and able to exercise the B Share Rights. The B Share Rights result in the Investment Manager being able to exercise over 50 per cent. of the voting rights of the Company in relation to any resolutions which it votes against.

10. SHARE CAPITAL MANAGEMENT

The Board is aiming to achieve a share price over the long-term that reflects the level and movement of the Net Asset Value per Share. This is intended to be achieved in the following ways:

- (i) the Company will use clear and transparent communication that seeks to attract new and existing investors to invest and keep investing in the Company;
- (ii) execution of the investment strategy as communicated and the delivery of excellent long-term investment returns in excess of most peers and the benchmark; and
- (iii) the Company may, but is not obliged to, buy back Ordinary Shares when the discount to Net Asset Value per Share is persistent and a share buyback represents the best use of Shareholders' funds.

The Directors have been given authority by Shareholders to issue new Shares for cash on a non pre-emptive basis for a period of five years from September 2021. Further details of this authority are set out in paragraph 2 of Part 11 of this document. The Directors will seek renewals of this authority as required.

Unless otherwise approved by Shareholders, new Ordinary Shares will not be issued for cash consideration at a price less than the prevailing published Net Asset Value per Share unless such Ordinary Shares are first offered to existing Shareholders on a *pro rata* basis.

By a special resolution passed at the Company annual general meeting held on 6 September 2022, the Directors were granted the authority to buyback up to 14.99 per cent of the Ordinary Shares in issue. The Directors will seek renewal of this authority from Shareholders annually and at other times should this prove necessary. Any buyback of Ordinary Shares will be made subject to the Companies Law and within guidelines established from time to time by the Board and the making and timing of any buybacks will be at the absolute discretion of the Board. The Directors are authorised to cancel any Ordinary Shares purchased under this authority or to hold them in treasury. The Directors will have regard to what they believe to be in the best interests of Shareholders and in compliance with the Articles, the Companies Law and all other applicable legal and regulatory requirements. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market quotations for the five Business Days before the purchase is made; and (ii) the higher of (a) the price of the last independent trade and (b) the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out.

The Directors may, but are not obliged to, purchase Ordinary Shares if the discount to Net Asset Value per Share is persistent and the Directors consider it appropriate.

The Board intends to provide Shareholders with a partial realisation opportunity in 2026. The exact timing of this partial realisation opportunity during the year will be at the discretion of the Board, in consultation with the Investment Manager. The mechanism which will be used to provide Shareholders with this partial realisation opportunity will depend upon the level of uptake anticipated and the relevant laws and regulations at the time, although it is expected that it would be achieved through a tender offer.

11. C SHARES

If there is sufficient demand at any time, the Company may seek to raise further funds through the issue of C Shares. The rights conferred on the holders of C Shares or other classes of shares issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of the issue of the relevant shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. The Articles contain the C Share rights, full details of which are set out in paragraph 4 of Part 11 of this document.

C Shares will be available for issue by the Company (subject to Admission) if the Directors consider it appropriate to avoid the dilutive effect that the proceeds of an issue might otherwise have on the existing assets of the Company. The Company may issue up to 300 million Ordinary Shares and/or C Shares pursuant to the Placing Programme. Shareholders' pre-emption rights over this unissued share capital have been dis-applied.

12. THE PLACING AND THE PLACING PROGRAMME

The Placing

The Placing is intended to raise money to assist with the funding of the Company's cash funding obligation pursuant to the Takeover Offer, and the Placing is conditional on the Takeover Offer becoming or being declared unconditional. As the Placing is not underwritten, the Company has entered into the Standby Loan Facilities with Phoenix UK Fund Limited so that the required "cash confirmation" could be made in the Announcement. The Company will seek to draw upon the Standby Loan Facilities in the event that the Net Proceeds are insufficient to fully fund its financing obligations in relation to Valderrama pursuant to the Takeover Offer.

The total number of Ordinary Shares to be issued pursuant to the Placing, and therefore the Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Admission.

Liberum has agreed to use its reasonable endeavours to procure subscribers pursuant to the Placing at the Issue Price on the terms and subject to the conditions set out in the Placing Agreement and this document.

Further details about the Placing are set out in Part 7 of this document.

The Placing Programme

In addition to any Ordinary Shares issued under the Placing, the Company may issue up to 300 million Shares (being Ordinary Shares and/or C Shares) in aggregate pursuant to the Placing Programme.

Any Ordinary Shares issued pursuant to the Placing Programme will be issued at a price calculated by reference to the prevailing published Net Asset Value per Share at the time of issue. The costs and expenses of each Subsequent Placing are not expected to exceed 2 per cent. of any such Subsequent Placing. Any C Shares issued pursuant to the Placing Programme will be issued at an issuance price of £1.00 per C Share.

Shares issued under the Placing Programme may be issued under this document provided that it is updated by a supplementary prospectus (if required).

Further details about the Placing Programme are set out in Part 8 of this document.

13. TAXATION

Potential investors are referred to Part 10 of this document for details of the taxation of the Company and Shareholders in Guernsey and the United Kingdom. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than Guernsey and the United Kingdom are strongly advised to consult their own professional advisers immediately.

14. DISCLOSURE OBLIGATIONS

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) ("**DTR 5**") of the Financial Conduct Authority Handbook apply to the members of the Company. Pursuant to the Articles, the Company elects to apply DTR 5 as if the Company is a "UK issuer", as such term is defined in DTR 5. As such, a person is required to notify the Company of the percentage of voting rights it holds as a holder of Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a Company, 3 per cent. and each 1 per cent. threshold thereafter up to 100 per cent.

15. RISK FACTORS

The Company's performance is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled "Risk Factors" on pages 12 to 24 of this document.

16. DISTRIBUTION TO RETAIL INVESTORS AND MIFID II

The Company notes the rules of the FCA on the promotion of non-mainstream pooled investments. The Company intends to conduct its affairs so that the Shares can be recommended by financial

advisers to retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products. The Shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because the Company invests primarily in shares and bonds.

The Company intends to conduct its affairs so that the Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under The Markets in Financial Instruments Directive II ("**MiFID II**"). The Directors consider that the Shares should be considered "non-complex" for the purposes of MiFID II.

17. REGULATORY ENVIRONMENT

The Company, as a Guernsey-incorporated, closed-ended investment company whose Shares are admitted to trading on the Specialist Fund Segment, is subject to laws, regulations and rules in such capacity, including, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, MAR, the UK AIFM Regime, the PRIIPs Regulation, the AIC Code, the Registered Collective Investment Scheme Rules and Guidance, 2021 and the Companies Law. The Company is also subject to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Specialist Fund Segment set out in the Admission and Disclosure Standards published by the London Stock Exchange in force from time to time.

Together, these rules, regulations and laws govern the way that, amongst other things, the Company can be operated (e.g. its governance), how its Shares can be marketed, and how it must deal with its Shareholders, together with requiring the Company to make certain reports, filings and notifications.

The Investment Manager is subject to, and is required to comply with, certain regulatory requirements of the FCA, some of which affect the investment management of the Company.

Save as set out in the investment policy, the Company is not constrained by sector or geography in making investments and consequently the Company may have a material proportion of its assets invested in one or more Portfolio Companies from time to time. In particular, the Company has a material investment in Dignity. Dignity is subject to laws and regulations in the UK that affect companies conducting business on the funeral services and crematoria sector. These include regulations related to environmental issues, health and safety, privacy, employment, data protection and cyber security, electronic communications and contracts, competition, advertising, taxation, anti-bribery and corruption, money-laundering, trade prohibitions, sanctions, and online payment services.

The Dignity Group also operates in the pre-paid funeral plans sector which is a sector subject to regulation by the FCA and Dignity Funerals Limited is consequently authorised by the FCA in relation to such business.

Some Portfolio Companies may operate in industries that are not subject to regulation. The rules, laws and regulations affecting the Company, the Investment Manager and/or the Portfolio Companies are evolving and any changes in such rules, laws and regulations may have an adverse effect on the ability of the Company, the Investment Manager or the relevant Portfolio Company to carry on their respective businesses.

PART 3

INFORMATION ON DIGNITY

DIGNITY PLC (“DIGNITY”)

Address:

4 King Edwards Court, King Edwards Square, Sutton Coldfield, West Midlands, B73 6AP.

Country of incorporation:

England.

Nature of business:

Founded in 1994, Dignity is a UK based provider of funeral related services. Dignity operates through three segments: funeral services, crematoria and pre-arranged funeral plans, from 725 funeral branches and 46 crematoria throughout the UK.

Name of market on which its securities are admitted:

Dignity’s shares are admitted to the premium listing segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange.

Current trading:

In Dignity’s interim results for the period ended 1 July 2022, released on 30 September 2022, the following summary was given:

	26 week period ended 1 July 2022	26 week period ended 25 June 2021	Decrease per cent
Underlying revenue (£million)	141.2	169.4	17
Underlying operating profit (£million)	14.7	37.8	61
Underlying profit before tax (£million)	0.6	23.2	97
Underlying (loss)/earnings per share (pence)	(1.2)	36.2	
Underlying cash generated from operations (£million)	24.4	56.6	57
Revenue (£million)	166.9	189.0	12
Operating (loss)/profit (£million)	(48.3)	40.8	
(Loss)/profit before tax (£million)	(156.0)	50.5	
Basic (loss)/earnings per share (pence)	(258.6)	62.4	
Cash (used in)/generated from operations (£million)	(3.7)	49.0	
Number of deaths	319,000	340,000	6

A third quarter trading update was subsequently released on 9 November 2022 with the following curtailed summary:

“During the third quarter, Dignity’s new strategy continues to deliver early promising signs of increases in market share despite the previously referenced headcount challenges. That said, underlying revenue and underlying operating profit continued to be impacted by a combination of factors, including fluctuations in the death rate, change in pricing strategy and introduction of a direct cremation service through Dignity’s funeral network.

Summary

	39 week period ended 30 September 2022	39 week period ended 24 September 2021	Decrease per cent
Underlying revenue (£million)	204.7	237.0	14
Underlying operating profit (£million)	14.1	43.4	68
Number of deaths	469,000	483,000	3

At the same time, Dignity also set out the following key points:

- *“The Group continues to make good progress in the implementation of its new strategy which, whilst limited somewhat by staff shortages, is delivering early signs of increases in market share growth.*
- *At the same time, the Group recognises underlying revenue and underlying operating profit continue to be impacted by a combination of factors.*
- *In line with the Group’s mission to drive forward positive change in the sector and become a true market leader with an unrivalled focus on quality, transparency, and choice, it has continued to invest in the business. These investments can be seen through its capital expenditure programme, which prioritises key investment needs across the estate and facilities as well as increased operational and colleague costs with the first phase of its remuneration review now implemented. Since then, the Group has seen improvements in its recruitment challenge and a material improvement in vacancies filled.*
- *The Group has confirmed the next stage of its at-need funeral pricing strategy, which seeks to provide value for money, through adjustments to a number of attended funeral fees. As part of the Group’s local business strategy, it seeks to enable pricing to be set locally based on insight, competitor landscape and business knowledge. Dignity expects that this will raise yields and cover the increases in its cost base which includes increased salary costs, raw materials and energy & utility costs.*
- *The Group has received a positive response from stakeholders and customers on the innovative new funeral plan proposition launched in August 2022. The first phase of the launch was through online channels only and it has now been extended through the branch network.*

- *Dignity has also been providing its new funeral plan product to customers of other providers who either have withdrawn from the market or who did not achieve FCA authorisation. Currently around 32,000 such families have decided to take on a new Dignity funeral plan.*
- *In September 2022, bondholders provided consent to allow the Group to begin deleveraging and subsequently provide the Group with additional financial flexibility as more fully described in the Group's interim results statement."*

Kate Davidson, Chief Executive Officer of Dignity, commented:

"The third quarter continues to present some of the challenges we faced earlier this year, but with our new strategy well underway we are beginning to see positive indications of our market share growing. It is also promising to see tangible improvements to our workforce as we increase our headcount following the proactive steps we've taken."

"We remain focussed on our long term aims, and we believe that our strategy will deliver sustainable growth and value for shareholders, colleagues and clients alike."

A further trading update for the 52 weeks to 30 December 2022 was released on 23 January with the following key (unaudited) financial highlights:

- *"Underlying revenue is expected to be no more than £275m (FY21: £312.0m);*
- *Underlying operating profit is expected to be no more than £20m (FY21: £55.8m);*
- *Underlying operating profit before depreciation and amortisation (pre-IFRS 16) is expected to be no more than £37m (FY21: £72.5m);*
- *At the end of FY22, the Group expects approximately £8.5m in Trading Group cash on the balance sheet (implying a net debt position of £508.0m) (£55.9m and £471.2m as at end of FY21)."*

Alongside this financial information, Dignity also provided the following comments:

"The Group continues to make good progress in the implementation of its new strategy through new initiatives. This is delivering early signs of increases in market share growth and progress in addressing operational challenges.

However, as previously reported, performance continues to be impacted by changes in pricing strategy and the continued shift towards lowered-priced products, despite higher-than-average death rate persisting post-COVID 19.

Furthermore, excluding the impact of the lower promotional expense, the cost base of the Group has increased in the year because of planned investments across the estate and in facilities, as well as ongoing increases in regulatory and operational costs which have been partly driven by macroeconomic factors.

As a result, for the 52 weeks ended 30 December 2022, underlying revenue, underlying operating profit and underlying operating profit before depreciation and amortisation will be no more than £275m, £20m and £37m.

The Group continues to benefit from the previously secured bondholder consents in the form of the covenant waiver and consent to deleverage the capital structure, which remain valid until March 2023 and September 2023, respectively.

The Group expects to end the year with cash of approximately £8.5m and net debt of approximately £508.0m. Dignity will continue to draw upon available facilities to invest in the business and manage liquidity."

Financial position:

The November trading statement also included some commentary about the company's balance sheet which is replicated below, however, other than the headline numbers provided above, this was not specifically updated in the January trading statement:

"The Group's primary financial covenant under the Secured Notes requires EBITDA to total debt service to be above 1.5 times. During the temporary covenant waiver period that was approved by bondholders in March 2022, any cash transferred into the Securitisation Group can be included within the EBITDA to debt service ratio for the following 12 months. The waiver allows for cash to be

transferred at any covenant measurement point up to and including 31 December 2022. £15.1 million was transferred in June 2022 which has resulted in a ratio at September 2022 of 1.69 times (June 2022: 2.11 times). Excluding this cash transfer the ratio at 30 September 2022 was 1.24 times.

Whilst not a covenant, in order for the Group to transfer excess cash from the Securitisation Group to Dignity plc, it must achieve both a higher EBITDA to total debt service ratio of 1.85 times and achieve a Free Cash Flow to total debt service (a defined term in the securitisation documentation) of at least 1.4 times. This latter ratio as at September 2022 was 0.88 times (June 2022: 1.72 times). These combined requirements are known as the Restricted Payment Condition ('RPC'). Given the ratios achieved, the RPC was not met in June or September 2022. Failure to pass the RPC is not a covenant breach and does not cause an acceleration of any debt repayments. Any cash not permitted to be transferred whilst the RPC is not achieved will be available to be transferred at a later date once the RPC requirement is achieved but otherwise can be used within the Securitisation Group with no restrictions. These covenant calculations use a prescribed definition of EBITDA detailed in the loan documentation and only represents the profit of a subgroup of the Group which is party to the loans (the 'Securitisation Group')."

Dignity Cash Summary

At the end of September 2022, the Dignity Group held cash of approximately £29 million, approximately £21 million of which was held by Dignity plc, which is freely available for use as the Dignity Group sees fit.

As at the end of December 2022, the Dignity Group held trading group cash of approximately £8.5 million.

Further details regarding the Dignity Group's balance sheet position as well as more detailed commentary about the business' operating divisions can be found in the full interim results announcement which is on Dignity's website: www.dignityplc.com.

PART 4

INFORMATION ON THE JOINT VENTURE

1. THE TERMS OF THE JOINT VENTURE

In its IPO prospectus dated 23 September 2021, the Company disclosed that the Investment Manager had entered into a non-binding heads of terms with SPWOne, an investment vehicle funded and wholly-owned and controlled by Sir Peter Wood, to establish a proposed 50/50 investment joint venture between the Company and SPWOne (the “**Joint Venture**”). Sir Peter Wood is a serial entrepreneur having founded seven companies in the UK, Europe and US and has a track record of founding, building and investing in disruptive businesses and brands, spanning nearly four decades.

On 25 August 2022, Valderrama was incorporated in Guernsey to act as the vehicle for the Joint Venture. Valderrama is resident for tax purposes in the United Kingdom. On 29 September 2022, the Company, SPWOne, the Investment Manager and Valderrama entered into the Joint Venture Agreement to formalise the terms of the Joint Venture, as amended and restated on 23 January 2023 in connection with the Takeover Offer.

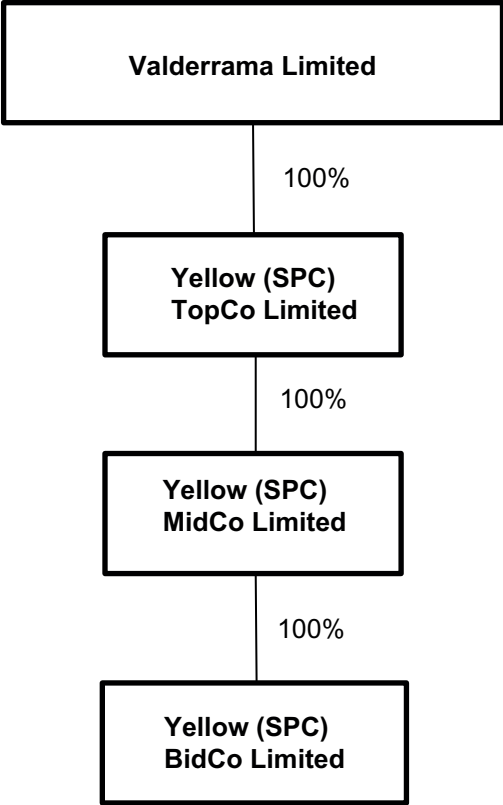
Under the terms of the Joint Venture Agreement, the Company and SPWOne have each agreed to invest at least the maximum aggregate amount required to satisfy the cash consideration payable to the fully diluted Dignity Shareholders in accordance with the terms of the Takeover Offer or Scheme (as applicable), being £212,081,171, less any such amount which Morgan Stanley agrees may be satisfied by an alternative source. The funding shall be in equal shares in the form of equity investments into Valderrama. In addition, with mutual agreement, third party investors may be invited to provide equity funding (via separate share classes) to Valderrama, or debt funding, on such terms as the Company and SPWOne may see fit.

Decision making at board and shareholder level is on a 50/50 basis between the Company and SPWOne as holders of the issued class A shares.

Further details relating to the Joint Venture Agreement are set out in paragraph 6.3 of Part 11 of this document.

2. THE VALDERRAMA GROUP STRUCTURE

The Takeover Offer for the Dignity Shares to which the offer relates has been made by Bidco which is a wholly-owned indirect subsidiary of Valderrama. The structure of Valderrama and its direct and indirect subsidiaries is shown below:



3. ROLLOVER MECHANICS

The Company and the Other Phoenix Accounts

The Consortium Rollover Shares will not be acquired by Bidco as part of the Takeover Offer. Instead, pursuant to the Consortium Rollover SPA:

- the Company will exchange the 10,361,149 Consortium Rollover Shares owned by it for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, for Valderrama E Shares; and
- the Other Phoenix Accounts will exchange the 4,424,010 Consortium Rollover Shares owned by them for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, for (i) Valderrama E Shares or (ii) new Ordinary Shares, as set out in the Consortium Rollover SPA,

with these exchanges taking effect at such time as would result in the Acceptance Condition being capable of satisfaction when taking into account, (i) the Consortium Rollover Shares, and (ii) Dignity Shares in respect of which acceptances have been received (and not validly withdrawn in accordance with the rules and requirements of the Takeover Code and the terms of the Takeover Offer) by Bidco from Other Dignity Shareholders.

Other Dignity Shareholders

Eligible Dignity Shareholders who validly elect for the Unlisted Share Alternative will sell their Dignity Shares to Bidco in consideration for the issue of Bidco D Loan Notes which, following the exercise of a series of put and call options (as described below), will be exchanged for Valderrama D Shares.

Eligible Dignity Shareholders who validly elect for the Listed Share Alternative will sell their Dignity Shares to Bidco in consideration for the issue of Bidco CG1 Loan Notes which, following the exercise of a series of put and call options (as described below), will be exchanged for new Ordinary Shares.

The Loan Notes

The Loan Notes will be governed by English law and will be issued by Bidco, Midco or Topco (as applicable), credited as fully paid, in integral multiples of £1.00. The Loan Notes will constitute direct, unsecured and unsubordinated obligations of each of Bidco, Midco and Topco (as applicable).

The Loan Notes will bear interest at a rate of 10 per cent. per annum, such interest beginning to accrue from the date of their issue.

The Loan Notes (together with accrued interest up to but excluding the date of redemption) may be redeemed by the relevant issuer (in whole or in part) on not fewer than five business days' notice in writing to the holders at any time after the date falling six months and one day after the date on which the Loan Notes are issued. Any Loan Notes not previously redeemed will be redeemed in full (together with accrued interest up to but excluding the date of redemption) on the tenth anniversary of the date of the relevant loan note instrument.

The Loan Notes are transferrable only with the consent of the issuer.

Rollover

Bidco Acquisition

Bidco will acquire Dignity Shares from:

- the Company pursuant to the Consortium Rollover SPA in consideration for the issue by Bidco to the Company of Bidco E Loan Notes;
- the Other Phoenix Accounts pursuant to the Consortium Rollover SPA in consideration for the issue by Bidco to the relevant Other Phoenix Account, of:
 - to the extent such Other Phoenix Account agreed to receive new Ordinary Shares, Bidco CG2 Loan Notes; or
 - to the extent such Other Phoenix Account agreed to receive Valderrama E Shares, Bidco E Loan Notes;
- any Other Dignity Shareholder pursuant to the Takeover Offer in consideration for the issue by Bidco to the relevant Other Dignity Shareholder of:
 - to the extent such Other Dignity Shareholder validly elects for the Listed Share Alternative, Bidco CG1 Loan Notes; or
 - to the extent such Other Dignity Shareholder validly elects for the Unlisted Share Alternative, Bidco D Loan Notes.

Midco Rollover – the Consortium

Under the terms of the Midco Consortium Put and Call Option Deed, Midco will be granted a call option (the “**Midco Consortium Call Option**”) pursuant to which Midco will have the right to acquire from:

- the Company, any Bidco E Loan Notes held by the Company in consideration for the issue by Midco to the Company of Midco E Loan Notes; and
- any Other Phoenix Account:
 - to the extent such Other Phoenix Account agreed to receive new Ordinary Shares, any Bidco CG2 Loan Notes held by such Other Phoenix Account in consideration for the issue of Midco CG2 Loan Notes by Midco to such Other Phoenix Account; or
 - to the extent such Other Phoenix Account agreed to receive Valderrama E Shares, any Bidco E Loan Notes held by such Other Phoenix Account in consideration for the issue of Midco E Loan Notes by Midco to such Other Phoenix Account.

In addition, the Company and the Other Phoenix Accounts will be granted a corresponding put option pursuant to which Midco will be required to acquire from them any Bidco Loan Notes held by them in consideration for the issue of such equivalent number of Midco Loan Notes that would have been issued on the exercise of the Midco Consortium Call Option.

Midco Rollover – Other Dignity Shareholders

Under the terms of the Midco Other Dignity Shareholder Put and Call Option Deed, Midco will be granted a call option (the “**Midco Other Dignity Shareholder Call Option**”) pursuant to which Midco will have the right to acquire from any Other Dignity Shareholder:

- to the extent such Other Dignity Shareholder validly elects for the Listed Share Alternative, any Bidco CG1 Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Midco CG1 Loan Notes by Midco to such Other Dignity Shareholder; or
- to the extent such Other Dignity Shareholder validly elects for the Unlisted Share Alternative, any Bidco D Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Midco D Loan Notes by Midco to such Other Dignity Shareholder.

In addition, those Other Dignity Shareholders who validly elect for an Alternative Offer will be granted a corresponding put option pursuant to which Midco will be required to acquire from them any Bidco Loan Notes held by them in consideration for the issue of such equivalent number of Midco Loan Notes that would have been issued on the exercise of the Midco Other Dignity Shareholder Call Option.

Topco Rollover – the Consortium

Under the terms of the Topco Consortium Put and Call Option Deed, Topco will be granted a call option (the “**Topco Consortium Call Option**”) pursuant to which Topco will have the right to acquire from:

- the Company, any Midco E Loan Notes held by the Company in consideration for the issue by Topco to the Company of Topco E Loan Notes; and
- any Other Phoenix Account:
 - to the extent such Other Phoenix Account agreed to receive new Ordinary Shares, any Midco CG2 Loan Notes held by such Other Phoenix Account in consideration for the issue of Topco CG2 Loan Notes by Topco to such Other Phoenix Account; or
 - to the extent such Other Phoenix Account agreed to receive Valderrama E Shares, any Midco E Loan Notes held by such Other Phoenix Account in consideration for the issue of Topco E Loan Notes by Topco to such Other Phoenix Account.

In addition, the Company and the Other Phoenix Accounts will be granted a corresponding put option pursuant to which Topco will be required to acquire from them any Midco Loan Notes held by them in consideration for the issue of such equivalent number of Topco Loan Notes that would have been issued on the exercise of the Topco Consortium Call Option.

Topco Rollover – Other Dignity Shareholders

Under the terms of the Topco Other Dignity Shareholder Put and Call Option Deed, Topco will be granted a call option (the “**Topco Other Dignity Shareholder Call Option**”) pursuant to which Topco will have the right to acquire from any Other Dignity Shareholder:

- to the extent such Other Dignity Shareholder validly elects for the Listed Share Alternative, any Midco CG1 Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Topco CG1 Loan Notes by Topco to such Other Dignity Shareholder; or
- to the extent such Other Dignity Shareholder validly elects for the Unlisted Share Alternative, any Midco D Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Topco D Loan Notes by Topco to such Other Dignity Shareholder.

In addition, those Other Dignity Shareholders who validly elect for an Alternative Offer will be granted a corresponding put option pursuant to which Topco will be required to acquire from them any Midco Loan Notes held by them in consideration for the issue of such equivalent number of Topco Loan Notes that would have been issued on the exercise of the Topco Other Dignity Shareholder Call Option.

Alternative Offers Rollover – the Consortium

Under the terms of the Alternative Offers Consortium Put and Call Option Deed, Valderrama will be granted a call option (the “**Alternative Offers Consortium Call Option**”) pursuant to which Valderrama will have the right to acquire from:

- the Company, any Topco E Loan Notes held by the Company in consideration for the issue of Valderrama E Shares to the Company;
- any Other Phoenix Account, to the extent such Other Phoenix Account agreed to receive new Ordinary Shares, any Topco CG2 Loan Notes held by such Other Phoenix Account in consideration for the issue of Valderrama E Shares to such Other Phoenix Account; and
- any Other Phoenix Account, to the extent such Other Phoenix Account agreed to receive Valderrama E Shares, any Topco E Loan Notes held by such Other Phoenix Account in consideration for the issue of Valderrama E Shares to such Other Phoenix Account.

In addition:

- the Company and those Other Phoenix Accounts who agreed to receive Valderrama E Shares will be granted a corresponding put option pursuant to which Valderrama will be required to acquire from them any Topco E Loan Notes held by them in consideration for the issue of an equivalent number of Valderrama E Shares; and
- those Other Phoenix Accounts who agreed to receive new Ordinary Shares will be granted a corresponding put option pursuant to which Valderrama will be required to acquire from them any Topco CG2 Loan Notes held by them in consideration for the issue of an equivalent number of Valderrama E Shares,

in each case, such equivalent number being that number which would have been issued on the exercise of the Alternative Offers Consortium Call Option.

Alternative Offers Rollover – Other Dignity Shareholders

Under the terms of the Alternative Offers Other Dignity Shareholder Put and Call Option Deed, Valderrama will be granted a call option (the “**Alternative Offers Other Dignity Shareholder Call Option**”) pursuant to which Valderrama will have the right to acquire from any Other Dignity Shareholder, to the extent such Other Dignity Shareholder validly elects for:

- the Unlisted Share Alternative, any Topco D Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Valderrama D Shares to such Other Dignity Shareholder; and
- the Listed Share Alternative, any Topco CG1 Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Valderrama D Shares to such Other Dignity Shareholder.

In addition, those Other Dignity Shareholders who validly elect for:

- the Unlisted Share Alternative will be granted a corresponding put option pursuant to which Valderrama will be required to acquire from them any Topco D Loan Notes held by them in consideration for the issue of an equivalent number of Valderrama D Shares; and
- the Listed Share Alternative will be granted a corresponding put option pursuant to which Valderrama will be required to acquire from them any Topco CG1 Loan Notes held by them in consideration for the issue of an equivalent number of Valderrama D Shares,

in each case, such equivalent number being that number which would have been issued on the exercise of the Alternative Offers Other Dignity Shareholder Call Option.

CG2 Rollover – the Consortium

Under the terms of the CG2 Put and Call Option Deed, the Company will be granted a call option (the “**CG2 Call Option**”) pursuant to which the Company will have the right to acquire from any Other Phoenix Account, to the extent such Other Phoenix Account agreed to receive new Ordinary Shares, any Valderrama E Shares held by such Other Phoenix Account in consideration for the issue of new Ordinary Shares by the Company to such Other Phoenix Account.

In addition, those Other Phoenix Account who agreed to receive new Ordinary Shares will be granted a corresponding put option pursuant to which the Company will be required to acquire from them any Valderrama E Shares held by them in consideration for the issue of such equivalent number of new Ordinary Shares that would have been issued on the exercise of the CG2 Call Option.

CG1 Rollover – Other Dignity Shareholders

Under the terms of the CG1 Put and Call Option Deed, the Company will be granted a call option (the “**CG1 Call Option**”) pursuant to which the Company will have the right to acquire from any Other Dignity Shareholder, to the extent such Other Dignity Shareholder validly elect for the Listed Share Alternative, any Valderrama D Shares held by such Other Dignity Shareholder in consideration for the issue of new Ordinary Shares to such Other Dignity Shareholder.

In addition, those Other Dignity Shareholders who validly elect for the Listed Share Alternative will be granted a corresponding put option pursuant to which the Company will be required to acquire from them any Valderrama D Shares held by them in consideration for the issue of such equivalent number of new Ordinary Shares that would have been issued on the exercise of the Call CG1 Option.

Following completion of the CG1 Put and Call Option Deed, any Valderrama D Shares acquired by the Company from any Other Dignity Shareholder shall automatically convert on a 1:1 basis into Valderrama E Shares pursuant to the operation of a conversion mechanism set out in the articles of incorporation of Valderrama.

PART 5

THE CURRENT ASSETS

As at the date of this document, the Company has investments in the Portfolio Companies as follows:

Company	Value of holding* (as at 31 December 2022)	Percentage of Net Asset Value (as at 31 December 2022) (%)
Dignity Plc	£43,000,000	31.16
Hornby Plc	£26,300,000	19.07
Cambium International Limited	£20,500,000	14.85
Phoenix SG Limited	£19,200,000	13.90
Rawnet Ltd	£6,600,000	4.78
Silverwoods Brands Plc	£2,200,000	1.57
Showpiece Technologies Limited	£8,000	0.01
Ocula Technologies Limited	£4,900,000	3.57

* Since 31 December, the Company has made a further investment of £700,000 in Phoenix SG Limited.

Further details of each of the Portfolio Companies is set out below.

1. DIGNITY PLC (“DIGNITY”)

Nature and level of holding:

The Company holds directly 10,361,149 Dignity Shares, representing approximately 20.25 per cent. of the fully diluted share capital of Dignity at the Latest Practicable Date.

Value of asset:

£43,000,000 (as at 31 December 2022).

Further information relating to Dignity is set out in Part 3 of this document.

2. HORNBY PLC (“HORNBY”)

Address:

Enterprise Road, Westwood Industrial Estate, Margate, England, CT9 4JX.

Country of incorporation:

England.

Nature and level of holding:

The Company owns 92,337,876 ordinary shares, representing approximately 54.4 per cent. of the issued share capital of Hornby.

Hornby is the parent company of a group of operating subsidiaries (together the “Hornby Group”).

Hornby Relationship Agreement

A deed of assignment in respect of a relationship agreement dated 22 June 2016 (the “**Hornby Relationship Agreement**”) was entered into on 6 September 2017 between (1) Numis Securities Limited (as assignor) (“**Numis**”), (2) Liberum (as assignee), (3) Hornby, and (4) the Investment Manager assigning the relationship agreement from Numis to Liberum.

The Hornby Relationship Agreement governs the relationship between the Investment Manager and Hornby in light of the level of the shareholding in Hornby controlled by the Investment Manager. Pursuant to the terms of the relationship agreement, the Investment Manager is obliged, in so far as it is able, to exercise the voting rights which it controls to ensure, *inter alia*, that the Hornby Group is capable of carrying on its business independently of the Investment Manager and its associates at all times, that all transactions, agreements or undertakings entered into between any member of the Hornby Group and the Investment Manager and/or its associates is done on arm’s length terms and

in accordance with the AIM Rules for Companies and that at all times the independent directors of Hornby constitute a majority of the board of directors of Hornby.

Further, for as long as the Investment Manager, together with any of its associates or anyone it is acting in concert with, holds 25 per cent. or more of the voting share capital of Hornby (“Control”), the Investment Manager is obliged, and is obliged to procure that each of its associates will, *inter alia*, ensure that no contract or arrangement between any member of the Hornby Group and the Investment Manager and/or any of its associates is entered into or varied without the approval by a majority of the independent directors and the Investment Manager shall abstain from voting on any resolution, not to undertake any activity in conflict with any member of the Hornby Group, not to do anything to prevent Hornby from being able to comply with the AIM Rules for Companies or which would prejudice Hornby’s admission to trading on AIM and not to propose or vote in favour of any resolution which has the effect of waiving the pre-emption rights on an issue of securities subject to certain carve outs. The Hornby Relationship Agreement contains customary warranties and terminates when the Investment Manager ceases to have Control of Hornby and Hornby ceases trading on AIM.

Nature of business:

Hornby is a hobby and toy business which owns a number of heritage brands in the UK and overseas. The portfolio of brands includes Hornby, Scalextric, Airfix, Humbrol, Corgi, Pocher, Electrotren, Arnold, Rivarossi and Basset Lowke.

The Hornby Group principally engages in the design, marketing and sourcing of hobby and toy products from the Far East and India to satisfy demand for each of the brands.

Name of market on which its securities are admitted:

Hornby’s shares are admitted to trading on the AIM Market of the London Stock Exchange.

Value of asset:

£26,300,000 (as at 31 December 2022).

Investment rationale:

Many people grew up collecting and/or playing with products that have Hornby brands on them. The positive emotional ties which people have with the Hornby group’s products are very strong and difficult to replicate. This goodwill is very valuable for a number of reasons, but it is not a guarantee of success.

Over the last two decades, the manufacturing side of the business has been outsourced to a portfolio of partners who are primarily in the main manufacturing hubs of South China. This has been a very difficult process for a business which manufactured most of its products in England for nearly a century.

The availability of cheap labour and the shortening of supply chains for high quality toys and models also allowed an influx of competition and higher threat of substitutes for Hornby products.

While competitors were getting stronger, Hornby made a number of missteps which included:

- overpaying for acquisitions;
- using too much debt to pay for the acquisitions;
- losing focus on the lucrative collector and hobbyist customers in favour of toys;
- large and expensive mistakes in stock ordering for the 2012 Olympics; and
- concentrating manufacturing with a single supplier.

Subsequently, Hornby experienced supply chain difficulties when their single supplier, which also owned a competing brand, ran into financial difficulties, further worsening Hornby’s position. The manufacturer was unable to deliver stock and there were knock-on problems moving and using important tooling with other manufacturers.

The debt load was too much for the business and successive management teams struggled to stabilise the business and generate cash to meet its obligations. The common lever which was pulled, as a short term fix, was heavily discounting products to turn stock into cash.

Unfortunately, this irritated retailers who bought stock at a higher price and were left sitting with inventory they could not sell. Furthermore, collectors who also bought at a higher price started to become disillusioned with the brands as a store of value and something that would appreciate over time.

The more discounting occurred, the more the business damaged its goodwill with collectors and retailers. This reduced their propensity to come back to buy products at release at full price. The more this goodwill diminished, the more aggressive management needed to be with discounting to draw in sales and turn stock into cash.

After being appointed to the board and studying the business from the inside, the Investment Manager realised the problems Hornby was facing. The Investment Manager saw a way to create value by recapitalising the business and removing the financial issues which were causing management to focus on short term fixes using discounting.

The Investment Manager also found new leadership and assembled a team with more than a century of experience in serving the hobbyist sector.

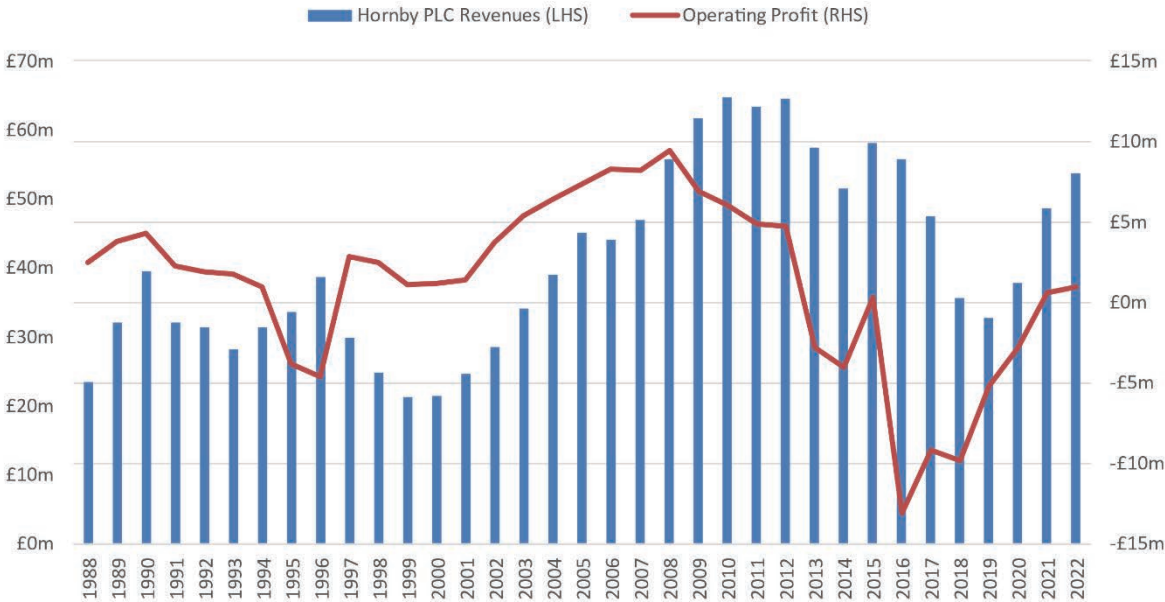
The business went through a tough period to reset the pricing architecture, finally solve the supply chain issues, and most importantly earn the trust back with the retailers and collectors.

Following two years of intensive turnaround work focused on the long-term health of the brands, sales have started to grow again. The company has now been profitable for two consecutive years. Following this important first step, Hornby continues to accelerate development of new products to market and invest in the enormous potential embedded in reaching customers through digital routes to market. Hornby's existing partnership with Rawnet has already started to develop this part of the strategy. In Q4 of 2022, ending 31 March 2022, the company's direct to consumer online sales were 73 per cent. ahead of the prior year.

The Investment Manager believes there is still considerable value yet to be realised in this investment and the Investment Manager, together with the new management, have already guided the business through the hardest parts of the turnaround.

Hornby is an important part of the Portfolio at a very exciting time where the value realisation is closer than it was when the initial controlling stake was acquired more than two years ago.

The graph below shows revenue and adjusted profits for Hornby and captures the level of historic potential yet to be realised:



(Source: Company annual reports for the years ended 31 March and Investment Manager estimates)

Current trading:

Group sales for the period 1 April to 31 December 2022 were 6 per cent. above the previous year due to better availability of stock, price increases, and investments in digital marketing. In the group's

most recent trading update they stated they were cautious in their outlook for the full year and beyond due to a high level of uncertainty around the macroeconomic climate. The group expects a modest underlying loss before tax for the year end March 2023.

Hornby have appointed a new CEO, Oilly Raeburn, who joined the group on 23 January 2023. Oilly was previously the CEO of Aspen Phoenix NewCo Ltd (trading as Paperchase) and has expertise in brand marketing, customer insights, design, communications and strategy.

Operating results and financial condition:

Group sales for the half-year ending 30 September 2022 were 2.6 per cent. ahead of the prior year while gross profits were 6 per cent. ahead of the prior year. Operating losses for the half year were (£2.77) million, which compares to (£0.53) million for the half year ending 30 September 2021. Trading for the group is seasonal with a higher concentration of sales in the second half of the year.

Direct sales via the group's websites during the half-year ending 30 September 2022 were 54 per cent. higher than those achieved in the prior year. The company provided the following table showing the evolution of direct sales made through the group's websites:

	Q1	Q2	Q3	Q4	Total
2018/19	£301,100	£479,767	£582,434	£362,688	£1,725,988
2019/20	£426,382	£497,494	£731,252	£638,260	£2,293,388
2020/21	£1,222,578	£1,169,936	£1,574,834	£976,711	£4,944,058
2021/22	£849,782	£1,038,172	£2,128,918	£1,687,916	£5,704,787
2022/23	£1,389,736	£1,519,917			

Hornby debt summary

Hornby has access to a £12 million asset-based lending facility (the "**STB Facility**") with Secure Trust Bank ("**STB**") and a £9 million loan facility with the Investment Manager (the "**IM Facility**").

The STB Facility carries a margin of 2.5-3.0 per cent. over the Base Rate and ends in October 2024. STB has a fixed and floating charge on the assets of the Hornby group. Hornby provides customary operational and financial covenants to STB on a monthly basis, and the amount of funding available at any time varies depending on accounts receivable balances and stock levels.

The IM Facility is for a rolling three-year term and attracts interest at a margin of 5 per cent. over SONIA on funds drawn. Undrawn funds attract a non-utilisation fee of the higher of 1 per cent. or SONIA.

3. CAMBIUM INTERNATIONAL LIMITED ("CIL")

Address:

Maples Corporate Services Limited, PO Box 309, Ugland house, Grand Cayman, KY1-1104, Cayman Island.

Country of incorporation:

Cayman Islands.

Nature and level of holding:

The Company holds 60.14 per cent. of the issued share capital of CIL, a private Cayman Islands incorporated holding company. CIL is the parent company of The Cambium Group UK Holdings Limited (a company incorporated in England and Wales with incorporation number 12026946) which, in turn, is the parent company of a number of operating subsidiaries (together the "**Cambium Group**"). The Cambium Group UK Holdings Limited also has a minority 25 per cent. stake in Hostology Limited.

The Cambium Group operates wedding gift list services, an online homeware outlet and a wedding planning and resource platform.

The CIL Guarantee:

Gary Channon has entered into an unconditional and irrevocable personal guarantee in favour of the Company in connection with the Company's investment (the "**CIL Guarantee**"). Pursuant to the terms

of the CIL Guarantee, Mr Channon has agreed to pay the Company any losses suffered if a Trigger Event (as defined therein) occurs. Trigger Events include a listing of CIL at a valuation which is less than the original acquisition cost and an insolvency event. The CIL Guarantee terminates on the earlier of 2 August 2026, the occurrence of CIL' listing, or on Mr Channon's bankruptcy or death. In the event of the latter prior to the termination of the CIL Guarantee, the Investment Manager will assume the liabilities of Mr Channon.

Value of asset:

£20,500,000 (as of 31 December 2022).

Nature of business:

The Cambium Group was created to bring together the UK's leading wedding gift list businesses and not only create the UK's best wedding gift list service, a wedding planning and resource platform but also to build a wider homeware business with significant scale.

The Gift List Business

The Cambium Group supports engaged couples to build carefully curated and personalised gift lists, provides an online platform for their wedding guests to purchase gifts and then fulfils the gifts after the wedding. The three brands (The Wedding Shop, Prezola and The Wedding Present Company) maintain their individual identities, attracting customers across a wide demographic. The Cambium Group has established itself as a market leader by providing the widest possible offering of products, assisted by knowledgeable advisers and outstanding customer service. Gift list advisers maximise revenue opportunities by providing inspiration and guidance on content, price points and size of lists. The e-commerce platforms compliment the personal touch, and the group's websites are constantly evolving to meet the needs of today's engaged couples and to enhance the user experience. The Cambium Group is actively employing digital marketing strategies and maintaining affiliate relationships to grow customer acquisition and conversion.

This is a business built around marriage and the propensity to marry has stopped declining in the UK with the desire to celebrate on the rise. The wedding industry in the UK is a growth market, contributing £14.7 billion per annum to the UK economy (Source: <https://uk.weddings.org>).

The Homeware Outlet

The Homeware Outlet, launched in 2020, is an e-commerce platform offering branded homeware at heavily discounted prices.

The Wedding Planning and Resource Platforms

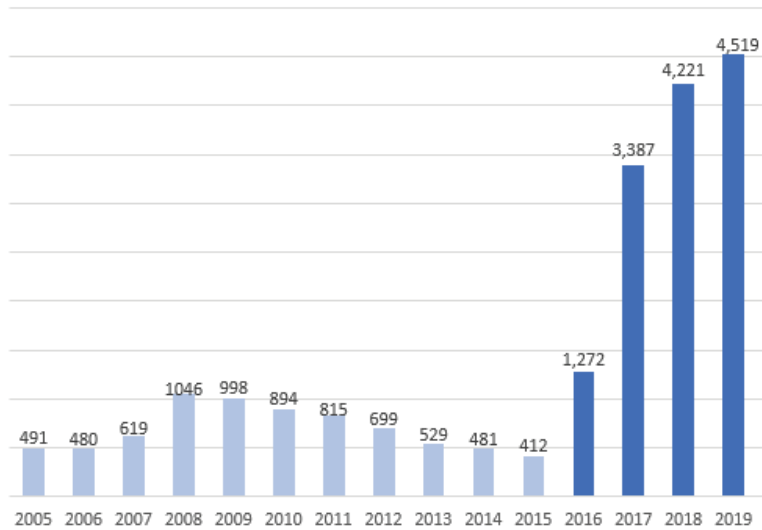
Rock My Wedding is an online platform offering wedding planning advice and recommendations. It is revenue generating through its supplier listing page, advising, and directing users to their network of recommended suppliers. Recycle My Wedding provides an online platform for users to find, buy and sell second-hand dresses and accessories.

Hostology is a company developing software that allows venues to manage weddings including the interaction with couples, guests, and suppliers. The Cambium Group has the option to buy a further 26 per cent. of Hostology in March 2024.

Investment rationale:

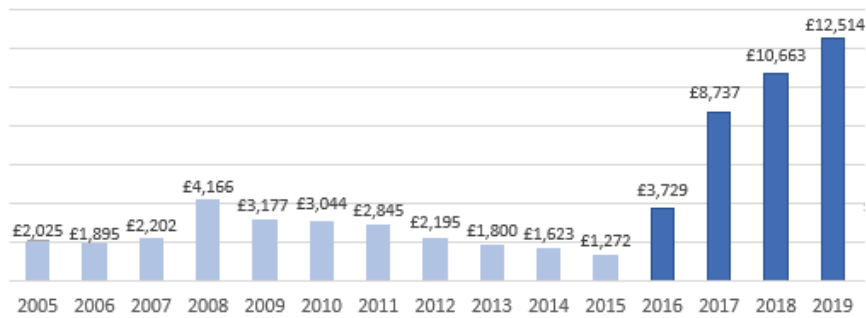
The Cambium Group was created in the summer of 2019, through the acquisition of the three gift list businesses. Prior to the amalgamation, Gary Channon, the Chief Investment Officer of the Investment Manager, personally owned The Wedding Shop. Gary Channon's involvement allowed the company to pursue a strategy of obsessively focusing on customers and investing in innovation and digital marketing. For a business that had been in gradual decline for the previous seven years, and which was shrinking at 20 per cent. per year when he acquired it in 2015, customer growth reversed and increased significantly. The charts below show The Wedding Shop's gift list and revenue growth prior to the creation of the group.

The Wedding Shop Gift Lists



(Source: Cambium Group records)

The Wedding Shop Guest Purchases (£'000)

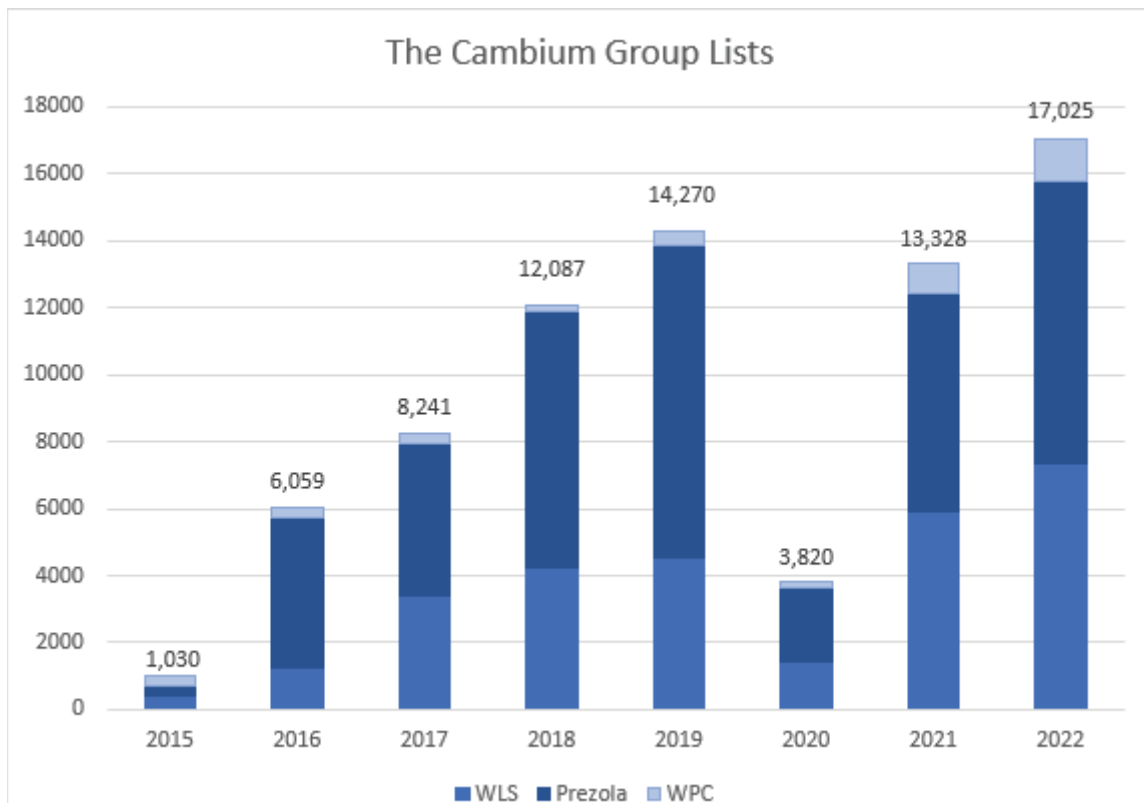


Guest Purchases include cash and product (ex VAT) pledges.

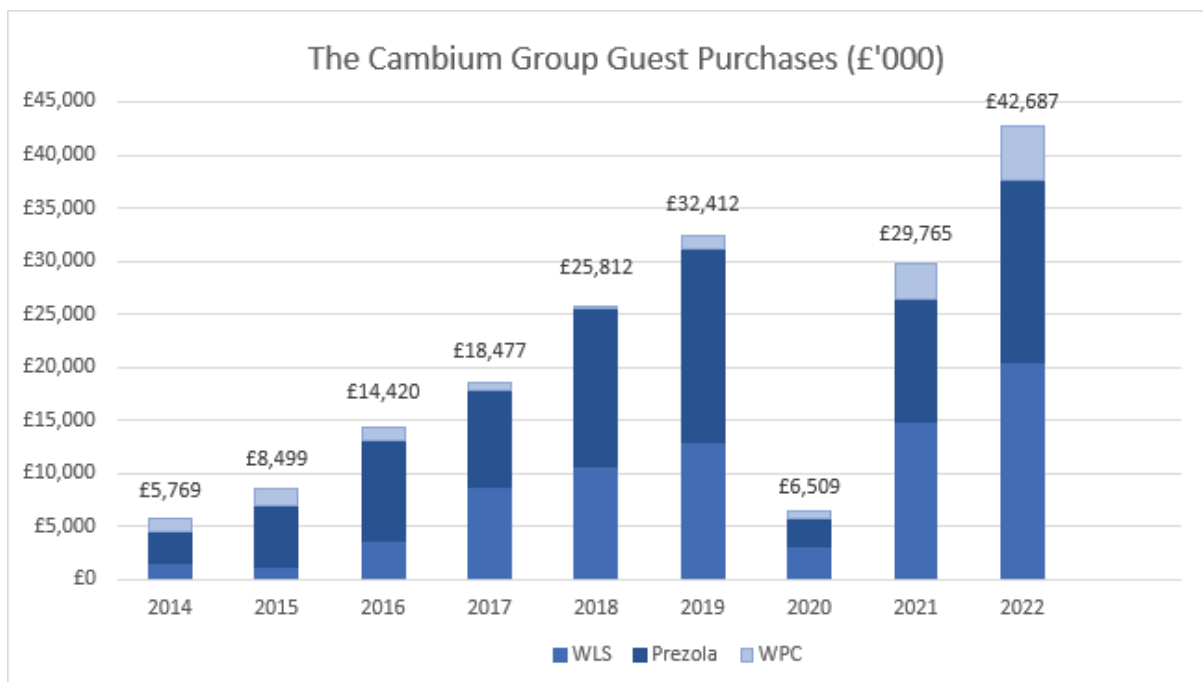
(Source: Cambium Group records)

The modern gift list has changed significantly in the past decade. The demand is not just for homeware, but for art, furniture, technology, baby products, subscriptions, experiences, contributions to charities, honeymoons, and many other things. The Wedding Shop and Prezola sought to recognise this change and catered for it. The growth of the group has impacted competitors who have been leaving the market. This includes the traditional department stores: Harrods, House of Fraser and Debenhams who all withdrew, and the online competitors such as Not on The High Street and Amara. The group's largest competitor, John Lewis, significantly scaled back its gift list service, replacing it with a 'wish list' offering in September 2020, presenting an opportunity for the group to win market share.

The gift list businesses have grown rapidly, through acquisition of market share enhanced by the utilisation of the latest digital strategies through to 2019. The charts below show the growth in gift lists and revenues for the Cambium Group from 2015 to 2022 year to date.



(Source: Cambium Group records. Weddings were permitted from July 2021 without COVID-19 restrictions on guest numbers.)



Guest Purchases include cash and product (ex VAT) pledges.

(Source: Cambium Group records.)

The creation of the Cambium Group has eliminated duplicate infrastructure, warehouses, marketing spend and the focus on building the market and continuing to take share from competitors. The brands will remain separate and will continue to compete with each other, but the operations behind them will be combined. This merger of the leading independent gift list companies into one company creates a very attractive business. Gift listing is a negative working capital business, as the money comes in early as a guest pledge, and without discounting because products are listed at recommended retail prices. Full switching is allowed and therefore the gift lists are not fulfilled until after the wedding when the recipients confirm their order. Profitability comes with scale and this merger delivers this once the businesses have been fully integrated.

A close collaboration between Rock My Wedding and Hostology should improve both businesses as standalone ventures as well as allowing the Cambium Group to engage with couples at the start of the wedding planning process. Having presence early on in the wedding journey should maximise customer acquisition opportunities for the gift list businesses.

Financial Position:

WLS INTERNATIONAL LTD.			
(A Cayman Islands exempted company with limited liability)			
STATEMENT OF FINANCIAL POSITION			
As at December 31, 2021			
<i>(stated in Pound Sterling)</i>			
	Notes	2021 £	2020 €
Assets			
Cash		81,495	161,753
Financial assets at fair value through profit or loss	3, 8	20,700,000	17,000,000
Prepaid expenses		16,245	16,475
Total assets		20,797,740	17,178,228
Liabilities			
Valuation fee payable	6	18,000	15,800
Audit fee payable		17,742	13,384
Administration fee payable	6	8,835	14,548
Government reporting fee payable		277	282
Other payables and accrued expenses		323	327
Total liabilities		45,177	44,341
Equity			
Issued (Authorized capital of 50,000 at 1 per share)		19,239	19,239
Additional paid in capital		19,219,246	19,219,246
Retained earnings		1,514,078	(2,104,398)
Total equity		20,752,563	17,133,887

(Source: 2020 audited accounts, 2021 audited accounts)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2021
(stated in Pound Sterling)

	Notes	2021 £	2020 £
Investment income			
Movement in financial assets at fair value through profit or loss	3	3,700,000	(1,600,000)
Net realized gains/(loss) from foreign currency transactions		756	(113)
Total investment income		3,700,756	(1,600,113)
Operating expenses			
Pricing services fees	6	8,400	18,400
Audit fees		23,579	14,232
Administration fees	6	21,050	22,538
Directors fees	5	18,771	20,057
Legal fees	6	4,012	7,315
Government reporting fees		1,090	1,172
Miscellaneous expenses		5,178	2,513
Total expenses		82,080	86,227
Net investment gain/(loss)		3,618,676	(1,686,340)
Net increase/(decrease) in equity resulting from operations		3,618,676	(1,686,340)

(Source: 2020 audited accounts, 2021 audited accounts)

Current trading:

Anne-Marie Jenkins, the CEO, has formed a new team selected from the best talent across the businesses and has established a senior leadership team to drive the Group strategy. Much of the integration work is complete and is already showing results, with further integration underway and ongoing. The new group warehouse opened at the end of 2020 and the final stock move into the new warehouse was completed in March 2021. Increased buying power is enabling terms to be renegotiated with suppliers, with margin improvements of up to 5 per cent. being achieved with top suppliers.

The cost of acquiring customers has dropped substantially as the brands have reduced the extent to which they bid against each other with digital marketing. Marketing spend in 2022 is forecast to be £300,000 below 2019, despite revenues growing by over 60 per cent. Group salaries have reduced from 50 per cent. of revenue in 2019, to under 30 per cent. as teams are consolidated. Further salary savings are also expected as the Cambium Group focuses on operational efficiencies in the next year. The Cambium Group continues to invest in its IT systems and e-commerce platforms to prepare the business for future growth.

The COVID-19 pandemic had a major impact upon the gift list businesses within the Cambium Group. The UK Weddings Taskforce reported that 80 per cent. of weddings were postponed in 2020. The group saw a 75 per cent. fall in list numbers which had a comparable negative impact on revenues.

There was significant pent-up demand for weddings and therefore trading rebounded in 2021 and 2022 both from postponed weddings and new demand. COVID-19 restrictions on guest numbers at weddings were lifted by the UK Government on 21 June 2021 and the group has since seen guest pledges on wedding lists double versus July 2019. COVID-19 and Brexit also contributed to supply

chain issues both from a logistics and a demand perspective. Together with the implementation of a new integrated software platform, the Group has faced challenges over the last 18 months which have impacted customer experience. In response the company has had to scale up teams in purchasing, customer service and logistics to rebuild customer confidence and all companies are now rated excellent on Trust Pilot. A detailed operational review as well as IT development should deliver future efficiencies in terms of head count.

The impact of the COVID-19 pandemic required the business to review its working capital requirements and as a result agreed a loan facility of £10 million with the Investment Manager. This facility has allowed the company to trade through to a resumption in normal trading. In Q2 2022 a rights issue held by CIL raised £16 million, to repay the loan and accrued interest and finance the acquisition of Hostology.

The Homeware Outlet which is supported by the Cambium Group's existing infrastructure launched in 2020, generating just under £200,000 revenue in its first year. A new e-commerce platform was delivered in 2021 which provides enhanced user experience and scalability. The business is currently trading at a revenue run rate of over £500,000 per annum. Opportunities exist to buy into further stock and deliver significant growth in revenue.

Rock My Wedding went through a rebuild of its platform in 2020 and has acquired over 1,900 supplier listings since its relaunch in December 2020. Further work is underway to enhance the user experience on the platform and drive growth.

Development work is also due to be completed imminently on Hostology ahead of a sales drive over the coming 6 months.

Operating results and financial condition:

The Cambium Group UK Holdings Limited	5 months to 31-Dec 2019	FY 2019	FY 2020	FY 2021
<i>Cash Revenue</i>	7,648,464	19,543,474	2,489,504	11,944,233
Turnover	6,668,144	13,281,858	6,118,955	16,743,652
Cost of sales	(4,635,326)	(9,810,751)	(4,552,545)	(11,679,614)
Gross Profit	2,032,818	3,471,107	1,566,410	5,064,038
Operating Costs	(4,009,537)	(9,767,730)	(8,334,069)	(7,385,082)
Other operating Income	30,833			
EBITDA	(1,945,886)	(6,296,623)	(6,767,659)	(2,321,044)
Other interest receivable and similar income	476		194	42,328
Interest payable and similar charges	(34,148)	(102,987)	(299,447)	(883,296)
Depreciation and amortisation	(1,071,625)	(1,202,369)	(2,866,498)	(2,663,799)
Exceptional costs (loan write off)		1,137,071		(846,702)
Profit / (Loss) before tax	(3,051,183)	(6,464,908)	(9,933,410)	(6,672,513)

(Source: The Cambium Group UK Holdings Limited audited accounts.)

Around half of the Cambium Group's revenue is generated by cash pledges from guests, including honeymoon contributions. A two per cent. charge is made for processing cash, but the cash is not recognised as revenue for statutory reporting purposes.

The Cambium Group has been structured for growth and while trading volumes increase, it is able to maintain operating costs. These economies of scale and focus on operational efficiency in the next year result in a positive EBITDA forecast from 2023.

The net asset position of the Cambium Group (as set out in the audited accounts for the year ended 31 December 2021) was £2.8 million. The cash position of the Cambium Group as of December 2021 was £6.1 million which included £5.5 million of ring-fenced funds to fulfil pledge balances on customer accounts. The current cash position as of 30 September 2022 is £15.7 million which includes £11.2 million of ring-fenced funds.

The Company has provided an interest free Sterling revolving credit facility to the Cambium Group in the principal amount of £2,000,000 for the purposes of working capital and to fund the acquisition of Hostology Limited. The current outstanding balance of this loan is £1,000,000.

4. PHOENIX SG LIMITED (“PHOENIX SG”)

Address:

Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Island.

Country of incorporation:

Cayman Islands.

Nature and level of holding:

The Company holds 63.50 per cent. of the issued share capital of Phoenix SG, a holding company incorporated in the Cayman Islands which holds the following interests:

- a holding of 354,701,609 ordinary shares, representing approximately 83.1 per cent. of the issued share capital of The Stanley Gibbons Group Plc (“**Stanley Gibbons**”);
- the benefit of a loan agreement for a principal sum of £10 million to Stanley Gibbons (the “**Facility A Loan**”). The Facility A Loan has a term of five years expiring on 19 March 2023 and accrues an interest rate of 5.0 per cent. compounding annually to be repaid in full at maturity. The Facility A Loan gives Phoenix SG Limited a first charge over the assets and brands of Stanley Gibbons;
- the benefit of an extended loan agreement (the “**Facility C Loan**”) of £8 million to Stanley Gibbons pursuant to which £7.2 million has been drawn down. The Facility C Loan expires on 20 March 2023 and accrues an interest rate of 5.0 per cent. compounding annually to be repaid in full at maturity;
- receivables relating to the sale of two inventories of stamps and coins being sold by Stanley Gibbons Ltd with an aggregate value of £2.9 million as at 31 October 2022. The inventory primarily comprises of stamps, coins, and other collectables, purchased by Phoenix SG from the administrators of Stanley Gibbons (Guernsey) Limited (in administration) which Phoenix SG has sold to Stanley Gibbons on a deferred compensation basis; and
- the benefit of a loan agreement for a principal sum of £7 million to Stanley Gibbons (the “**Stamp Loan**”). The Stamp Loan expires on 29 June 2026. The Stamp Loan is accompanied by the grant of security which gives Phoenix SG a first legal mortgage over the 1856 British-Guiana 1c black-on-magenta stamp (the “**Stamp**”). The Stamp Loan also contains a put option requiring Phoenix SG to acquire, on a repayment date only, the Stamp, in which case the consideration will be an amount equal to the principal of, and all other amounts outstanding under, the Stamp Loan, by way of set-off, as at the date the put option is exercised.

Nature of business:

The principal activities of Stanley Gibbons are:

- trading in stamps and other philatelic items, coins, medals and banknotes;
- auctioneering, valuing (for sale, auction, purchase, insurance and/or probate) the above;
- development and operation of collectables websites, online trading and auctioneering;
- philatelic and collectables publishing including catalogues, albums, and magazines in hard copy and electronic media;
- retail and mail order; and
- the manufacturing of albums and accessories.

Name of market on which its securities are admitted:

None. Phoenix SG is a private company.

Value of asset:

The Company's holding is valued at £19,200,000 (as of 31 December 2022). Since 31 December, the Company has made a further investment of £700,000 in Phoenix SG Limited.

Investment rationale:

In March 2018, Phoenix SG was created to hold assets purchased in a restructuring of Stanley Gibbons. Phoenix SG paid a total of £22.45 million for these assets, of which £6.2 million went into Stanley Gibbons, £3.5 million went to the administrator in Guernsey and the rest went to discharge the bank lender.

Phoenix SG has written down the acquired debt to £10 million, which is due to be repaid five years from the date of the transaction. On 21 December 2018, Phoenix SG agreed an additional loan agreement. Whilst Phoenix SG is owed £13.5 million, it has a first charge over all the assets of Stanley Gibbons.

The Investment Manager's vision is that Stanley Gibbons can now rebuild and update its business from a single destination location and reach a worldwide audience through an effective digital strategy. The desire to collect and have hobbies, the wherewithal to fund these pursuits, leisure time and good health are all boosted by the prevailing demographic trends. However, to achieve the potential and attract new customers it is essential for Stanley Gibbons to modernise and make the most of new technologies and insights. In this respect, the internet, rather than hurting a business-like Stanley Gibbons, in fact does the opposite. It allows a unique, single iconic location in London to reach a worldwide audience inexpensively, and for a business so rich in intellectual property and knowledge, to offer an engaging and immersive experience tailored to the interest of the customer.

The Investment Manager believes that the building blocks for an attractive business are there in terms of the brand, heritage, reputation, and capability. Again, the control position acquired and the presence of one of the Investment Manager's team on the board of Stanley Gibbons, allows the Investment Manager to ensure that the company stays focused on building long term shareholder value and is able to ignore the fluctuations of the stock market (and the short term demands of some investors).

Financial Position:**PHOENIX S.G. LTD****(A Cayman Islands exempted company with limited liability)****STATEMENT OF FINANCIAL POSITION**

As at December 31, 2021

(stated in Pound Sterling)

		2021	2020
		£	£
Assets	Notes		
Cash		186,086	326,324
Financial assets at fair value through profit or loss	3, 4, 8	32,935,844	26,479,220
Prepaid expenses and other assets		10,471	10,676
Total assets		33,132,401	26,816,220
Liabilities			
Administration fee payable	6	8,999	8,607
Audit fee payable		17,582	13,314
Valuation fee payable		16,000	8,000
Custody fee payable	6	926	939
Government reporting fee payable		278	282
Other payables and accrued expenses		278	-
Total liabilities		44,063	31,142
Equity			
Issued (Authorized capital of 50,000 at £1 per share)		13,869	10,880
Paid in capital		32,181,131	24,684,120
Retained earnings		893,339	2,090,078
Total equity		33,088,338	26,785,078

(Source: 2020 and 2021 audited accounts)

PHOENIX S.G. LTD**(A Cayman Islands exempted company with limited liability)****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**For the year ended December 31, 2021
(stated in Pound Sterling)

	Notes	2021 £	2020 £
Investment income			
Interest income		756,184	459,539
Movement in financial assets at fair value through profit or loss	4	(1,828,652)	(1,737,827)
Net realized loss from foreign currency transactions		891	(1,713)
Total investment loss		(1,071,577)	(1,280,386)
Operating expenses			
Administration fees	6	21,455	21,628
Directors fees	5	19,447	14,874
Valuation fees	6	16,200	16,400
Audit fees		23,228	18,053
Custody fees	6	3,639	3,874
Legal and professional fees		34,610	36,061
Government reporting fees		1,092	1,165
Miscellaneous expenses		5,492	2,683
Total expenses		125,163	114,738
Net investment loss		(1,196,740)	(1,395,124)
Net decrease in equity resulting from operations		(1,196,740)	(1,395,124)

The accompanying notes form an integral part of these financial statements.

(Source: 2020 and 2021 audited accounts)

Current Trading, Operating Results and Financial Condition

The first few months of the financial year were not as productive as the company had hoped, however, more recently, trading has improved to some degree with the benefit of auction consignments, strong buying, and the release of new products through the Publications division all benefiting the business in a manner consistent with our expectations.

There are also signs to suggest that this momentum can continue through the coming months, with auctions and the wider coins business showing good momentum.

More importantly in terms of the long-term development of the business, Tom Pickford, the Group's new CEO, has integrated well and is making rapid progress in both identifying ways in which the business can improve operationally and building out the longer-term strategic plan which should help the business to make the most of its undoubted potential.

The two material legal cases in which the Group is involved continue to progress albeit with no material developments since the last update.

The last published results for the Stanley Gibbons are shown below:

Continuing operations

	12 months to 31 March		12 months to 31 March	
	2022	2022	2021	2021
	Sales	Profit	Sales	Profit
			(Restated)	(Restated)
	£'000	£'000	£'000	£'000
Philatelic	5,692	225	4,791	(71)
Publishing	1,932	43	1,989	102
Numismatic	3,692	467	3,335	321
1c Magenta - Fractional	1,141	129	-	-
Legacy interiors property & legal	-	-	119	84
Other & corporate overheads	-	(2,164)	-	(2,193)
Loan interest	-	(1,037)	-	(462)
Trading sales and losses	12,457	(2,337)	10,234	(2,219)
Amortisation of customer lists	-	(94)	-	(240)
Finance charges related to pensions	-	(120)	-	(135)
Exceptional operating income/(charges)	-	(303)	-	21
Group total sales and loss before tax	12,457	(2,854)	10,234	(2,615)

5. RAWNET LTD (“RAWNET”)

Address:

Berkshire House, 39-51 High Street, Ascot, Berkshire, SL5 7HY.

Country of Incorporation:

England.

Nature and level of holding acquired:

284,173 ordinary shares, representing 100 per cent. of the issued share capital of Rawnet.

Nature of business:

Rawnet was acquired by the Company on 12 February 2021 pursuant to the terms of the Rawnet SPA (as novated to the Company),

Rawnet is a digital agency based in Berkshire and is a long-term digital partner of the Investment Manager. Rawnet specialises in web design, web applications, SEO, conversion optimisation, online marketing, digital agency, UX design, customer centricity, CX, product development, technical development, strategy, customer experience, and service design.

Name of market on which its securities are admitted:

None. Rawnet is a private company.

Value of asset:

£6,600,000 (as at 31 December 2022).

Investment rationale:

Rawnet has grown to be known as a strategic digital agency with a strong commercial focus. Founded by Adam Smith, who had previously managed a number of successful internet businesses, Rawnet's vision is to ensure clients leverage digital exposure for optimal commercial success.

Rawnet has spent the last three to four years focused on growing its strategy department to create a proposition that focuses on commercially aligned digital consultancy, alongside digital technical and creative execution. Rawnet's clients expect strategic guidance and deeper partnerships, and long-term relationships are formed due to a continued provision of value and assistance to growth.

Rawnet's services cover everything required to digitally transform a business, from value proposition development, user research, technical builds and enterprise integration into complex enterprise

resource planning, conversion rate optimisation and customer centric user experience design, mobile apps, ecommerce stores, websites, digital marketing, CRM strategies, social and paid search and marketing automation.

The optimisation of Rawnet’s resources across the Company’s assets is an important part of the strategy.

Current trading:

2019 saw continued growth in profit with the agency moving towards a retainer model. EBITDA increased by 45 per cent.. Importantly, retainer revenue increased by 27 per cent. creating a stable foundation.

Rawnet was impacted by the COVID-19 pandemic in 2020 given some of the company’s largest clients operate in sectors that had to completely shut down. The initial working from home measures implemented by Rawnet encountered teething problems and production did slip during 2020. Systems are now in place to ensure improved efficiency. Rawnet’s office has been reworked to create a more collaborative space for teams and clients to work together and Rawnet’s staff are able to work from home and the office at will, with an emphasis on fostering a culture of internal collaboration and communication, creative exploration and ideation which are all fundamental aspects of a successful digital agency.

2021 has seen a 25 per cent. increase in revenue, whilst the work generated by the Portfolio Companies have contributed to this, the growth of Rawnet’s existing client relationships, and the onboarding of new clients has fostered long term strategic work that heavily contributes to the future development of retained revenue.

This is a strong indicator of long-term clients who have entered long term strategic and growth retainers with the business. It also creates a healthier business as a larger percentage of the turnover is guaranteed per month, reducing the pressure on new business.

The table below splits the total revenue generated for Rawnet from the Portfolio Companies and third-party clients from 2019 to 2021. In 2021, the Portfolio Companies contributed 42 per cent. and third-party clients contributed 58 per cent of the total revenue.

	Actual – 2019	Actual – 2020	Actual – 2021
Group Revenue	£366,586	£893,644	£1,448,235
Third Party Revenue	£2,635,778	£1,838,495	£1,975,091
Total:	£3,002,364	£2,732,139	£3,423,327
As a %	Actual – 2019	Actual – 2020	Actual – 2021
Group Revenue	12.21%	32.71%	42.30%
Third Party Revenue	87.79%	67.29%	57.70%
Total:	100.00%	100.00%	100.00%

(Source: Rawnet company records. Note: statutory accounts are prepared and reviewed by an external accounting firm, The Wow Company UK Ltd.)

During 2021, Rawnet improved upon its sales, delivery, and recruitment processes, whilst growing its headcount by 41 per cent. to further safeguard the future of Rawnet. The time and costs associated had an impact on profit for 2021 but have proven they are bearing fruit moving forward.

2021 endured some embedding costs with the rest of the Portfolio Companies as the team had to grow significantly in a short period of time to meet the demands of third party clients, alongside increased spend from the Portfolio Company clients.

2022 was expected to see an estimated growth of 30 per cent. YoY while also improving EBIT from 2 per cent. to approximately 10 per cent.

The Company has provided an interest free Sterling term loan facility to Rawnet in the principal amount of £1,500,000 pursuant to the Rawnet Loan Agreement. The current outstanding balance of that loan is £860,000.

6. SILVERWOOD BRANDS PLC (“SILVERWOOD”)

Address:

2nd Floor 38-43 Lincoln's Inn Fields, London, England, WC2A 3PE

Country of incorporation:

England

Nature of Investment:

The Company owns 0.88 per cent. of the equity capital of Silverwood. It has also made loans of £4.4 million and £1.5 million to Silverwood.

Nature of business:

Silverwood is an investment company which seeks to identify investment opportunities in premium consumer brands in the food, wellness, lifestyle, and leisure sectors. It is majority owned by Andrew Gerrie, who was a co-founder of Lush, and his wife.

Name of market on which its securities are admitted:

Silverwood's shares are admitted to trading on the Aquis Stock Exchange.

Value of asset:

£2,200,000 (as of 31 December 2022).

Investment Rationale:

The team behind Silverwood have an outstanding track record of value creation in the category in which Silverwood seeks to deploy capital. By combining their expertise and network with the wider resources and knowledge base within the Company, there is scope to create further value over the long term.

Current trading:

On 13 October 2022, Silverwood released its interim results for the period to 31 August 2022. In the release the following comments were made:

- “– *Silverwood raised gross proceeds of £1.99 million by way of a subscription for new ordinary shares with an issue price of 40 pence per share contemporaneously with its admission to trading on the Access Segment of the Aquis Stock Exchange Growth Market on 8 November 2021.*
- *The Directors are pleased that the cost base was tightly managed, and the Company's acquisitions were structured to ensure that performance of the targets is demonstrated before full payment is made.*
- *In June 2022, the Company acquired 100% of the issued share capital of Balmonds Skincare Limited (“**Balmonds**”) which sells organic and skin friendly skin products.*
- *Although the Company posted a small loss for the period, it has now established a solid platform to support future growth plans.*
- *The Directors are carefully assembling a high calibre team of executives, non-executives, and advisors to pursue those future growth plans.”*

Trading Summary

The year has resulted in an unaudited pre-tax loss of £300,000. This is in line with expectations and comprises of costs relating to Silverwood's IPO on the AQSE Growth Market, advisory fees, due diligence costs and costs related to the acquisition of Balmonds.

Silverwood has successfully maintained a tight control on central costs for the past year. In the year ahead, Silverwood expects its cost base to increase as more members will be added to its core management team.

The Balmonds acquisition was completed in June 2022 and therefore contributed to the Silverwood's consolidated financial statements for only two and a half months' trading of this brand.

Balmonds is trading well ahead of initial expectations, with sales trending at over double the prior year which has moved the business into profit. The directors intend to reinvest these profits to support further growth in the brand, including a move to larger production premises once a suitable location has been found.

The purchase terms for Balmonds allowed for a substantial deferred element which would become due should the business meet agreed performance criteria at the three-year anniversary. This payment is structured as a proposed issue to the vendors of up to 3,205,360 Silverwood shares *pro rata* to their previous holdings in Balmonds with a deemed issued price of 85p per share assuming all performance criteria is met. Given the recent improvement in trade, the directors currently expect to make this payment in full.

Financial condition:

As at the end of August 2022, Silverwood's cash position remains positive with an unaudited net cash position of £1.76 million.

At the same time as the interim results were announced, Silverwood also announced the equity investment and loan made by the Company. The following information regarding this was included in the announcement:

*"Pursuant to agreements entered into on 12 October 2022 between the Company and Castelnaud Group Limited ("**Castelnaud**"), the closed-ended investment company trading on the Specialist Fund Segment of the London Stock Exchange and managed by Phoenix Asset Management Partners ("**PAMP**"), Castelnaud has agreed to subscribe for 2,285,715 new ordinary shares ("**New Ordinary Shares**") at a price of 70p per share, amounting to an aggregate of £1.6 million. In addition, Castelnaud has agreed to provide the Company with an unsecured loan facility of approximately £4.4 million ("**Loan**").*

Silverwood intends to drawdown the full facility of £4.4 million to enable the completion of the proposed acquisition of Nailberry by the Company which was announced on 30 September 2022. The Loan is repayable on the first anniversary of draw down with an annual interest rate of 15% accruing daily. The Loan becomes immediately repayable in the event that Mr Andrew Gerrie is no longer a director of Silverwood. In addition, it includes provisions for usual events of default at which time Castelnaud may by notice declare the Loan and all accrued interest is immediately due and payable.

As a result of the Company's executive director, Andrew Gerrie, also being a non-executive director of PAMP, Castelnaud will be deemed to have joined the Original Concert Party described in the Company's Admission Document dated 20 May 2022 (which, for ease of reference, can be found at: <https://www.silverwoodbrands.com/publications-presentations-and-supporting-documents/>, increasing the Concert Party's holding from 73.24% to 77.66% of the Company's issued share capital."

Completion of the aforementioned acquisition of Nailberry was subsequently announced on 24 October 2022.

No further updates regarding trading have been released since the release of the interim results however the appointment of Joel Palix as a director was announced on 2 November 2022 along with details of Joel's professional background:

"Joel Palix is a highly experienced beauty executive with over 35 years of international experience in both in brand and retail. His previous roles include CEO of Feelunique a leading beauty e-retailer, CEO of Clarins Fragrance Group, CEO of Thierry Mugler and MD Europe of Yves Saint Laurent Beauty. He operates his own consultancy, Palix Unlimited, advising beauty brands and financiers on funding and acquisitions, DTC and e-commerce strategies, innovation, and beauty tech. His clients include Bain Capital, Augustinus Bader and Lashilé. He is on the Board of several beauty companies, including Spotlight Oral Care, Goodiebox and Ieva."

7. SHOWPIECE TECHNOLOGIES LIMITED (“SHOWPIECE”)

Address:

64-66 Glenthams Road, London, England, SW13 9JJ

Country of incorporation:

England.

Nature of Investment:

The Company holds 8,000 ordinary shares, representing 80 per cent. of the share capital in Showpiece. The other 20 per cent. of the share capital is owned by the Stanley Gibbons Group plc in which the Company is also the majority shareholder.

The Company has also made an unsecured loan to Showpiece of a total value of £4.2 million, of which £2.7 million has been drawn down as at the date of this document.

Showpiece is a fractional ownership platform which allows customers to enjoy the opportunity of part ownership of some of the world’s rarest and most desirable collectibles.

It aims to take advantage of the increasing willingness of people to collect things digitally as well as the growing acceptance and appreciation of the concept of fractional ownership through its unique, collector focused model.

Name of market on which its securities are admitted:

None. Showpiece is a private company.

Value of asset:

The investment is held at cost, being £8,000.

Investment Rationale:

Showpiece has positioned itself as a fractional ownership platform aimed at the collecting community with a unique customer proposition. By combining a new approach to collecting with the Company’s wider expertise in the hobby and collectibles markets as well as the brand recognition and heritage of certain other investments in the Portfolio, there is an opportunity to create a true market leader in a nascent but rapidly developing category.

Operational developments:

Since its formation in 2021, the company has made four flagship collectibles available on its platform with over 1,500 unique customers collectively spending over £1.7 million.

The most recent of these was a first edition of Charles Darwin’s Origin of Species which launched in October 2022.

In addition, Showpiece has also created a secondary market facility for those collectors who wish to buy and sell fractions of ownership outside of the initial offerings.

Showpiece also part owns three of the four items sold through the platform.

In recent months Showpiece has significantly strengthened its team across all areas of the business and is aiming to grow significantly in the coming months. The ability to do so has been held back by Showpiece’s unwillingness to overpay for items which would be appropriate for the platform and there now is an increased level of focus on developing the channels through which these sorts of items can be more reliably sourced.

8. OCULA TECHNOLOGIES LIMITED (“OCULA”)

Address:

5 New Street Square, London, United Kingdom, EC4A 3TW.

Country of incorporation:

England.

Nature and level of holding

The Company holds 9,326 ordinary shares, representing 67.45 per cent. of the economic value of Ocula.

Nature of business:

Ocula is a start-up data science company which will seek to provide companies with advanced data analytics to drive optimisation and help clients thrive in digital across key business areas.

The Company invested £3 million in Ocula between May 2021 and September 2022 and invested a further £700,000 in November 2022 to be used to develop its suite of products. It is intended that this will be complemented by funding of between £2 and £3 million from the Northern Ireland government which supports technology companies opening in the region. This investment is just awaiting final board approval by "Invest NI" the regional investment body. The working capital from the Company and the Northern Ireland government funding will provide the financial platform from which Ocula will develop its commercial offering. In Q4 2022 Ocula signed commercial agreements with a number of major clients.

Name of market on which its securities are admitted:

None. Ocula is a private company.

Value of asset:

£4,900,000 (as of 31 December 2022).

Investment rationale:

The suite of tools Ocula will develop will include management information dashboards which among other things will aim to:

- track consumer behaviour and analyse performance trends such as the driver of sales.
- produce predictive analysis to estimate, for example, sales from price or marketing spend changes or the recommendation of allocation of digital marketing spend to maximise sales;
- optimise sales channels and margin;
- improve the supply chain; and
- drive traffic and enhance conversion.

The dashboards and actionable recommendations will be built on an analytics engine. This will be developed by data scientists using specialised programming skills to create software which will manage large and complex data sets.

To develop its suite of products Ocula will use data from the Portfolio Companies alongside third party data from a range of sources. It is an opportunity for a technology company to develop its products in a live environment.

PART 6

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. DIRECTORS

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Company's service providers. All of the Directors are non-executive. All of the Directors are considered to be independent with the exception of Graham Shircore, who is an employee of the Investment Manager, and David Stevenson who is a director of Aurora which is a material Shareholder in the Company.

The Directors meet at least four times a year, *inter alia*, to review and assess the Company's investment policy and strategy, the risk profile of the Company, the Company's investment performance, the performance of the Company's service providers, including the Investment Manager and the Administrator, and generally to supervise the conduct of its affairs.

The Directors are as follows:

Joanne Peacegood (aged 44) (Independent Chair)

Joanne has over 22 years of experience in the asset management sector across a range of asset classes and including listed and private entities. Prior to becoming a non-executive director, Joanne worked for PwC in the Channel Islands, UK and Canada and was responsible for leading teams to deliver both audit and controls engagements to hundreds of reputable clients. Joanne specialised in alternative assets and has significant experience in auditing complex valuations. Joanne also has over 12 years' experience in risk and quality, focusing on how businesses manage risk, respond to the ever-changing regulatory requirements and assessing their internal control environment. Joanne is an FCA with the ICAEW, graduating with an Honours degree in Accounting and holds the Institute of Directors Diploma. Joanne is the Chair of the Guernsey Investment & Fund Association Executive Committee and also sits on the Guernsey International Business Association Council. Joanne resides in Guernsey.

Andrew Whittaker (aged 49) (Independent non-executive Director)

Andrew is an experienced director and currently sits on several investment manager and investment fund boards specialising in debt, venture, renewables and buyouts. Andrew has almost 30 years of experience in the investment sector and the funds industry.

Andrew is currently Managing Director of Aver Partners, having previously been Managing Director at Ipes (Barings/Apex) and preceding that Managing Director at Capita (Sinclair Henderson/Link). He has held senior management roles at Moscow Narodny (VTB Capital), DML (Halliburton) and qualified whilst at Midland (HSBC/Montagu).

Andrew graduated from Cardiff University and Aix-Marseille Université. He is a Chartered Management Accountant and is a Member of the Chartered Institute for Securities and Investment (CISI). Andrew is currently Chair of the British Venture Capital Association (BVCA) Channel Islands Working Group and a member of the Association of Investment Companies' (AIC) Technical Committee. He is a previous Chair of the Guernsey Investment Fund Association (GIFA), Council member of Guernsey International Business Association (GIBA), member of the Association of Real Estate Funds (AREF) Regulatory Committee and of Invest Europe's (formally European Venture Capital Association's (EVCA)) Technical Group.

Joanna Duquemin Nicolle (aged 52) (Independent non-executive Director)

Joanna has over 30 years' experience working in the finance industry in Guernsey. Joanna is currently Chief Executive Officer of Elysium Fund Management Limited, having previously been a Director and the Company Secretary of Collins Stewart Fund Management Limited where she worked on, and led, numerous corporate finance assignments and stock exchange listings in addition to undertaking fund administration and company secretarial duties. Joanna has extensive experience in the provision of best practice corporate governance and company secretarial services to a diverse range of companies traded on the AIM market of the London Stock Exchange, listed on the Main

Market of the London Stock Exchange, Euronext and The International Stock Exchange. Joanna qualified as an associate of The Chartered Institute of Secretaries and Administrators in 1994.

Graham Shircore (aged 41) (Non-Independent non-executive Director)

Graham is a Partner of the Investment Manager and his biography is set out in “Investment Team” below.

David Stevenson (aged 56) (Non-Independent non-executive Director)

David Stevenson is a columnist for the Financial Times, Citywire and Money Week and author of a number of books on investment matters. He was the founding director of Rocket Science Group. Currently he is a director of Aurora Investment Trust plc, Secured Income Fund Plc, Gresham House Energy Storage Fund Plc and AltFi Limited and a strategy consultant to a number of asset management firms and investment banks.

2. THE INVESTMENT MANAGER

The Company has engaged Phoenix Asset Management Partners Limited as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company.

The Investment Manager was incorporated in the United Kingdom on 20 February 1998 as a limited company. The Investment Manager is authorised and regulated by the FCA and is registered under company number 03514660.

Subject to the overall supervision and control of the Directors, the Investment Manager is responsible for the portfolio and risk management of the Company's assets in accordance with the terms of the Investment Management Agreement and the UK AIFM Regime. The Investment Manager is independent of the Company and the Administrator.

The Investment Manager has been investing in UK listed equities for 25 years using a long-term business-like approach. The Investment Manager's investment process aims to identify great businesses and management through intensive primary research. The Investment Manager is known for the depth of its research which can often last many years before making an investment. Once an investment is made, the investment team maintains this intensive approach to research by monitoring the competitive landscape of investments.

This dedication to reducing risk through knowledge is where the Investment Manager believes it differentiates itself from other investors. As the research process has matured and the processes have improved, the Investment Manager has found itself in situations where it is able to contribute genuine insight to the discussions about competitor analysis, capital allocation and the long-term strategy of holdings.

This direct engagement has evolved into an extension to the investment process. The Investment Manager has spent eight years iteratively learning and formalising the way in which it accumulated business insight, contacts and monitoring systems and how these can contribute to the success of the investments it makes. This has included direct engagement with management and occasionally direct intervention to facilitate changes to the board composition and strategy of investee companies.

As the Investment Manager's assets under management have grown and proportional stakes in businesses have become larger, this has become an increasingly useful part of the process. The ability to add insight, optimise board composition and refine strategy can both limit the downside of an investment and increase the probability of favourable outcomes.

The examples where this process has already manifested itself are Hornby, Stanley Gibbons and CIL. All of these businesses have a member of the Investment Manager's investment team in a board position.

The formation of the Company was the next stage in the evolution of the Investment Manager's investment process. After many years of active application of the new principles and processes, the Investment Manager considered it was the right time to bring the relevant businesses together in a single vehicle. This gave the holdings the permanent capital they need to think truly long-term, together with the liquidity of a London Stock Exchange quote.

One of the many areas in which the Investment Manager is currently adding value, is its understanding of the use of modern digital communications to reach customers and build brands. The Investment Manager has been doing this directly in relation to the investments made in the wedding industry since 2015 and is taking those hard-learned techniques and partners to the other Current Assets.

Track record of the Investment Manager

The Investment Manager has spent 25 years managing concentrated and entrepreneurial investment strategies in offshore funds and segregated accounts. These strategies started with their roots in listed equities but have since expanded into other asset classes and private markets.

At its core, the Investment Manager uses a value investing approach inspired by legendary investors such as Phil Fisher, Ben Graham, Warren Buffett and Charlie Munger. This approach aims to buy high quality businesses at attractive prices.

Since inception in 1998 to 31 December 2022, the Investment Manager has delivered a 562 per cent. cumulative return after fees for the Phoenix UK Fund Ltd compared to the FTSE All Share return of 233 per cent.

Since 1 January 2016, just prior to when the Investment Manager began managing Aurora Investment Trust PLC, to 31 December 2022, it has delivered a cumulative net asset value return of 39 per cent after fees, compared to the FTSE All Share Index of 52 per cent.

The Investment Manager also manages an international equity strategy through the Huginn Fund which has delivered 35 per cent net asset value return after fees, since inception in July 2018, versus 25 per cent for its benchmark which is equally weighted between the FTSE All Share and the MSCI World Index.

The below table shows the track record of Phoenix UK Fund Limited since launch to 31 December 2022:

Year	Investment Return (Gross)	NAV Return (Net)	FTSE All-Share Index	NAV Per Share
1998 (8 months)	17.6%	14.4%	-3.3%	£1,143.71
1999	-1.3%	-4.6%	24.3%	£1,090.75
2000	24.7%	23.0%	-5.8%	£1,341.46
2001	31.7%	26.0%	-13.1%	£1,690.09
2002	-17.8%	-20.1%	-22.6%	£1,349.64
2003	51.5%	49.8%	20.9%	£2,021.24
2004	14.1%	11.2%	12.8%	£2,247.26
2005	1.4%	0.3%	22.0%	£2,254.99
2006	9.5%	8.3%	16.8%	£2,442.90
2007	3.4%	2.3%	5.3%	£2,498.40
2008	-39.5%	-40.2%	-29.9%	£1,494.31
2009	62.8%	59.7%	30.2%	£2,386.48
2010	1.1%	0.0%	14.7%	£2,386.37
2011	3.0%	1.9%	-3.2%	£2,430.75
2012	48.3%	42.2%	12.5%	£3,456.27
2013	40.5%	31.3%	20.9%	£4,539.47
2014	1.9%	0.1%	1.2%	£4,544.25
2015	20.1%	14.7%	0.9%	£5,211.13
2016	9.1%	7.6%	16.8%	£5,605.58
2017	21.5%	16.3%	13.1%	£6,518.69
2018	-13.6%	-14.7%	-9.5%	£5,558.97
2019	30.3%	27.7%	19.1%	£7,098.36
2020	-3.9%	-4.9%	-9.7%	£6,748.66
2021	23.4%	18.7%	18.3%	£8,011.17
2022	-16.7%	-17.4%	0.2%	£6,619.32
Cumulative	1,098.0%	561.9%	233.3%	
Annualised Returns	10.6%	8.0%	5.0%	

The performance is due to an investment approach which has used consistent principles and an adherence to continual learning and improvement. There are many parts to the investment process, which is documented in the Investment Manager's proprietary "DREAM Manual" but three of the main steps are summarised in "Investment Process" below:

Business

The first section of the DREAM process deals with the quality and the sustainability of the business. This includes assessments of the return on capital, pricing power, market position, market potential, barriers to entry, market predictability and other pertinent attributes of the business.

Management

The second section of the DREAM process deals with the quality of the management and board. The Investment Manager thinks about the integrity, track record, incentivisation, attitude to shareholders, transparency and other factors that the Investment Manager deems important parts of evaluating the people involved with the business.

Price

The third section of the DREAM process deals with the evaluation of the price the Investment Manager would pay relative to the intrinsic value. The difference between the two is sometimes referred to as the Investment Manager's "margin of safety". The Investment Manager will look at upside to intrinsic value, how much of the value is generated in the near term, the size and liquidity of the investment, the predictability of its cash flows and other important factors that might affect the margin of safety.

The Investment Management Agreement

The Company and the Investment Manager have entered into the Investment Management Agreement, a summary of which is set out at paragraph 6.2 of Part 11 of this document.

Under the terms of the Investment Management Agreement, no annual management fee is payable to the Investment Manager but the Investment Manager is entitled to payment of a performance fee depending upon the performance of the Company's investments. Details of the Performance Fee and its method of calculation are set out at paragraph 6.2 of Part 11 of this document.

The Investment Manager may, from time to time, enter into arrangements to share any Performance Fees with third parties, including investors in the Company and, in particular, may share any Performance Fees with SPWOne pursuant to its strategic and advisory services arrangement with the Investment Manager.

The Investment Management Agreement is for an initial term of five years commencing on 18 October 2021 and thereafter subject to termination on not less than 24 months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager or in the event that the Investment Manager ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Investment Management Agreement).

3. THE PHOENIX TEAM

The core investment team of the Investment Manager has been together for over 17 years. The Investment Manager's key personnel are:

Gary Channon – Partner

Gary Channon co-founded the Investment Manager in 1998 and has been the Chief Investment Officer since inception. Using the same strategy applied to Phoenix UK Fund Limited, Gary also manages additional segregated accounts for institutional clients.

Gary brings over 34 years of business and financial services experience. His career began in Fixed Income Trading at Nikko Securities Europe in 1987. He joined Goldman Sachs in 1989, working in Global Equity Derivative Products Trading. In 1992, Gary joined Nomura International PLC as Head of Equity Derivative Trading. He remained at Nomura International as Co-Head of Equity and Equity Derivatives Trading until moving on to co-found the Investment Manager.

Gary's investment approach at the Investment Manager is long-term, value-based and focused. He looks out for businesses run by competent, honest managers, who act in the interest of shareholders. Ideal companies have strong pricing power to generate an enduring high return on capital. Gary identifies great companies with good management, and waits for the opportunity to invest in them at attractive prices.

Gary was formerly the Chief Executive Officer of Dignity from 22 April 2021 to 16 May 2022.

James Wilson – Partner

James joined the Investment Manager in 2013 and became a Partner shortly thereafter. James also manages The Huginn Fund which is the Investment Manager's "performance fee only" international strategy. James has passed all three levels of the CFA exams and holds a master's degree in Civil Engineering from the University of Durham.

Charlotte Maby – Partner

Charlotte has been with the Investment Manager for 20 years and is Deputy Portfolio Manager and Managing Director. She spends most of her time on research. Her areas of expertise include FMCG (both national and multinational companies), Engineering and Banking. Before joining the Investment Manager, Charlotte worked in Investment Management at Ernst & Young LLP, where she passed the ACA Chartered Accountancy exams. She holds a Masters in Mechanical Engineering. Charlotte represents the Investment Manager on the Board of the Cambium Group. Charlotte also studied Manufacture & Management at the University of Birmingham and the University of Illinois and spent two years working in Industry at Alvis Aerospace and Procter & Gamble.

Graham Shircore – Partner

Graham joined the Investment Manager in 2017. Graham graduated from Bath University with a BSc (Hons.) degree in Business Administration. During his time at university he completed internships with Fidelity, Principal Investment Management and Motorola Finance as well as passing the IMC exam. In 2005, he joined Aviva Investors on the graduate scheme, and then became a UK Equity Analyst. Having passed all three levels of the CFA exam, he became a UK Equity Fund Manager in 2008 and later also managed European funds before joining Rothschild Wealth Management in 2013 as a Senior Equity Analyst. There he helped shape and implement the equity research process, investing on a geographically unconstrained basis. Graham is a non-executive director of Stanley Gibbons having formerly acted as Chief Executive Officer and a non-executive director of Showpiece Technologies Ltd. Graham also represents the Investment Manager on the board of the Company. Graham has a particular interest in behavioural economics.

Steve Tatters – Partner

Steve joined the Investment Manager in 2004. He is responsible for Business Development, Compliance & Operations and Investor Relations. Steve has worked in financial services for over 30 years, beginning at Nomura International in the Operations and Equity Divisions in London and Hong Kong. He was appointed Co-Head of the Equity and Equity Derivatives Trading teams in 1998. Steve initially combined his role at the Investment Manager with managing new and existing private company investments at Channon & Co, a private investment company owned by Gary Channon. Steve holds a BSc. in Managerial and Business Studies from Aston University.

Lorraine Smyth – Partner

Lorraine joined the Investment Manager in 2016. Lorraine has over 19 years' experience working in the finance industry. This includes working in the fund and investment accounting sectors for large banks in Dublin and London. She also worked as a client operations manager for a software vendor and has been involved in multiple accounting software implementation projects. Lorraine represents the Investment Manager on the board of Rawnet and Castelnau Group Services Ltd. Lorraine holds a Bachelor (Hons) degree in Economics, from University College Dublin.

4. INVESTMENT PROCESS

Identification

There is no set method for the inception of a good investment idea. Being prescriptive or mechanical about this process can often lead to the same crowded trades which others find themselves in. The

Investment Manager would describe itself as a professional opportunist and remains open minded about the way in which investment opportunities are identified. This allows it to think and act independently. It tends to lead to unconventional and contrarian investments, which are seen as brave by some, but logical and rational to the Investment Manager.

In terms of listed investments, both in the UK and abroad; the Investment Manager has an enormous depth of knowledge and experience, built up from the last 25 years of cumulative research efforts. Almost all of the listed businesses in the UK have been subjected to the Investment Manager's scrutiny to gauge whether they might meet its strict criteria. The Investment Manager has collected a long list of listed business that it does not own but would like to at the right price. This will remain an important source of new ideas and future investment opportunities.

When the Investment Manager finds a potential investment opportunity, it is standard operating procedure to study all parts of the supply chain, but also all the competitors that compete for the same customer set. A large percentage of the businesses that the Investment Manager studies, in order to build up a picture of the competitive landscape, are privately owned.

The Company's structure allows the Investment Manager to exploit its network of contacts in various supply chains to identify private market opportunities to a greater extent. The Company is able to unlock some of the work the Investment Manager has been doing in this area and allow it to grasp ideas that it would otherwise have to pass on.

The Investment Manager considers all parts of the capital structure during idea generation. For example, following an investment in a specialist insurer, the Investment Manager elected to invest directly in insurance run-offs. One of the funds managed by the Investment Manager also currently holds debt instruments.

The Company's structure allows the Investment Manager to further exploit these less conventional routes for monetising an idea.

Evaluation

After an initial feasibility study regarding the suitability of a potential investment opportunity, further time and resource will be dedicated to an idea that is deemed probable of passing the full range of filters. This is a high hurdle to meet, as the depth of the research that the Investment Manager undertakes is considered extreme and consumes a great deal of analyst time.

Over the last 25 years of investing, the Investment Manager has regularly spent more than a year conducting intensive research before making an investment decision. There are a few select cases where more than a decade of work was needed to fully understand an industry.

The Investment Manager has learned that patience combined with research, that goes to lengths that others consider difficult or too time consuming, yields enormous amounts of insight, gives the Investment Manager an edge, and leads to materially better investment decisions.

This intensive evaluation process will continue to be applied when considering ideas for inclusion in the Portfolio. The Investment Manager deems it to be part of its competitive advantage and believes it will continue to yield excellent results for Shareholders in the Company.

Monitoring

Once an investment has been fully evaluated and deemed worthy of investment, monitoring helps the Investment Manager stay close to an investment.

The aim is to be able to monitor the key aspects of the business and strategy as they play out in the real world, without needing to rely on the regulatory announcements from the investee company. The monitoring must be independent in order to be objective.

This can take the form of intensive and regular mystery shopping of retailers and their competitors. It has also taken the form of "web scraping" prices for supermarkets or even tracking volumes of houses sold on hundreds of building sites across the country.

The monitoring is aimed at assessing whether the hypothesis the Investment Manager accepted after the evaluation stage is still correct or not. This is an important way in which the Investment Manager looks to minimise mistakes and sell investments that go "off roadmap" and have a high risk of permanent loss of capital.

Over the last seven years, the Investment Manager has joined up its monitoring techniques with controlling stakes and board positions. Insight which is picked up on a regular basis is fed back into the businesses which will make up the Portfolio holdings. This helps to challenge management, set the strategy and stay one step ahead of the competition.

The monitoring part of the process remains a key part of how the Investment Manager deals with both listed and private investments.

5. OTHER ARRANGEMENTS

5.1 Administrator

Northern Trust International Fund Administration Services (Guernsey) Limited has been appointed as Administrator and designated manager of the Company pursuant to the Administration Agreement, further details of which are set out in paragraph 6.10 of Part 11 of this document. The Administrator is responsible for the day to day administration and company secretarial functions of the Company (including but not limited to the maintenance of the Company's fund accounting records and the calculation and publication of the estimated monthly Net Asset Value). Prospective investors should note that it is not possible for the Administrator to provide any investment advice to investors. The Administrator is entitled to: (i) an administration fee of 0.05 per cent. of the Net Asset Value of the Company up to £200 million, 0.03 per cent. of the net asset value of the Company between £200 million and £400 million, and 0.02 per cent. of the net asset value of the Company over £400 million (subject to a minimum administration fee of £60,000), (ii) a financial reporting fee of £10,000, (iii) a company secretarial services fee of £10,000, and (iv) an additional fee of £2,000 while the Administrator acts as the Company's nominated firm (as described in the FCA Handbook), in each case per annum (exclusive of VAT). In addition, the Administrator is entitled to certain other fees for ad hoc services rendered from time to time.

The Administrator is a wholly-owned indirect subsidiary of The Northern Trust Company, which is listed on NASDAQ.

5.2 Depository

Northern Trust (Guernsey) Limited has been appointed as Depository to provide "depo-lite" depository services to the Company, which will include safekeeping of the assets of the Company. The Depository is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company. The Depository is entitled to: (i) a custody fee of 0.02 per cent. of the net asset value of the Company (subject to a minimum of £20,000), and (ii) a depository services fee of 0.02 per cent. of the net asset value of the Company up to £200 million, falling to 0.01 per cent. of the net asset value of the Company over £200 million (subject to a minimum depository services fee of £20,000), in each case per annum (exclusive of VAT). In addition, the Depository is entitled to certain other fees for ad hoc services rendered from time to time.

Details of the Depository Agreement are set out in paragraph 6.11 of Part 11 of this document.

5.3 Registrar

The Company utilises the services of Link Market Services (Guernsey) Limited as Registrar in relation to the transfer and settlement of Ordinary Shares. Under the terms of the Registrar Agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time.

Details of the Registrar Agreement are set out in paragraph 6.12 of Part 11 of this document.

5.4 Auditor

Grant Thornton Limited provides audit services to the Company. The annual report and accounts are prepared according to the accounting standards laid out under IFRS. The fees charged by the Auditor depend on the services provided and on the time spent by the Auditor on the affairs of the Company; there is therefore no maximum amount payable under the Auditor's engagement letter.

6. FEES AND EXPENSES

6.1 Issue expenses – the Placing

The Company has incurred and will incur issue expenses that arise from, or are incidental to the Placing and Admission of the Placing Shares. These expenses include the commissions payable under the Placing Agreement, listing and admission fees, printing, legal and accounting fees and any other applicable expenses.

The costs and expenses of, and incidental to, the Placing payable by the Company are expected to be 2.7 per cent. of the Gross Proceeds.

6.2 Placing Programme expenses

The costs and expenses of the Company relating to the Placing Programme are those that arise from, or are incidental to, the issue of Shares pursuant to Subsequent Placings. These include the fees payable in relation to each subsequent Admission, including listing and Admission fees, as well as fees and commissions due under the Placing Agreement and any other applicable expenses in relation to the Placing Programme.

The costs and expenses of issuing Ordinary Shares pursuant to any Subsequent Placing are not expected to exceed 2 per cent. of any such Subsequent Placing. The costs of any issue of C Shares will be allocated solely to the relevant C Share pool of assets.

6.3 Ongoing annual expenses

The Company will also incur ongoing annual expenses which will include fees paid to the Investment Manager and other service providers as described above in addition to other expenses which are currently expected to amount to 0.34 per cent. of Net Asset Value per annum (excluding all costs associated with making and realising investments).

7. CONFLICTS OF INTEREST

The Investment Manager may provide management and/or advisory services to “**Other Accounts**”, being other funds/clients of the Investment Management (including, but not limited to, Phoenix UK Fund Limited and Aurora). Such activities may give rise to conflicts of interests in the event that Other Accounts have similar investment objectives, policies and/or strategies to the Company. Conflicts may arise, in particular, where:

- an investment opportunity may meet the investment criteria for the Company and Other Accounts; or
- a disposal opportunity may be appropriate for the Company and one or more Other Accounts.

In addition, the Investment Manager has a representative on the boards of the following Portfolio Companies:

- Graham Shircore is currently a non-executive director of Stanley Gibbons and Showpiece Technologies Ltd;
- Daniel Carter (an analyst at the Investment Manager) is a non-executive director of Showpiece Technologies Ltd and Hornby;
- Charlotte Maby is a director of Cambium Group;
- Lorraine Smyth is a director of Rawnnet and Castelnau Group Services Ltd.

It is also likely that the Investment Manager will also seek to maintain board representation on the boards of future Portfolio Companies where appropriate.

Pursuant to these board positions, each of the Investment Manager's representatives owe statutory and fiduciary duties to the relevant companies. Although these board positions are considered by the Investment Manager to be an important part of its investment management strategy and process, the presence of these statutory and fiduciary duties may create conflicts of interest between the duties owed to the relevant companies and the duties owed to the Company by the Investment Manager under the Investment Management Agreement.

In particular, where representatives of the Investment Manager are involved (either as directors or on a more informal basis as advisers) in a Portfolio Company whose shares are publicly listed or quoted,

there is a risk that the Company will be restricted in transacting in, or redeeming, its investment in that Portfolio Company as a result of, among other things, legal restrictions on transactions by company directors or affiliates or due to then fact the Investment Manager will be deemed to be in receipt of inside information for the purposes of MAR.

The general approach to conflicts is that the Investment Manager will seek to reasonably avoid any conflicts of interests. However, where such conflicts cannot be avoided, the Investment Manager will identify, manage and monitor such conflicts of interests in a fair and equitable manner.

The Investment Manager has regard to its delegated obligations under the Investment Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients, when potential conflicts of interest arise. In the event of a conflict of interest arising, the Investment Manager will ensure that it is resolved fairly and in accordance with the COBS Rules and in particular, that any transactions are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed. The COBS Rules require the Investment Manager to ensure fair treatment of all its clients. The COBS Rules also require that when an investment is made it should be allocated fairly amongst all of its clients for whom the investment is appropriate. In particular, the Investment Manager uses its reasonable efforts to ensure that the Company has the opportunity to participate in potential investments identified by the Investment Manager which fall within the Company's investment objective and investment policy, on the best terms reasonably obtainable at the relevant time with the aim of ensuring that the principle of best execution is attained in accordance with the COBS Rules.

In any event, the allocation of any investment opportunities will be allocated amongst clients taking into account factors, including but not limited to, the relevant clients' investment strategy, restrictions, liquidity, term and objectives.

The Directors are required by the RCIS Rules to take all reasonable steps to ensure that there is no breach of the conflicts of interest requirements of those rules.

As at the date of this document, there are: (i) no actual or potential conflicts of interest between any duties owed to the Company, the Directors, the Investment Manager or any of the Directors and their private interest or duties; and (ii) no material potential conflicts of interest which any of the services providers to the Company may have as between their duty to the Company and duties owed by them to third parties and their other interests.

Under the Articles, a Director must, immediately after becoming aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, disclose to the Board the nature and extent of that interest. A Director may not, except in limited circumstances, vote or be counted in the quorum on a resolution of the Board or committee of the Board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he or she has an interest which (together with any interest of any person connected with him or her) is, to his or her knowledge, a material interest (otherwise than by virtue of his or her interest in shares or debentures or other securities of or otherwise in or through the Company).

8. CORPORATE GOVERNANCE

The Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements. The Board has considered the principles and recommendations of the AIC Code. The AIC Code, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to listed investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code provides better information to Shareholders. The AIC Code complements the UK Corporate Governance Code and provides a framework of best practice for listed investment companies.

The UK Corporate Governance Code includes provisions relating to:

- the appointment of a senior independent director;
- the role of the chief executive;

- executive Directors' remuneration; and
- the need for an internal audit function.

It is acknowledged in the UK Corporate Governance Code that some of its provisions may not be relevant to externally managed investment companies (such as the Company). The Board does not consider that the above provisions are relevant to the Company. The Company therefore does not comply with these provisions.

Whilst the Company seeks to comply with the AIC Code as far as practicable it is likely that it will not be able to so comply with all of the AIC Code requirements. In particular, in relation to the Director appointed by the holder of the B Share, this Director is appointed by the Investment Manager and therefore is not entirely independent of the Investment Manager. Further, such Director is not be subject to annual re-election. In addition, the holder of the B Share has the power to ensure that no Directors are removed or appointed without its consent.

The GFSC's Finance Sector Code of Corporate Governance (the "Code") applies to the Company. The GFSC has stated in the Code that companies which report against the UK Corporate Governance Code or the AIC Code are deemed to meet the requirements of the Code, and need take no further action. Accordingly, as the Company reports against the AIC Code, it is deemed to meet the requirements of the Code.

The Company's Audit Committee is chaired by Andrew Whittaker and includes Joanna Duquemin Nicolle and Joanne Peacegood. The Audit Committee meets at least three times a year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee examines the effectiveness of the Company's control systems. It reviews the half-yearly and annual reports and also receives information from the Investment Manager. It also reviews the scope, results, cost effectiveness, independence and objectivity of the external Auditor.

In accordance with the AIC Code, the Company has established a Management Engagement Committee which is chaired by Joanna Duquemin Nicolle and includes Andrew Whittaker, Joanne Peacegood and David Stevenson. The Management Engagement Committee meets at least once a year or more often if required. Its principal duties are to consider the terms of appointment of the Investment Manager and other service providers and it annually reviews those appointments and the terms of engagement.

The Company's Remuneration Committee consists of all of the Directors and is chaired by Joanne Peacegood. The Remuneration Committee meets at least twice a year or more often if required. The Remuneration Committee's main functions include: (i) agreeing the policy for the remuneration of the Directors and reviewing any proposed changes to the policy; (ii) reviewing and considering ad hoc payment to the Directors in relation to duties undertaken over and above normal business; and (iii) appointing independent professional remuneration advice.

The Company's Nomination Committee consists of all of the Directors and is chaired by Andrew Whittaker. The Nomination Committee meets at least once a year or more often if required. Its principal duties are to advise the Board on succession planning bearing in mind the balance of skills, knowledge and experience existing on the Board and makes recommendations to the Board in this regard. The Nomination Committee advises the Board on its balance of relevant skills, experience, gender, race, ages and length of service of the Directors serving on the Board. All appointments to the Board are made in a formal and transparent matter.

9. DIRECTORS' SHARE DEALINGS

The Directors comply with the share dealing code adopted by the Company in relation to their dealings in Shares. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

PART 7

THE PLACING

1. INTRODUCTION

The maximum number of Placing Shares to be issued under the Placing is 154 million. The Placing has not been underwritten.

The total number of Placing Shares to be issued pursuant to the Placing, and therefore the Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement and the Company's website prior to Admission.

The Net Proceeds, after deduction of expenses, are expected to be £112.4 million on the assumption that the Gross Proceeds are £115.5 million.

Pursuant to the PUK Commitment Letter the Phoenix UK Fund Limited has agreed that, in the event the Placing does not raise Gross Proceeds of at least £10 million by 30 April 2023, it will subscribe for such number of new Ordinary Shares at a subscription price of 75.02 pence per Ordinary Share as will provide the Company with gross proceeds of £10 million (less the Gross Proceeds raised under the Placing (if any)).

Application will be made for the Placing Shares to be issued pursuant to the Placing to be admitted to trading on the Specialist Fund Segment of the Main Market. It is expected that Admission of the Placing Shares will become effective and dealings in the Placing Shares will commence at 8.00 a.m. on the date being two business days following the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service).

2. THE PLACING

Overview

Placing Shares will be issued pursuant to the Placing at an Issue Price of 75.02p per Placing Share. The Issue Price is equal to the unaudited Net Asset Value per Share as at 31 December 2022.

The Placing is conditional, *inter alia*, on: (i) the Takeover Offer becoming or being declared unconditional; (ii) Admission having become effective on or before 8.00 a.m. on the date being two business days following the date on which the Takeover Offer has become or been declared unconditional (where upon an announcement will be made by the Company to a Regulatory Information Service) or such later time and/or date as the Company and Liberum may agree (being not later than 8.00 a.m. on 31 July 2023 or such later date as the Company and Liberum may agree from time to time); and (iii) the Placing Agreement becoming wholly unconditional in respect of the Placing (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission.

Liberum has agreed to use its reasonable endeavours to procure subscribers pursuant to the Placing on the terms and subject to the conditions set out in the Placing Agreement.

The terms and conditions that shall apply to any subscription for Placing Shares under the Placing are set out in Part 13 of this document. The latest time and date for receipt of commitments under the Placing is midday on 3 March 2023 (or such later date as the Company and Liberum may agree).

If the Placing is extended, the revised timetable will be notified via a Regulatory Information Service announcement.

Each Placee agrees to be bound by the Articles once the Placing Shares that the Placee has agreed to subscribe for pursuant to the Placing have been acquired by the Placee. The contract to subscribe for the Placing Shares under the Placing and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales.

Commitments under the Placing, once made, may not be withdrawn without the consent of the Directors.

3. SCALING BACK AND ALLOCATION

The results of the Placing will be announced by the Company via a Regulatory Information Service.

In the event that commitments under the Placing exceed the maximum number of Placing Shares available (being 154 million Placing Shares), applications under the Placing will be scaled back at Liberum's discretion (after consultation with the Company and the Investment Manager).

The Company reserves the right to decline in whole or in part any application for Placing Shares pursuant to the Placing.

4. REASONS FOR THE PLACING AND USE OF PROCEEDS

The Placing is intended to raise money to assist with the funding of the Company's cash funding obligation pursuant to the Takeover Offer and, if sufficient, further investment in accordance with the Company's investment policy.

5. COSTS OF THE PLACING

The Company has incurred and will incur issue expenses that arise from, or are incidental to the Placing and Admission. These expenses include the commissions payable under the Placing Agreement, listing and admission fees, printing, legal and accounting fees and any other applicable expenses.

6. THE PLACING AGREEMENT

The Placing Agreement contains provisions entitling Liberum to terminate the Placing (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Placing and these arrangements will lapse and any monies received in respect of the Placing will be returned to each applicant without interest at the risk of the applicant to the applicant from whom the money was received.

The Placing Agreement provides for Liberum to be paid commissions by the Company in respect of the Placing Shares to be issued pursuant to the Placing. Any Placing Shares subscribed for by Liberum may be retained or dealt in by it for its own benefit.

Further details of the terms of the Placing Agreement are set out in paragraph 6.1 of Part 11 of this document.

7. VOTING DILUTION

On the assumption that: (a) 154,000,000 Placing Shares are issued pursuant to the Placing, (b) 32,442,740 Ordinary Shares are issued pursuant to the Consortium Rollover and (iii) 133,052,656 Takeover Shares are issued pursuant to the Takeover Offer, the Takeover Shares, the Ordinary Shares issued pursuant to the Consortium Rollover and the Placing Shares will, in aggregate, constitute approximately 37 per cent. of the total issued share capital of the Company. If an Existing Ordinary Shareholder does not participate in the Placing (or the Takeover Offer or Consortium Rollover, if relevant) their holding in the Company will be diluted by 63.5 per cent. It is not anticipated that there will be any dilution in the NAV per Ordinary Share as a result of the Placing, the issue of any Ordinary Shares pursuant to the Consortium Rollover or the issue of the Takeover Shares.

8. GENERAL

Pursuant to anti-money laundering laws and regulations with which the Company must comply, the Company (and its agents) may require evidence in connection with any application for Placing Shares, including further identification of the applicant(s), before any Placing Shares are issued pursuant to the Placing.

In the event that there are any material changes affecting any of the matters described in this document or where any significant new factors have arisen after the publication of this document, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the material change(s) or the significant new factor(s).

9. ADMISSION, CLEARING AND SETTLEMENT

Applications will be made for the Placing Shares issued pursuant to the Placing to be admitted to trading on the Specialist Fund Segment of the Main Market. It is expected that Admission will become effective, and that dealings in the Placing Shares will commence, at 8.00 a.m. on the date

being two business days following the date on which the Takeover Offer has become or been declared unconditional (whereupon an announcement will be made by the Company to a Regulatory Information Service).

An investor applying for Placing Shares may receive Ordinary Shares in certificated or uncertificated form. The Ordinary Shares are in registered form. No temporary documents of title will be issued. Dealings in Ordinary Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. It is expected that CREST accounts will be credited as soon as reasonably practicable on the date of Admission in respect of Ordinary Shares issued in uncertificated form and definitive share certificates in respect of Ordinary Shares held in certificated form will be despatched by post within 10 Business Days of Admission, at the Shareholder's own risk.

The ISIN of the Ordinary Shares is GG00BMWJ28 and the SEDOL is BMWJ2.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the Net Asset Value per Share.

10. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

11. OVERSEAS PERSONS

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below.

The offer of Ordinary Shares under the Placing to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Ordinary Shares under the Placing. It is the responsibility of all Overseas Persons receiving this document and/or wishing to subscribe for Ordinary Shares under the Placing to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Ordinary Shares are being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

In addition, until 40 calendar days after the commencement of the Placing, an offer or sale of the Ordinary Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the U.S. Securities Act.

The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares under the Placing if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

United States transfer restrictions

Each of Liberum and the Company has acknowledged and warranted in the Placing Agreement that it will not offer or sell or procure the offer or sale of the Ordinary Shares except in compliance with Regulation S. The Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver, directly or indirectly, any Ordinary Shares within the United States, or to, or for the account or benefit of, any U.S. Person.

12. PROFILE OF A TYPICAL INVESTOR

The Specialist Fund Segment is intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of the potential risk of investing in companies admitted to the Specialist Fund Segment.

The Ordinary Shares are designed to be suitable for institutional investors and private investors. Accordingly, typical investors in the Ordinary Shares are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and knowledgeable unadvised retail investors who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

PART 8

THE PLACING PROGRAMME

1. INTRODUCTION

The Company may issue up to 300 million Shares on a non-pre-emptive basis pursuant to the Placing Programme.

The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The Placing Programme is intended to satisfy market demand for Shares and to raise further money after the Placing to increase the size of the Company and invest in accordance with the Company's investment policy.

2. THE PLACING PROGRAMME

The Placing Programme will open on 1 February 2023 and will close on 31 January 2024 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). The terms and conditions that apply to the purchase of the Shares under the Placing Programme are set out in Part 13 of this document.

The Company will have the flexibility to issue Shares on a non-pre-emptive basis where there appears to be reasonable demand for Shares in the market, for example, if the Shares trade at a premium to the Net Asset Value per Share.

The issues of Shares under the Placing Programme is at the discretion of the Directors. Subsequent Placings may take place at any time prior to the final closing date of 31 January 2024 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). An announcement of each Subsequent Placing under the Placing Programme will be released by the Company via a Regulatory Information Service, including details of the number of Shares to be issued and the Placing Programme Price for the Subsequent Placing.

The Placing Programme is not being underwritten and, as at the date of this document, the actual number of Shares to be issued under the Placing Programme is not known. The maximum number of Shares available under the Placing Programme should not be taken as an indication of the number of Shares finally to be issued.

Where new Shares are issued pursuant to the Placing Programme, the total assets of the Company will increase by that number of Shares multiplied by the relevant Placing Programme Price less the expenses of such issuance.

The net proceeds of any Subsequent Placing under the Placing Programme are dependent, *inter alia*, on, the level of subscriptions received, the price at which such Shares are issued and the costs of the Subsequent Placing.

The Ordinary Shares issued pursuant to the Placing Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the issue of the relevant Ordinary Shares).

The Placing Programme will be suspended at any time when the Company is unable to issue Shares under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. The Placing Programme may resume when such conditions cease to exist.

Conditions

Each issue of Shares pursuant to a Subsequent Placing under the Placing Programme is conditional, *inter alia*, on;

- Admission of the relevant Shares occurring by no later than 8.00 a.m. on such date as the Company and Liberum may agree from time to time in relation to that Admission, not being later than 31 January 2024;
- a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules; and

- the Placing Agreement being wholly unconditional as regards the relevant Subsequent Placing (save as to Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.

3. THE PLACING PROGRAMME PRICE

The minimum price at which Ordinary Shares will be issued pursuant to the Placing Programme, will be equal to the prevailing published Net Asset Value per Share at the time of issue. The cost and expenses of each relevant Subsequent Placing are not expected to exceed 2 per cent. of any such Subsequent Placing.

The Placing Programme Price will be announced via a Regulatory Information Service as soon as practicable in conjunction with each Subsequent Placing.

Any C Shares issued pursuant to a Subsequent Placing will be issued at an issuance price of £1.00 per C Share.

4. BENEFITS OF THE PLACING PROGRAMME

The Directors believe that the issue of Shares pursuant to the Placing Programme should yield the following principal benefits:

- give the Company the ability to issue Ordinary Shares, so as to better manage the premium at which the Ordinary Shares may trade relative to the Net Asset Value per Share;
- enhance the Net Asset Value per Share of existing Ordinary Shares through new issuance of Ordinary Shares at a premium to the prevailing published Net Asset Value per Share;
- grow the Company, thereby spreading operating costs over a larger capital base which should reduce the ongoing charges ratio;
- the Company may be able to raise additional capital promptly, allowing it to take advantage of future investment opportunities as and when they arise; further diversifying the Portfolio of investments; and
- improve liquidity in the market for the Ordinary Shares.

5. COSTS OF THE PLACING PROGRAMME

The costs and expenses of the Company relating to the Placing Programme are those that arise from, or are incidental to, the issue of Shares pursuant to Subsequent Placings. These include the fees payable in relation to each subsequent Admission, including listing and Admission fees, as well as fees and commissions due under the Placing Agreement and any other applicable expenses in relation to the Placing Programme.

The costs and expenses of issuing Ordinary Shares pursuant to any Subsequent Placing are not expected to exceed 2 per cent. of any such Subsequent Placing. The costs of any issue of C Shares will be allocated solely to the relevant C Share pool of assets.

6. SCALING BACK

In the event of oversubscription of a Subsequent Placing, applications under the relevant Subsequent Placing will be scaled back at the absolute discretion of Liberum (after consultation with the Company and the Investment Manager).

7. THE PLACING AGREEMENT

Under the Placing Agreement, Liberum has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers under the Placing Programme for Shares at the Placing Programme Price. Details of the Placing Agreement are set out in paragraph 6.1 of Part 11 of this document.

The Placing Agreement provides for Liberum to be paid commissions by the Company in respect of the Shares to be issued pursuant to the Placing Programme. Any Shares subscribed for by Liberum may be retained or dealt in by it for its own benefit. Liberum is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Placing Programme to any or all of those agents out of its own resources.

In circumstances in which the conditions to a Subsequent Placing are not fully met, the relevant issue of Shares pursuant to the Placing Programme will not take place.

8. VOTING DILUTION

If 300 million Ordinary Shares were to be issued pursuant to the Placing Programme, and assuming the Placing had been subscribed as to 154 million Placing Shares, 133,052,656 Takeover Shares are issued pursuant to the Listed Share Alternative and 32,442,740 Ordinary Shares are issued pursuant to the Consortium Rollover, there would be a dilution of approximately 77.1 per cent. in Shareholders' voting control of the Company. It is not anticipated that there would be any dilution in the Net Asset Value per Share as a result of the Placing Programme.

9. USE OF PROCEEDS

The Directors intend to use the net proceeds of any Subsequent Placing under the Placing Programme to acquire investments in accordance with the Company's investment objective and investment policy and for working capital purposes.

10. ADMISSION AND SETTLEMENT

The Placing Programme may have a number of closing dates in order to provide the Company with the ability to issue Shares over the duration of the Placing Programme. Shares may be issued under the Placing Programme from 1 February 2023 until 31 January 2024.

Applications will be made to the London Stock Exchange for all of the Shares issued pursuant to the Placing Programme to be admitted to trading on the Specialist Fund Segment of the Main Market. It is expected that any Admissions pursuant to Subsequent Placings will become effective and dealings will commence between 1 February 2023 and 31 January 2024. All Shares issued pursuant to the Placing Programme will be issued conditionally on such Admission occurring.

Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Shares to be issued in uncertificated form pursuant to a Subsequent Placing, these will be transferred to successful applicants through the CREST system. Dealing in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. Whilst it is expected that all Shares issued pursuant to the Placing Programme will be issued in uncertificated form, if any Shares are issued in certificated form it is expected that share certificates will be despatched within 10 Business Days of Admission of the Shares, at the Shareholder's own risk.

The ISIN of the Ordinary Shares is GG00BMWWJM28 and the SEDOL is BMWWJM2.

The ISIN of the C Shares is GG00BMWWJN35 and the SEDOL is BMWWJN3.

Any Ordinary Shares issued pursuant to the Placing Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the issue of the relevant Ordinary Shares).

11. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares under the CREST system. The Company shall apply for the Shares offered under the Placing Programme to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following an Admission may take place within the CREST system if any holder of such Shares so wishes.

12. OVERSEAS PERSONS

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below.

The offer of Shares under the Placing Programme to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Shares under the Placing Programme. It is the responsibility of all Overseas Persons receiving this document and/or wishing to subscribe for Shares under the Placing Programme to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be

required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him/her under the Placing Programme, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Shares are only being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S.

Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares under the Placing Programme if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

13. PROFILE OF A TYPICAL INVESTOR

The Specialist Fund Segment is intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of the potential risk of investing in companies admitted to the Specialist Fund Segment.

The Shares are designed to be suitable for institutional investors and private investors. Accordingly, typical investors in the Shares are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and knowledgeable unadvised retail investors who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

Furthermore, an investment in the Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

PART 9

FINANCIAL INFORMATION ON THE COMPANY

1. INCORPORATION OF FINANCIAL INFORMATION BY REFERENCE

The Company's financial statements for the period from incorporation on 13 March 2020 to 31 December 2020 and the annual report for the financial year ended 31 December 2021 (the "**Annual Report**") and the interim report and unaudited condensed consolidated interim financial statements for the period from 1 January 2022 to 30 June 2022 (the "**Interim Report**") are incorporated by reference into this document.

The financial statements in the Annual Report were prepared in accordance with International Financial Reporting Standards as adopted by the European Union, the Companies Law and Article 4 of the IAS Regulation.

The financial statements in the Annual Report were audited by the Auditor, Grant Thornton Limited. The Auditor's report the Annual Report was unqualified, did not include any references to any matters to which the Auditors drew attention by way of emphasis without qualifying their report. The Company's financial information for the period from incorporation on 13 March 2020 to 31 December 2020 was not required to be audited, however, the Company's auditors, Grant Thornton Limited provided an opinion dated 23 September 2021 that the financial information for this period gives a true and fair view of the state of affairs for the Company as at 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the European Union.

Save for the Annual Report incorporated by reference in this Part 9, none of the information in this document has been audited. Unless otherwise indicated, all unaudited financial information relating to the Group contained in this document has been sourced, without material adjustment, from the internal accounting records of the Group on a basis consistent with the Company's accounting policies.

Where part only of a document is incorporated by reference into this document, those parts not so incorporated by reference are either not relevant for prospective investors or are covered elsewhere in this document.

Any statement contained in the Annual Report or Interim Report which is incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

Copies of the Annual Report and the Interim Report have been filed with the FCA. Copies of the Annual Report and the Interim Report may be obtained on the Company's website (www.castelnaugroup.com) or, free of charge, during normal business hours at the Company's registered office (PO Box 255, Les Banques, Trafalgar Court, St. Peter Port, Guernsey GY1 3QL).

2. CROSS REFERENCE TABLE

The Annual Report and the Interim Report have been incorporated in this document by reference, including the information specified in the tables below.

	Audited financial statements of the Company for the year ended 31 December 2021 (incorporating the unaudited financial statements of the Company from 13 March 2020 to 31 December 2020)	Page no(s)
Nature of information		
Statement of Comprehensive Income		41
Statement of Financial Position		42
Statement of Changes in Equity		43
Statement of Cash Flows		44
Notes to the Financial Statements		45-59
Independent Auditor's Report		35-39
Chair's Statement		3
Directors Report		14-28
	Unaudited condensed consolidated interim financial statements of the Company for the period from 1 January 2022 to 30 June 2022	Page no(s)
Nature of information		
Unaudited Condensed Consolidated Statement of Comprehensive Income		21
Unaudited Condensed Consolidated Statement of Financial Position		22
Unaudited Condensed Consolidated Statement of Changes in Equity		23
Unaudited Condensed Consolidated Statement of Cash Flows		24
Notes to the Unaudited Condensed Consolidated Interim Financial Statements		25-35
Chair's Statement		5-6
Directors Report		15-18

Nature of information

Unaudited Condensed Consolidated Statement of Comprehensive Income	21
Unaudited Condensed Consolidated Statement of Financial Position	22
Unaudited Condensed Consolidated Statement of Changes in Equity	23
Unaudited Condensed Consolidated Statement of Cash Flows	24
Notes to the Unaudited Condensed Consolidated Interim Financial Statements	25-35
Chair's Statement	5-6
Directors Report	15-18

Selected financial information

The key figures that summarise the Company's financial condition in respect of the period from incorporation on 13 March 2020 to 31 December 2020, for the financial year ended 31 December 2021 and for the interim financial period from 1 January 2022 to 30 June 2022, which have been extracted directly on a straightforward basis without material adjustment from the historical financial information, are set out in the following table:

	Unaudited financial statements of the Company for the period from 13 March 2020 to 31 December 2020	Audited financial statements of the Company for the financial year ended 31 December 2021	Unaudited financial statements of the Company for the period from 1 January 2022 to 30 June 2022
Total assets (£)	–	174,515,613	144,513,106
Investments – bonds (£)	–	–	3,998,795
Investments – equity (£)	–	126,617,646	118,572,197
Investments – loans (£)	–	3,361,795	5,186,795
Net assets (£)	1	172,126,785	142,062,072
Net Asset Value per Ordinary Share (pence)	–	93.55	77.21

Operating and financial review

The Annual Report and the Interim Report, which have been incorporated by reference into this document, include, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), details of the Company's investment activity and portfolio exposure, and changes in its financial condition for the period from incorporation on 13 March 2020 to 30 June 2022:

	Audited financial statements of the Company for the year ended 31 December 2021 (incorporating the unaudited financial statements of the Company from 13 March 2020 to 31 December 2020)	Unaudited condensed consolidated interim financial statements of the Company for the period from 1 January 2022 to 30 June 2022
	Page no(s)	Page no(s)
Nature of information		
Strategic Report	3-10	3-11

3. SIGNIFICANT CHANGE

Save to the extent disclosed below, there has been no significant change in the financial or trading position of the Group since 30 June 2022, being the end of the last financial period for which interim financial statements of the Company have been published:

- the Group subscribed for an additional ordinary share in Phoenix SG for an aggregate consideration of £2,500,000 to be paid in cash at a share price of the 30 June 2022 NAV for trade date of 20 July 2022;
- on 15 August 2022 the loan agreement between the Group and Showpiece Technologies Limited was amended to increase the principal amount to £4,200,000;
- on 30 August 2022 the Board of Stanley Gibbons announced that at its extraordinary general meeting held earlier that day, the special resolution to approve the proposed cancellation of the admission of the Stanley Gibbon's Ordinary Shares to trading on AIM ("Cancellation") was duly passed. As a result, the last day of dealings in Stanley Gibbons Shares on AIM was Tuesday 6 September 2022 and the Cancellation became effective at 7.00 a.m. on Wednesday 7 September 2022;
- on 12 October 2022, the Company extended a loan facility for up to £4,399,999.50 to Silverwoods Brands Plc which was fully drawn down on 17 October 2022;
- on 4 November 2022, the Company subscribed for a further 1,326 ordinary shares in Ocula Technologies Holdings Limited at a subscription price of £528.12 per share for an aggregate consideration of £700,287.12;
- on 12 December 2022, the Company extended a further loan facility for up to £1,500,000 to Silverwoods Brands Plc which was fully drawn down on 15 December 2022;
- on 1 January 2023, the Company subscribed for a further investment of shares in Phoenix SG Limited at the aggregate subscription price of £700,000;
- on 20 January 2023, the Company entered into an unsecured term loan facility to borrow up to an amount of £60,000,000 from Phoenix UK Fund Limited pursuant to the Standby Loan Facility A, as amended and restated on 1 February 2023, which is currently nil drawn;
- on 20 January 2023, the Company entered into an unsecured term loan facility to borrow up to an amount of £49,000,000 from Phoenix UK Fund Limited pursuant to the Standby Loan Facility B, as amended and restated on 1 February 2023, which is currently nil drawn; and
- on 27 January 2023, the Phoenix UK Fund Limited signed the PUK Commitment Letter pursuant to which it agreed that in the event the Placing does not raise Gross Proceeds of at least £10 million by 30 April 2023, it will subscribe for such number of new Ordinary Shares at a subscription price of 75.02 pence per Ordinary Share as will provide the Company with gross proceeds of £10 million (less the Gross Proceeds raised under the Placing (if any)).

4. LIQUIDITY

As at 31 December 2022, the Company's cash balance was £7,614,145.60. In addition to funding the Group's operating requirements for working capital, the Directors intend that these funds be used to acquire assets.

The Group, therefore, has sufficient funds to fulfil its current commitments. The Net Proceeds of the Placing and the net proceeds of any Subsequent Placings and any undrawn debt facilities will be used to fund the Company's financial commitment in relation to the Takeover Offer, and to acquire investments in accordance with the Company's investment objective and investment policy and for working capital purposes.

PART 10

TAXATION

Prospective investors should consult their professional advisers concerning the possible tax consequences of their subscribing for, purchasing, holding or selling Shares. The following summary of the principal Guernsey and United Kingdom tax consequences applicable to the Company and its Shareholders is based upon interpretations of existing laws in effect on the date of this document and no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretations or that changes in such laws will not occur. The tax and other matters described in this document are not intended as legal or tax advice. Each prospective investor must consult its own advisers with regard to the tax consequences of an investment in Shares. None of the Company, the Directors, Liberum, the Investment Manager or any of their respective affiliates or agents accept any responsibility for providing tax advice to any prospective investor.

GUERNSEY TAXATION

The Company

The Company has exempt company status under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (as amended) (the "**Ordinance**") for the current calendar year. A company with exempt company status is treated as non-resident for the purposes of income tax. Exemption will be applied for annually and is granted on payment of a fee, currently fixed at £1,200 per annum, provided that the Guernsey Revenue Service is satisfied that the Company complies, and will continue to comply, with the provisions of the Ordinance. The Directors intend to manage the Company in such a way as to ensure that the Company at all times complies with the requirements of the Ordinance. As the Company should have no Guernsey source income other than relevant bank deposit income (which is not considered to be Guernsey source income), it will not be liable to income tax in Guernsey.

The Company is incorporated in Guernsey. The Directors intend to manage the operations of the Company so that it does not become tax resident in any other jurisdiction.

Under current Guernsey tax law there is no liability to capital gains tax, wealth tax, capital transfer tax or estate or inheritance tax on the issue, transfer or realisation of the Shares (save for registration fees and ad valorem duty for a Guernsey grant of representation when the deceased dies leaving assets in Guernsey which require presentation of such a grant).

Dividends made by exempt companies to non-Guernsey residents will be free of Guernsey withholding tax and reporting requirements. Where a tax exempt company makes a dividend to shareholders that are Guernsey tax resident individuals the company will only need to report the relevant details of those dividends.

In the absence of tax exempt status, the Company would be Guernsey tax resident and taxable at the Guernsey standard rate of company income tax, which is currently zero per cent.

Withholding tax

Provided the Company obtains and maintains its tax exempt status, there would currently be no requirement for the Company to withhold tax from the payment of a distribution.

In the event that the Company does not have tax exempt status at the time a distribution is made it may be required to withhold tax at the applicable rate in respect of any distributions made (or deemed to have been made) to Shareholders who are Guernsey resident individuals.

Stamp Duty

There is also no stamp duty or equivalent tax payable in Guernsey on the issue, transfer or redemption of the Shares. In addition, no stamp duty is chargeable in Guernsey on the issue, transfer, disposal or redemption of shares other than Document Duty which can apply in some instances where a company holds Guernsey situated real estate.

Goods and Services Tax

The States of Guernsey has passed enabling legislation for the introduction of a system of goods and services tax (“**GST**”); although the States of Guernsey is currently considering tax reform options including the introduction of a GST, at this point no decision to introduce GST has been made.

FATCA and the Common Reporting Standard

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the US (“**US-Guernsey IGA**”) regarding the implementation of the US Foreign Account Tax Compliance Act (“**FATCA**”). Under the legislation enacted in Guernsey to implement the US-Guernsey IGA, certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the US unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that will need to be disclosed will include certain information about investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance.

Sections 1471 through 1474 of the U.S. Tax Code impose a reporting and 30 per cent. withholding tax regime with respect to certain payments including certain non-U.S. source payments (referred to as “foreign passthru payments”) made by non-U.S. financial institutions acting in the capacity of withholding agents pursuant to procedures established under FATCA beginning on the later of January 1, 2019 or the date of publication of final regulations defining foreign passthru payment.

Guernsey resident financial institutions that comply with the due diligence and reporting requirements of Guernsey’s domestic legislation will be treated as compliant with FATCA and, as a result, should not be subject to withholding tax under FATCA on payments they receive and should not be required to withhold under FATCA on payments they make. The Company expects that it will be considered to be a Guernsey resident financial institution that will need to comply with the requirements of the U.S.-Guernsey IGA (as implemented through Guernsey’s domestic legislation) and, as a result of such compliance, the Company should not be subject to FATCA withholding or be required to withhold under FATCA on payments it makes. If the Company does not comply with these obligations, it may be subject to a FATCA deduction on certain payments to it of US source income (including interest and dividends) and (from 1 January 2019) proceeds from the sale of property that could give rise to US source interest or dividends.

Under the US-Guernsey IGA and Guernsey’s implementation of that agreement, securities that are “regularly traded” on an established securities market, such as Specialist Fund Segment of the Main Market, are not considered financial accounts and are not subject to reporting. For these purposes, the Shares will be considered “regularly traded” if there is a meaningful volume of trading with respect to the Shares on an ongoing basis. Notwithstanding the foregoing, a Share will not be considered “regularly traded” and will be considered a financial account if the holder of the Share (other than a financial institution acting as an intermediary) is registered as the holder of the Share on the Company’s share register. Such Shareholders will be required to provide information to the Company to allow the Company to satisfy its obligations under FATCA, although it is expected that whilst a Share is held in uncertificated form through CREST, the holder of that Share will likely be a financial institution acting as an intermediary. Additionally, even if the Shares are considered regularly traded on an established securities market, Shareholders that own the Shares through financial intermediaries may be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under FATCA. Notwithstanding the foregoing, the relevant rules under FATCA may change and, even if the Shares are considered regularly traded on an established securities market, Shareholders may, in the future, be required to provide information to the Company in order to allow the Company to satisfy its obligations under FATCA.

Guernsey has also implemented the “CRS” regime with effect from 1 January 2016. Accordingly, reporting in respect of periods commencing on or after 1 January 2016 is required in accordance with the CRS (as implemented in Guernsey).

Under the CRS and legislation enacted in Guernsey to implement the CRS, certain disclosure requirements have been imposed in respect of certain investors who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also

adopted the CRS, unless a relevant exemption applies. Certain due diligence obligations have also been imposed. Where applicable, information to be disclosed includes certain information about investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The CRS has been implemented through Guernsey's domestic legislation in accordance with guidance issued by the Organisation for Economic Cooperation and Development ("OECD") as supplemented by guidance notes in Guernsey.

Under the CRS, disclosure of information will be made to Guernsey Revenue Service for transmission to the tax authorities in other participating jurisdictions.

Under the CRS, there is currently no reporting exemption for securities that are "regularly traded" on an established securities market, although it is expected that whilst a Share is held in uncertificated form through CREST, the holder of the Share will likely be a financial institution acting as an intermediary. Shareholders that own the Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA and/or the CRS then the Company could be subject to (in the case of the US-Guernsey IGA) US withholding tax on certain US source payments, and (in all cases) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the US-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners and/or controllers of the Shareholders (if any). There can be no assurance that the Company will be able to satisfy such obligations.

In subscribing for or acquiring Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA, the Common Reporting Standard and other similar regimes and any related legislation, intergovernmental agreements and/or regulations.

FATCA/CRS AND SIMILAR MEASURES FOR THE AUTOMATIC EXCHANGE OF INFORMATION ARE PARTICULARLY COMPLEX AND THEIR APPLICATION TO THE COMPANY, THE SHARES AND THE SHAREHOLDERS IS SUBJECT TO CHANGE. EACH SHAREHOLDER OF SHARES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA / CRS AND TO LEARN HOW FATCA MIGHT AFFECT EACH SHAREHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Any person whose holding or beneficial ownership of Shares may result in the Company having or being subject to withholding obligations under, or being in violation of, FATCA or measures similar to FATCA will be considered a Non-Qualified Holder. Accordingly, the Board has the power to require the sale or transfer of Shares held by such person.

Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the CRS and any similar regimes concerning the automatic exchange of information, any other related legislation, intergovernmental agreements and/or regulations on their investment in the Company.

Shareholders

Shareholders who are not resident in Guernsey for tax purposes can receive distributions without deduction of Guernsey income tax.

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) will incur Guernsey income tax at the applicable rate on a distribution paid to them (subject to their own circumstances). The Company will be required to provide the Guernsey Revenue Service such particulars relating to any distribution paid to Guernsey resident Shareholders as the Revenue Service may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment.

Distributions made by the Company to non-Guernsey resident Shareholders, whether made during the life of the Company or by distribution on liquidation, will not be subject to Guernsey tax provided

such payments are not taken into account in computing the profits of any permanent establishment situated in Guernsey through which such Shareholder carries on a business in Guernsey.

Shareholders, whether or not Guernsey resident, should not be liable to Guernsey tax on disposal of Shares in the Company if those Shares are held for investment purposes. The Director of the Revenue Service can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in the Shares, with details of the interest.

As already referred to above, Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or similar tax is chargeable in Guernsey on the issue, transfer or redemption of shares in the Company, other than Document Duty which can apply in some instances where a company holds Guernsey situated real estate.

Anti-Avoidance

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a Guernsey tax liability. At his discretion, the Director of the Revenue Service will make such adjustments to the tax liability to counteract the effect of the avoidance, reduction or deferral of the tax liability.

Request for Information

The Company reserves the right to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA, any agreement with the U.S. Internal Revenue Service in relation to FATCA from time to time in force, or any obligation arising under the implementation of any applicable regime, including the CRS, relating to the automatic exchange of information with any relevant competent authority.

UNITED KINGDOM TAXATION

Introduction

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. The following statements are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and in the case of individual Shareholders domiciled) for UK tax purposes in (and only in) the UK, who hold their Shares as an investment, and who are the absolute beneficial owners of both their Shares and any dividends paid on them (for these purposes, such Shareholders being in the case of an individual, a “**UK Individual Shareholder**” and in the case of a Shareholder within the charge to UK corporation tax, a “**UK Corporate Shareholder**”).

The Company

Tax residence

The Directors intend to conduct the management and control of the affairs of the Company in such a way that it should not be resident in the UK for UK tax purposes. Additionally, for so long as the Company is an “AIF” within the meaning given in regulation 3 of the Alternative Investment Fund Management Regulations 2013 and is authorised or registered in Guernsey or has its registered office in Guernsey, then in accordance with section 363A of the Taxation (International and Other Provisions) Act 2010, the Company should not be regarded as resident in the UK for direct tax purposes (i.e. income tax, corporation tax and capital gains tax).

Accordingly, on the basis that the Company is not resident in the UK and provided that the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated therein), the Company will not be subject to corporation tax, nor will it be subject to income tax other than on any UK source income.

Shareholders

Taxation of capital gains

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gain arising on a disposal of their Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,300 for the tax year 2022–2023 (reducing to £6,000 for the tax year 2023-2024). Capital gains tax chargeable will be at the current rate of 10 per cent. (for basic rate tax payers) and 20 per cent. (for higher and additional rate tax payers) for the tax year 2022–2023.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Shares.

Capital losses realised on a disposal of Shares must be set off as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

Taxation of dividends

Distributions made by the Company will take the form of ordinary dividends. Prospective investors who are unsure about the tax treatment which will apply to them in respect of any distributions made by the Company should consult their own tax advisers.

Individual Shareholders

Dividends

A £2,000 annual tax free dividend allowance is available to UK individuals for the tax year 2022-23 (reducing to £1,000 for the tax year 2023-2024). Dividends received in excess of this threshold will be taxed, for the tax year 2022/23 at 8.75 per cent. (basic rate taxpayers), 33.75 per cent. (higher rate taxpayers) and 39.35 per cent. (additional rate taxpayers).

The Company will not be required to withhold tax at source when paying a dividend.

Other Shareholders

UK resident corporate Shareholders may be subject to corporation tax on dividends paid by the Company unless they fall within one of the exempt classes in Part 9A of CTA 2009. Such Shareholders considered 'small', for the purposes of Part 9A of the Corporation Tax 2009, should consult their advisers as the expectation is that they will not be able to benefit from the dividend exemption within Part 9A CTA 2009.

It is particularly important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT will arise on the issue of Shares.

No UK stamp duty will be payable on a transfer of Shares, provided that no instruments effecting the transfer are executed in the UK and no matters or actions relating to the transfer are performed or will be performed in the UK.

Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the UK, any agreement to transfer the Shares will not be subject to UK SDRT.

ISA, SSAS and SIPP

Shares acquired by a UK resident individual Shareholder in the secondary market (but not the Placing) should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2022-2023). Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £9,000 for the 2022-2023 tax year. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder's annual limit; but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Individuals wishing to invest in Shares through an ISA should contact their professional advisers regarding their eligibility.

The Directors have been advised that the Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

Other United Kingdom tax considerations

UK Offshore Fund Rules

The Directors have been advised that the Company should not be, and the Shares should not be shares in, an "offshore fund" for the purposes of UK taxation, although the Company does not make any commitment to investors that it will not be treated as an offshore fund. As noted in the Risk Factors on page 24 of this document, if the Company is considered an offshore fund, there may be adverse tax consequences for certain investors with gains on disposals of shares being treated as taxable income.

Controlled Foreign Companies

If the Company is controlled by UK residents such that it would be a "Controlled Foreign Company" for UK tax purposes, UK Corporate Shareholders having an interest in the Company, such that 25 per cent. or more of the Company's profits for an accounting period could be apportioned to them, may be liable to corporation tax in respect of their share of the Company's profits in accordance with the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010.

Transfer of assets abroad

The attention of UK Individual Shareholders is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK and may render them liable to income tax in respect of undistributed income of the Company.

Attribution of Gains to Persons Resident in the United Kingdom

If the Company would be a "close company" for UK tax purposes if resident in the UK, in circumstances where there is a connection to UK tax avoidance, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 25 per cent. of the Shares.

Transactions in securities

The attention of Shareholders is drawn to the provisions of (in the case of UK Individual Shareholders) Chapter 1 of Part 13 of the Income Tax Act 2007 and (in the case of UK Corporate Shareholders) Part 15 of the Corporation Tax Act 2010, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities.

If any Shareholder is in doubt as to their taxation position, they are strongly recommended to consult an independent professional adviser without delay.

PART 11

GENERAL INFORMATION

1. THE COMPANY

- 1.1 The Company was incorporated as a non-cellular company limited by shares in Guernsey under the Companies Law on 13 March 2020 with registered number 67529. The Company has been established with an indefinite life.
- 1.2 The registered office and principal place of business of the Company is PO Box 255, Les Banques, Trafalgar Court, St. Peter Port, Guernsey GY1 3QL with telephone number +44 (0) 1481 745001.
- 1.3 The principal legislation under which the Company operates is the Companies Law and ordinances and regulations made thereunder. The Company is regulated by the GFSC and registered as a closed-ended investment scheme pursuant to the POI Law and the RCIS Rules. The Company is not regulated as a collective investment scheme by the FCA. However, the Company and the Shareholders are subject to the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation, MAR and the rules of the London Stock Exchange. The Company operates in accordance with its Memorandum and Articles.
- 1.4 The Company's accounting period ends on 31 December of each year. The annual report and accounts are prepared in Sterling according to accounting standards laid out under IFRS.
- 1.5 The Company is domiciled in Guernsey, does not have any employees and does not own any premises.
- 1.6 As at the date of this document, the Company has the following subsidiaries (which are unconsolidated for accounting purposes, with the exception of Castelnu Group Services Limited):

Name	Country of incorporation	Registered number	Date of incorporation	Direct or indirect percentage holding (%)
Castelnu Group Services Limited	England	14170262	14 June 2022	100
Rawnet Limited	England	03593941	7 July 1998	100
Ocula Technologies Limited	England	13153008	22 January 2021	67.45
Showpiece Technologies Limited	England	13551627	6 August 2021	80
Cambium International Limited	Cayman Islands	MC-352925	3 July 2019	60.14
Phoenix SG Limited	Cayman Islands	MC-334185	15 March 2018	63.50

- 1.7 Castelnu Group Services Limited is a services company which provides certain services, including marketing and branding services to the Company's investee companies (in particular Dignity). The employees engaged by Castelnu Group Services Limited are charged to the investee companies at cost.

2. SHARE CAPITAL

- 2.1 The authorised share capital of the Company on incorporation was represented by an unlimited number of shares. One Ordinary Share was issued on incorporation at an issue price of £1.00 and is held by the Investment Manager.
- 2.2 The following changes in the share capital of the Company have taken place between the date of incorporation and the date of this document:
- 2.2.1 on 2 February 2021, 4,000,000 Ordinary Shares were authorised and issued to Phoenix UK Fund Limited;

- 2.2.2 on 11 June 2021, 1,000,000 Ordinary Shares were authorised and issued to Phoenix UK Fund Limited;
- 2.2.3 on 3 September 2021, the B Share was authorised and issued to the Investment Manager;
- 2.2.4 on 18 October 2021, 172,552,718 Ordinary Shares were authorised and issued by the Company pursuant to its IPO; and
- 2.2.5 on 11 November 2021, 6,443,339 Ordinary Shares were authorised and issued by the Company in respect of an in specie transfer of assets.
- 2.3 As at 31 December 2021, the issued share capital of the Company comprised: (i) 183,996,058 Ordinary Shares, and (ii) the B Share held by the Investment Manager. Since 31 December 2021, the Company has not issued any shares.
- 2.4 As at the date of this document, the Company has not repurchased any Ordinary Shares since its incorporation and no Ordinary Shares are held in treasury. All Ordinary Shares are fully paid.
- 2.5 By special resolutions passed on 2 September 2021, the Directors were empowered to issue, to grant rights to subscribe for, to convert and to make offers or agreements to issue equity securities for cash as if the pre-emption rights contained in article 10 of the Articles in respect of such equity securities did not apply to any such issue, provided that this power shall be limited to:
- 2.5.1 the issue of up to 2 billion Ordinary Shares and/or C Shares; and
- 2.5.2 the sale of such number of treasury shares as is equal to the number of Ordinary Shares held in treasury at any time,
- and such authority will, unless previously revoked, or varied expire on date being five years from the date of passing of the resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require Shares to be issued after such expiry and the Directors may issue equity securities in pursuance of any such offer or agreement as if this power had not expired.
- 2.6 By a special resolution passed at the Company annual general meeting held on 6 September 2022, the Company was authorised in accordance with the Companies Law to make market purchases (as defined in the Companies Law) of its own Ordinary Shares either for cancellation or to hold as treasury shares for future resale or transfer, provided that:
- 2.6.1 the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the Ordinary Shares in issue as at 4 August 2022;
- 2.6.2 the minimum price which may be paid for an Ordinary Share is £0.01;
- 2.6.3 the maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of:
- (i) 5 per cent. above the average of the mid-market quotations for the five Business Days before the purchase is made, and
- (ii) the higher of: (a) the price of the last independent trade, and (b) the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out,
- and such authority will unless previously revoked or varied, expire at the conclusion of the Company's next annual general meeting, save that the Company may contract to purchase Ordinary Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary Shares in pursuance of such contract.
- 2.7 The Company is permitted to fund the payments for purchases of Ordinary Shares in any manner permitted by the Companies Law and the Directors must have reasonable grounds for believing that the Company will satisfy the solvency test prescribed by the Companies Law immediately after making such purchases.

- 2.8 In accordance with the authorities granted to the Directors by the Articles, it is expected that the Placing Shares, the Takeover Shares, the Ordinary Shares to be issued pursuant to the Consortium Rollover and the Shares to be issued pursuant to the Placing Programme will be issued (conditionally upon the relevant Admission) pursuant to a resolution of the Board to be passed shortly before such relevant Admission in accordance with the Companies Law.
- 2.9 As at the date of this document, the Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.10 All of the Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.

3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

- 3.1 As at the Latest Practicable Date, the Directors held the following interests (beneficial or non-beneficial) in the share capital of the Company:

Director	Number of Ordinary Shares	% of issued Ordinary Share capital
Joanna Duquemin Nicolle	75,000	0.04
Andrew Whittaker	40,000	0.02
Joanne Peacegood	10,000	0.01

Save as disclosed in this paragraph and so far as the Company is aware, no Director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

- 3.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. Each Director will retire from office at each annual general meeting except any Director appointed by the holder of the B Share pursuant to the Articles and any Director appointed by the Board after the notice of that annual general meeting has been given and before that annual general meeting has been held. The Directors' appointments can be terminated by either party in accordance with the Articles and on three months' written notice, in both cases without compensation. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from Board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 3.3 Each of the Directors (save for Graham Shircore) is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairperson, the fees are currently £30,000 for each Director per annum. The Chairperson's current fee is £40,000 per annum. The Chairperson of the Audit Committee receives an additional £5,000 per annum. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. As Graham Shircore is a board representative of the Investment Manager, he is not remunerated for his role as a Director. The aggregate of the remuneration and benefits in kind of the Directors in respect of: (i) the financial period ended 31 December 2021, was £59,274; and (ii) the financial period ended 30 June 2022, was £67,500.
- 3.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 3.5 Save as set out in this paragraph, none of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 3.6 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

3.7 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Previous
Joanne Peacegood	Ashgrove Capital Management Ltd Next Energy Solar Fund Limited Longview Partners Guernsey Limited Cairngorm Capital GP Limited Cairngorm Capital GP II Limited Cairngorm Capital GP III Limited Alpha Management Limited Danske Invest PCC Limited Guernsey Electricity Limited M&G (Guernsey) Limited M&G Offshore Corporate Bond Fund Limited	—
Joanna Duquemin Nicolle	Boatswain GP Limited DDE 58 Limited DDE 59 Limited DDE 60 Limited DDE 61 Limited DDE 62 Limited DDE 63 Limited DDE 64 Limited DDE 65 Limited DDE 66 Limited DDE 67 Limited DDE 68 Limited DDE 69 Limited DDE 70 Limited DDE 71 Limited DDE 72 Limited DDE 73 Limited DDE 74 Limited DDE 75 Limited DDE 76 Limited DDE 77 Limited DDE 78 Limited DDE 79 Limited DDE 80 Limited DDE 81 Limited DD Duquemin Limited DD & JB Duquemin Holdings Limited DD & JB Duquemin Property Limited Elysium Fund Management Limited Elysium Secretaries Limited Elysium Compliance Services Limited Fund Acquisitions Limited Liberum Wealth Limited Ropemaker Nominees Limited T and N Holdings Limited The 10th Limited	Qora Mining Limited

Name	Current	Previous
Andrew Whittaker	Accel Europe Guernsey Limited	1818 VC GP Limited
	Accel London Management Limited	Accel London Management Limited
	Alderaan Second GP(1) Limited	Access Capital (Scottish) GP Limited
	Alderaan Second GP(2) Limited	Access Capital Advisors (Guernsey) Limited
	Aldsworth Holding Limited	Access Capital Partners (UK) Limited
	Anthemis BL Investment Partnership GP Ltd	Access Capital Partners II (Guernsey) Limited
	Anthemis Capital Managers (Guernsey) Limited	Access Capital Partners Verwaltungs GmbH
	Anthemis Exponential Holdings Limited	Access Co-Investment Partners Limited
	Anthemis Exponential Ventures GP Ltd	Actis Guernsey GP Limited
	Anthemis ITA GP Ltd	Anthemis Exponential Ventures GP Limited
	Arc IC 1A Limited	Balderton Capital Investments Limited
	Arc IC 1B Limited	Baring India Private Equity Advisers Limited
	ARCH EM (GSY) PCC Limited	Baring Private Equity Partners (India) Limited
	ARCH SRF Listed HoldCo Limited	BBGI Guernsey Holding Limited
	AS Holdings Limited	BETA HOLDINGS LIMITED
	Asper Renewable Power GP (Guernsey) Limited	BOF IV GP Limited
	Asper RPP2 General Partner (Guernsey) Limited	Bramley Topco Ltd
	Asper Second GP (1) Limited	Brandenburg Realty Property 2 Cooperatief UA
	Asper Second GP (2) Limited	Breivoll Inspection Technologies AS
	Aver Partners (Dais) PCC Limited	Bridgepoint Capital Co-Investment Plan Limited
	Aver Partners Limited	Britel Guernsey Investments Limited
	Bansk Group GP Limited	Busch Guernsey Holding Limited
	Baring Vostok Capital Partners Group Limited	Capita Financial Administrators (Guernsey) Limited
	Baring Vostok Capital Partners Limited	Capita Sinclair Henderson Limited
	bd-capital Partners Management (Guernsey) Limited	COPTIC HOLDINGS LIMITED
	BE VI Limited	Cresco Capital Group Fund I GP Ltd
	BEV Germany GP Co Limited	Cresco Capital Group Fund I GP Ltd
	BEV Guernsey Co Limited	EMPEF GP Ltd
	BG HOLDCO 1 LIMITED	EPSILON HOLDINGS LIMITED
	Blossom Capital General Partner I Limited	GAMMA HOLDINGS LIMITED
	Blossom Capital General Partner II Limited	GCI Founder Limited
	Blossom Capital General Partner III Limited	GCIF Limited
	Blossom Capital Management Limited	GCP Advisers Limited
	Braavos Capital GP Limited	GCP Limited
	Brandenburg Realty Limited	Goldhawk Holdings Limited
	Brandenburg Realty Management Cooperatief UA	GOTHIC HOLDINGS LIMITED
	Brandenburg Realty PoolCo Limited	Hermes Infrastructure (Spring I) GP Ltd
	Brandenburg Realty Property 1 Cooperatief UA	
	Brandenburg Realty Property 10 Cooperatief UA	

Name	Current	Previous
Andrew Whittaker <i>continued</i>	Brandenburg Realty Property 11 Cooperatief UA	Hermes Infrastructure (Spring II) GP Ltd
	Brandenburg Realty Property 12 Cooperatief UA	Hermes Infrastructure (Spring) FP GP Ltd
	Brandenburg Realty Property 3 Cooperatief UA	Hermes Infrastructure II GP Ltd HGCAPITAL 7 GENERAL
	Brandenburg Realty Property 4 Cooperatief UA	PARTNER (GUERNSEY) LIMITED HGCAPITAL 7 GENERAL
	Brandenburg Realty Property 5 Cooperatief UA	PARTNER (GUERNSEY) LIMITED HGCAPITAL MERCURY
	Brandenburg Realty Property 6 Cooperatief UA	GENERAL PARTNER (GUERNSEY) LIMITED
	Brandenburg Realty Property 7 Cooperatief UA	HGCAPITAL MERCURY GENERAL PARTNER
	Brandenburg Realty Property 8 Cooperatief UA	(GUERNSEY) LIMITED HGCAPITAL RPP2 GENERAL
	Brandenburg Realty Property 9 Cooperatief UA	PARTNER (GUERNSEY) LIMITED HGCAPITAL RPP2 GENERAL
	Bridgepoint Co-Investment Limited	PARTNER (GUERNSEY) LIMITED HIL Single Asset GP Limited
	Bridgepoint PE CI (Guernsey) Limited	HIP II MANAGEMENT LIMITED HIP II MANAGEMENT LIMITED
	BV Capital Limited	HIP III MANAGEMENT LIMITED
	Castelnau Group Limited	HIP MANAGEMENT LIMITED
	Content Finco Limited	Ipes (Guernsey) Limited
	Copse Investments Guernsey Limited	Ipes (UK) Limited Ipes Depositary (Channel islands) Limited
	Cultivate PCC Limited	IPES Director (Guernsey) Limited
	DC I Sub North Limited	Ipes Director (UK) Limited
	DC II Sub North Limited	Ipes Director Services (Guernsey) Limited
	DC III Sub North Limited	Ipes Director Services Limited
	E A Capital Limited	IPES Nominees Limited
	Eiger Funding (PCC) Limited	Ipes Secretaries (UK) Limited
	Emerald Investments (Guernsey) Limited	IPES Trustees Limited
	EOS VP I GP Limited	Jehova Guernsey Holding Limited
	EOS VP II GP Limited	Kingsbridge Rugby Football Club – Treasurer
	FARVIEW I GP LIMITED	LIRA HOLDINGS LIMITED
	Farview Polaris Guernsey GP Limited	Mainsail Credit Opportunities Limited
	Farview Polaris Guernsey Limited	MULBERRY G.P. LIMITED
	GFP Advisers Limited	MULLAKKUDI INVESTMENTS LIMITED
	GFP Limited	MUST 4 General Partner (Guernsey) Limited
	Global Asset Management ICC Limited	NextEnergy Capital IM Limited
	Global Capital Partners IC Limited	NextPower II Carry GP Limited
	GSP Limited	NextPower II GP Limited
	Guernsey Rugby Football Club Limited	OpCapita Consumer Opportunities Fund II GP Limited
	GWM ICC Limited	Phoenix Equity Partners 2001 Guernsey Limited
	GWM IM Limited	Phoenix Equity Partners 2006 Guernsey Limited
	Hawk 1C Limited	Rubahn Guernsey Holding Limited
	Hawk 2C Limited	
	Hawk 3C Limited	
	Hawk IC 1A Limited	
	Hawk IC 1B Limited	
	Hawk IC 2A Limited	

Name	Current	Previous
Andrew Whittaker	Hawk IC 2B Limited	Sapphire Fund II South Ltd
<i>continued</i>	Hawk IC 3A Limited	Sapphire Sub II A Limited
	Hawk IC 3B Limited	Sapphire Sub II B Limited
	Hg Capital Saturn General Partner (Guernsey) Limited	Scout Advantage Two Fund smac partners GP Limited
	Hg Catalyst Holdco Limited	Starfin Carry GP Limited
	Hg Gabriel (Guernsey) Limited	Starfin GP Limited
	Hg Genesis 10 General Partner (Guernsey) Limited	STARFIN GP LIMITED
	Hg Genesis 10 Telesto General Partner (Guernsey) Limited	STARFIN GP LIMITED
	Hg Genesis 10 Warehouse (Guernsey) Limited	Starwood European Hotel Partners Limited
	Hg Genesis 8 Aggregator GP (Guernsey) Limited	Steadfast Capital CIV.GP Limited
	Hg Genesis 8 SumoCo Limited	Steadfast Capital II (GP) Limited
	Hg Genesis 9 General Partner (Guernsey) Limited	Steadfast Capital III (GP) Limited
	Hg Genesis 9 SumoCo Limited	Sunbeam Topco Limited
	Hg Genesis 9 Warehouse (Guernsey) Limited	Symmetry Limited
	Hg Genesis C General Partner (Guernsey) Limited	SYNTAXIS CAPITAL G.P. II LIMITED
	Hg Genesis P&E General Partner (Guernsey) Limited	SYNTAXIS CAPITAL G.P. LIMITED
	Hg Mercury 2 SumoCo Limited	SYNTAXIS CAPITAL G.P. LIMITED
	Hg Mercury 2 Warehouse (Guernsey) Limited	Syntaxis Capital Limited
	Hg Mercury 3 General Partner (Guernsey) Limited	SYNTAXIS CAPITAL LIMITED
	Hg Mercury 3 SumoCo Limited	THETA HOLDINGS LIMITED
	Hg Mercury 3 Warehouse (Guernsey) Limited	Tower Gate Volpi GP Ltd
	Hg Mercury 4 General Partner (Guernsey) Limited	Trispan Asset Management
	Hg Mercury 4 Telesto General Partner (Guernsey) Limited	TS Multifamily I & II Investment Limited
	Hg Mercury C General Partner (Guernsey) Limited	TS Multifamily III & IV Investment Holdings Limited
	Hg Mercury P&E General Partner (Guernsey) Limited	TS Multifamily III & IV Investment Limited
	HG Saturn 2 General Partner (Guernsey) Limited	Victoria Plaza Limited
	Hg Saturn 2 SumoCo Limited	White Capital Limited
	Hg Saturn 2 Warehouse (Guernsey) Limited	Wiles IV GP Limited
	Hg Saturn 3 General Partner (Guernsey) Limited	Yellow Man Guernsey Holding Limited
	Hg Saturn 3 Telesto General Partner (Guernsey) Limited	
	Hg Saturn 3 Warehouse (Guernsey) Limited	
	Hg Saturn Aggregator GP (Guernsey) Limited	
	Hg Saturn C General Partner (Guernsey) Limited	
	Hg Saturn LuchaCo Limited	

Name	Current	Previous
Andrew Whittaker <i>continued</i>	Hg Saturn P&E General Partner (Guernsey) Limited Hg Saturn Warehouse (Guernsey) Limited Hg Titan 1 GP (Guernsey) Limited Hg Titan 2 C General Partner (Guernsey) Limited Hg Titan 2 General Partner (Guernsey) Limited Hg Titan 2 P&E General Partner (Guernsey) Limited Hg Titan P&E General Partner (Guernsey) Limited HgCapital 5 General Partner (Guernsey) Limited HgCapital 6 General Partner (Guernsey) Limited HgCapital 7 General Partner (Guernsey) Limited HgCapital 8 General Partner (Guernsey) Limited HgCapital Achilles General Partner (Guernsey) Limited HgCapital Mercury 2 General Partner (Guernsey) Limited HgCapital Mercury General Partner (Guernsey) Limited HGCAPITAL MLP LIMITED HgCapital Second GP(1) Limited HgCapital Second GP(2) Limited HGT General Partner (Guernsey) Limited Holdings General Partner (Guernsey) Limited Kelvin Re Limited – Investment Committee Lion IC 1A Limited Lion IC 1B Limited Magenta General Partner Limited MCII LLP Mediterra Capital Management Limited MorganMidge Limited NBKC Founder IC Limited NBKC Round Hill (IRE) Student Housing Finco PCC Limited NBKC Round Hill (IRE) Student Housing I IC Limited NBKC Round Hill (IRE) Student Housing ICC Limited NBKC Round Hill (IRE) Student Housing II IC Limited NBKC Round Hill (IRE) Student Housing III IC Limited NBKC Round Hill (IRE) Student Housing IV IC Limited	

Name	Current	Previous
Andrew Whittaker <i>continued</i>	NBKC Round Hill (IRE) Student Housing V IC Limited NBKC Round Hill GP Limited NBKC Round Hill Student Housing GP Limited NBKC Whitehawk GP Limited Newstead Capital GP I Limited Nordic Mezzanine GP II Limited Nordic Mezzanine GP III Limited North Wall Capital Management Limited Oaktree European CLO Capital Fund Limited Opal Investments (Guernsey) Limited P&E Aggregator General Partner (Guernsey) Limited P&E Aggregator GP Member 1 (Guernsey) Limited P&E Aggregator GP Member 2 (Guernsey) Limited P&E Feeder General Partner (Guernsey) Limited Pebble Investments Ltd Peresec International Limited Permira Credit Group Holdings Limited Permira Credit Solutions II G.P. Limited Permira Credit Solutions III G.P. Limited Permira European CLO Manager LLP Permira Sigma IV G.P. Limited Permira Sigma V G.P. Limited Permira Sigma VI G.P. Limited Phoenix Equity Partners 2006- 2010 No.1 Limited Phoenix Equity Partners 2006- 2010 No.2 Limited Phoenix Equity Partners 2010 Guernsey Limited Phoenix Equity Partners 2016 Guernsey Limited Phoenix Equity Partners 2022 Guernsey Limited Piccadilly Place IC 1A Limited Piccadilly Place IC 1B Limited Providus Risk Retention Fund Limited Puma Property Advisors Ltd Puma Property Investment Advisory Ltd Px3 Partners GP Limited Px3 Partners Holdings Limited Px3 Partners Management Limited	

Name	Current	Previous
Andrew Whittaker <i>continued</i>	Quartette Capital (Guernsey) Limited Rangemore Investments No.1 Limited Rangemore Litigation Finance Limited Ruby Germany GP Limited Ruby Investments (Guernsey) Limited Ruby Sub Europe Limited Ruby Sub North Limited Ruby Sub South Limited Sandown Capital Carry GP Limited Sandown Capital International GP Limited Sandown Capital Limited Sapphire Investments (Guernsey) Limited Sapphire Sub III A Limited Sapphire Sub III B Limited Sapphire Sub III C Limited Sapphire Sub South Limited SCG Starfin Investor GP Limited SDSS FINCO HOLDCO LIMITED SDSS FINCO LIMITED SDSS Holdco Limited SDSS Investco Limited SDSS K Holdco Limited SDSS K Investco 2 Limited SDSS K Investco 3 Limited SDSS K Investco Limited SDSS S Holdco Limited SDSS S Investco Limited Second GP Member 1 (Gsy) Ltd Second GP Member 2 (Gsy) Ltd Sequentis Investment IC Limited Shore Capital Finance Ltd Shore Capital Group International Ltd Shore Capital Group Limited Shore Capital Group Rising Sun Limited Shore Capital Group Treasury Ltd Shore Capital International Asset Management Ltd Shore Capital Realty GP Ltd Shore Capital Realty Holdings Ltd SOF-11 International Finco Holdco Limited SOF-11 International Finco Limited SOF-11 International Holdco Limited SOF-11 International Investco 2 Limited	

Name	Current	Previous
Andrew Whittaker <i>continued</i>	SOF-11 International Investco Cambridge Limited SOF-11 International Investco Limited SOF-12 AIV GP Limited SOF-12 AIV GP Subco Limited SRF HOLDCO GP PCC Limited Starfin Investments Limited Starfin Spear Limited Starwood European Finance Partners Limited Starwood European Real Estate Debt Finance I GP Limited Starwood European Real Estate Debt Finance I Limited Starwood European Real Estate Debt Finance II GP Limited Starwood European Real Estate Debt Finance II Limited Starwood Opportunities Fund 12 AIV BlockerCo 2 Limited Starwood Opportunities Fund 12 AIV BlockerCo 3 Limited Starwood Opportunities Fund 12 AIV BlockerCo 4 Limited Starwood Opportunities Fund 12 AIV BlockerCo 5 Limited Starwood Opportunities Fund 12 AIV BlockerCo Limited Starwood PropTech GP Limited TriSpan Holding Ltd TriSpan OF II GP LLP TriSpan Opportunities GP Limited TriSpan Rising Stars GP Limited TriSpan RS 02 GP LLP TriSpan RS Top-Up GP LLP Usofia Holdings Limited Whittingham Court Limited Zeta Fund Services Limited	Saltmark Limited Corked Limited Greenfield Auctions Limited Stanley Gibbons Auctions Limited DNFA Limited Octagon Chapel Limited Plastic Wax Records Limited Concept Court Limited Dover Street Limited Mallett at Bourdon House Limited Edgar Horns Limited Baynton Road Limited Chas. Nissen and Company Murray Payne Limited Milsom Street Limited Baldwin's Auctions Ltd Ely House Gallery Limited DNFA Auctions Limited
Graham Shircore	Stanley Gibbons Group Plc	

Name	Current	Previous
Graham Shircore <i>continued</i>		Stanley Gibbons International Limited Stanley Gibbons Holdings Limited Stanley Gibbons Limited The Fine Art Auction Group Limited Stanley Gibbons Museum Arts Limited Salehurst Trading Company Limited Newco9999 Limited Noble Investments (UK) Limited A.H. Baldwin & Sons Limited Stanley Gibbons Finance Limited Showpiece Technologies Limited
David Stevenson	Aurora Investment Trust Plc ETF Stream Limited Future Food Finance Limited Gresham House Energy Storage Fund Plc Secured Income Fund Plc Stockmarkets Digest Limited	321 Publishing and TV Limited Alfi Limited Alfi Data Limited Bramshaw Holdings Limited Brismo Limited Planet Sports Rights Limited Windhorse Aerospace Limited

3.8 Save as set out in paragraph 3.9 below, the Directors in the five years before the date of this document:

3.8.1 do not have any convictions in relation to fraudulent offences;

3.8.2 have not been associated with any bankruptcies, receiverships, liquidations or administration of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

3.8.3 do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

3.9 Joanna Duquemin Nicolle was a director of ProAktive Advisors Limited (formerly Develica Deutschland Management Limited) when it was liquidated pursuant to a members voluntary liquidation.

3.10 So far as is known to the Company, and which is notifiable under English or Guernsey law, as at the Latest Practicable Date, the following persons held, directly or indirectly, 3 per cent. or more of the Company's voting rights:

Name	Number of Ordinary Shares	Percentage of issued Ordinary Shares
Phoenix UK Fund Limited	57,997,909	31.5
Pentaris Qiaif PLC	35,411,811	19.2
Aurora Investment Trust PLC	24,563,184	13.3
SPWOne III Ltd	25,000,000	13.6
Aventis RP Sanofi-Aventis Pensions Trust Ltd.	6,526,514	3.5

3.11 All Shareholders have the same voting rights in respect of Shares of the same class in the share capital of the Company.

3.12 Save as disclosed in paragraph 9 of Part 2 (The Controlling Position of the Investment Manager), the Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

- 3.13 Save as disclosed in this Part 11, the Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 3.14 Save: for (i) the entry into of the Directors' appointment letters, the Investment Management Agreement and the Rawnet Deed of Novation, and (ii) as disclosed in note 14 on page 57 of the Annual Report (which is incorporated by reference into this document), the Company has not entered into any related party transaction at any time during the period from incorporation to the Latest Practicable Date.
- 3.15 Save for Graham Shircore who is an employee of the Investment Manager and is a director appointed to the Company pursuant to the exercise of the B Share Rights, and David Stevenson who is a director of Aurora, as at the date of this document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 3.16 The Company maintains Directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

4. THE ARTICLES

Under the Memorandum, the objects of the Company are unrestricted. The Memorandum is available for inspection at the addresses specified in paragraph 1.2 of this Part 11.

The following is a summary of certain provisions of the Articles of the Company

4.1 Definitions

The following definitions apply for the purposes of this paragraph 4.1 of this 0 in addition to, or (where applicable) in substitution for, the definitions applicable elsewhere in this document:

"Authorised Operator" means the authorised operator (as defined in the Regulations) of an Uncertificated System;

"CFTC" means the United States Commodity Futures Trading Commission;

"Commodity Exchange Act" means the United States Commodity Exchange Act, 1936, as amended or any substantially equivalent successor legislation;

"Disclosure Notice" has the meaning set out in sub-paragraph 4.8.1 below;

"equity securities" means shares or a right to subscribe for or convert securities into shares;

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as amended, and applicable regulations thereunder;

"International Tax Compliance Legislation" means any existing or future legislation enacted by any jurisdiction that provides for or is intended to secure the exchange of information (including legislation implementing FATCA and legislation implementing CRS), any official interpretations or guidance thereof or relating thereto, or any law or regulations implementing an intergovernmental approach thereto, or any agreements made pursuant to the implementation of the foregoing, in each case as enacted, made, amended or replaced from time to time;

"Non-Qualified Holder" means any person whose holding or beneficial ownership of any shares in the Company (whether on its own or taken with other shares), in the opinion of the Directors: (i) would or might cause the assets of the Company to be treated as "plan assets" of any Benefit Plan Investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment manager or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940 and/or the U.S. Securities Act and/or the U.S. Exchange Act, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Exchange Act, as amended; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Tax Code; or (v) may result in the Company losing or forfeiting or not being able to claim the benefit of any exemption under the Commodity Exchange Act or the rules of the CFTC or analogous legislation or regulation or becoming subject to any unduly onerous filing, reporting or

registration requirements; or (vi) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder; or (vii) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, including the Company becoming subject to any withholding tax or reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations); or (viii) may cause the Company (including for such purposes, its subsidiaries) to lose the benefit of, or suffer pecuniary disadvantage as a result of not being able to take advantage of, any applicable withholding tax treaty or similar arrangement;

“Rules” means the rules, including any manuals issued from time to time by an Authorised Operator governing the admission of securities to and the operation of the Uncertificated System managed by such Authorised Operator;

“Uncertificated System” means any computer based system and its related facilities and procedures that are provided by an Authorised Operator and by means of which title to units of a security (including shares) can be evidenced and transferred in accordance with the Regulations without a written certificate or instrument;

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the United States Securities and Exchange Commission promulgated pursuant to it.

Ordinary Shares and B Share

4.2 B Share Rights

The B Share carries the following rights as inherent rights:

- (i) notwithstanding anything else in the Articles, none of the Directors or the Company may do or agree to do anything which is a B Share Reserved Matter (as described below) without the consent in writing of the holder of the B Share;
- (ii) the right to appoint one Director and remove and replace that Director; and
- (iii) the right to receive notice of and to attend and vote at general meetings of the Company.

The B Share does not confer on the holder any right to receive dividends or other distributions. For the avoidance of doubt, the B Share shall not have any entitlement to participate in any surplus of the Company on a liquidation and in the event of a takeover offer or any other merger or scheme of arrangement involving the acquisition of the Ordinary Shares of the Company, the maximum offer price of the B Share shall not in any event exceed the offer price for an Ordinary Share. On or before the date being 7 years from the date of issuance of the B Share, the Directors shall hold a general meeting of the Company at which the B Share Continuation Resolution shall be proposed. If the B Share Continuation Resolution is not passed the B Share Rights shall lapse and be of no further effect with effect from the conclusion of such general meeting.

In addition the B Share Rights shall lapse and be of no further effect: (i) on the transfer (in whatever manner and including for the avoidance of doubt, by operation of law) by the Investment Manager of the B Share to any other person, or (ii) in the event that Gary Channon and his close relatives (as such term is defined in the Takeover Code) together cease to directly or indirectly control shares carrying more than 50 per cent. of the voting rights in Phoenix Asset Management Partners Limited.

4.3 B Share Reserved Matters

The B Share Reserved Matters comprise:

- (i) the appointment or removal of any Director;
- (ii) the proposal (save as such proposal may be required by the Companies Law) or approval of any shareholder resolution of the Company (save for the B Share Continuation Resolution); and

- (iii) save as required by law, the acquisition or disposal by the Company or any of its subsidiaries (but excluding from the scope of this provision any subsidiary whose shares are admitted to trading on a market of the London Stock Exchange) of an asset.

4.4 **Dividends**

Holders of Ordinary Shares are entitled to receive, and participate in any dividends or other distributions of the Company available for dividend or distribution.

The B Share does not carry any right to receive dividends or other distributions.

4.5 **Winding-up**

On a winding-up of the Company, the surplus assets of the Company available for distribution to the holders of Ordinary Shares (after payment of all other debts and liabilities of the Company attributable to the Ordinary Shares) shall be divided amongst the holders of Ordinary Shares *pro rata* according to their respective holdings of Ordinary Shares.

The B Share does not carry any entitlement to participate in any surplus of the Company on a liquidation.

4.6 **Voting**

Subject to any special rights, restrictions or prohibitions regarding voting for the time being attached to any shares, holders of Ordinary Shares and the B Share shall have the right to receive notice of and to attend and vote at general meetings of the Company and each holder being present in person or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Ordinary Share or B Share that they hold.

4.7 **Share Capital**

4.7.1 Subject to the other provisions of the Articles, the Directors may issue an unlimited number of shares of a par value and/or no par value or a combination of both. Shares may be denominated in any currency and different classes of shares may be denominated in different currencies (or no currency in the case of shares of no par value).

4.7.2 Subject to the provisions of the Companies Law and without prejudice to any rights attached to any existing shares or class of shares or to the provisions of the Articles, any share may be issued with such preferred, deferred, conversion or other rights or restrictions as the Company may by ordinary resolution direct or, subject to or in default of any such direction, as the Directors may determine.

4.7.3 The Company may acquire its own shares. Any such shares acquired by the Company may be cancelled or may be held as treasury shares, subject to and in accordance with the Companies Law.

4.7.4 Subject to the provisions of the Companies Law, the Company and any of its subsidiary companies may give financial assistance, as defined in the Companies Law, directly or indirectly for the purposes of or in connection with the acquisition of its shares.

4.7.5 The Company may issue shares which are, or at the option of the Company or the holder are, liable to be redeemed and convert all or any class of its shares into redeemable shares.

4.7.6 The Company may issue shares which do not entitle the holder to voting rights in any general meeting or entitle the holder to restricted voting rights in any general meeting.

4.7.7 Whenever the capital of the Company is divided into different classes of shares the rights attached to any class may (subject to the terms of issue of the shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:

4.7.7.1 with the consent in writing of the holders of at least 75 per cent. of the issued shares of that class (excluding treasury shares); or

4.7.7.2 with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

- 4.7.8 All the provisions of the Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply to every such separate meeting except that, in accordance with the Companies Law:
- 4.7.8.1 the necessary quorum shall be two persons present in person or represented by proxy (but so that if at any adjourned meeting of such holders a quorum is not present, one person present holding shares of the relevant class shall be a quorum) provided always that where the class has only one member, that member shall constitute the necessary quorum; and
- 4.7.8.2 any holder of shares of the class in question may demand a poll.
- 4.7.9 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the terms of issue of such shares) be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 4.7.10 Subject to the provisions of the Companies Law, the Articles, and any resolution of the Company, the Directors have general and unconditional authority:
- 4.7.10.1 to issue (with or without conferring rights of renunciation), grant warrants, options or other rights over, offer or otherwise deal with or dispose of unissued shares of the Company of an unlimited number or an unlimited aggregate value or rights to subscribe or convert any security into shares; or
- 4.7.10.2 to sell, transfer or cancel any treasury shares held by the Company, in any such case to such persons, at such times and on such terms and conditions as the Directors may decide. Without limiting this sub-paragraph, the Directors may designate the unissued shares upon issue as Ordinary Shares or such other class or classes of shares (and denominated in any currency or currencies as the Directors may determine) or as shares with special or other rights as the Directors may then determine.
- 4.7.11 The Company may exercise the powers of paying commissions and in such an amount or at such a percentage rate as the Directors may determine. Subject to the provisions of the Companies Law any such commission may be satisfied by the payment of cash or by the issue of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 4.7.12 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any share except an absolute right to the entirety thereof in the holder.

4.8 **Disclosure Notice, Information Rights and the Disclosure Guidance and Transparency Rules**

Without prejudice to the Companies Law, where applicable:

- 4.8.1 The Company may, by notice in writing (a “**Disclosure Notice**”) require a person whom the Directors know to be or have reasonable cause to believe is or, at any time during the 3 years immediately preceding the date on which the Disclosure Notice is issued, to have been interested in any shares:
- 4.8.1.1 to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
- 4.8.1.2 to give such further information as may be required in accordance with the Articles, as summarised in sub-paragraph below 4.8.2.
- 4.8.2 A Disclosure Notice may (without limitation) require the person to whom it is addressed:
- 4.8.2.1 to give particulars of the person’s status (including whether such person is a Non-Qualified Holder), domicile, nationality and residency;

- 4.8.2.2 to give particulars of his own past or present interest in any shares (held by him at any time during the 3 year period specified in the Articles, as summarised in sub-paragraph 4.8.1 above) and the nature of such interest;
 - 4.8.2.3 to disclose the identity of any other person who has a present interest in the shares held by him (or held by him at any time during the 3 year period specified in sub-paragraph 4.8.1 above);
 - 4.8.2.4 where the interest is a present interest and any other interest in any shares subsisted during that 3 year period at any time when his own interest subsisted, to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required by the Disclosure Notice; and
 - 4.8.2.5 where his interest is a past interest to give (so far as is within his knowledge) such particulars of the identity of the person who held that interest immediately upon his ceasing to hold it.
- 4.8.3 In addition to the right of the Company to serve notice on any person pursuant to sub-paragraph 4.8.2 above, the Company may at any time and from time to time serve a notice in writing (an “**Information Notice**”) on any Shareholder requiring that Shareholder to promptly provide the Company with any information, representations, certificates, waivers or forms (“**Information**”) relating to such Shareholder (and its direct or indirect owners or account holders or the persons beneficially interested, directly or indirectly in the shares in the Company held by such Shareholder) that the Directors may determine from time to time is necessary or appropriate for the Company to have in order to (a) satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under or in relation to AML Legislation, International Tax Compliance Legislation and/or the requirements of any similar laws or regulations to which the Company may be subject enacted from time to time by any other jurisdiction (“**similar laws**”); or (b) avoid or reduce any tax or penalty otherwise imposed by International Tax Compliance Legislation or similar laws (including any withholding upon any payments to such Shareholder by the Company); or (c) permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in section 1471(b) of the U.S. Tax Code or under similar laws. The Company and its agents shall be entitled to hold and process the Information for the purposes of carrying out the business of the Company and the administration and protection of its interests, and shall process any personal data in accordance with all applicable data protection legislation.
- 4.8.4 DTR 5, which on the basis incorporated into the Articles applies as if the Company were a “UK issuer” as such term is defined by DTR5, requires members to notify the Company if the voting rights attached to shares in the Company held by them (subject to certain exceptions as set out in DTR5) reach, exceed or fall below 3 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. The Company may also send a notice (a “**DTR Notice**”) to any person whom it knows or believes to be interested in its shares, requiring such person to confirm whether he has such an interest and, if so, details of that interest.
- 4.8.5 Any Disclosure Notice, Information Notice or DTR Notice issued or served by the Company shall require any information in response to such notice to be given within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more in number of the issued shares of the relevant class) or such other reasonable period as the Directors may determine.
- 4.8.6 If any member is in default in supplying to the Company the information required by the Company pursuant to sub-paragraphs 4.8.1, 4.8.3 and 4.8.4 within the prescribed period or such other reasonable period as the Directors determine or provides information that is false in a material particular, the Directors in their absolute discretion may serve a direction notice on the member (a “**Direction Notice**”). The Direction Notice may direct that in respect of the shares in respect of which the default has occurred (the “**Default Shares**”) the member shall not be entitled to vote in general

meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the class of shares concerned, the Direction Notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that, subject to the requirements of the London Stock Exchange, no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified. Subject always to the Regulations and the Rules and the London Stock Exchange, where the Directors have any grounds to believe that such Default Shares, are held by or for the benefit of or by persons acting on behalf of a Non-Qualified Holder, the Directors may at their discretion deem the Default Shares to be held by, or on behalf of or for the benefit of, a Non-Qualified Holder (as the Directors may determine) and that the provisions of the Articles, as summarised in sub-paragraph 4.11.7 below, should apply to such Default Shares.

4.9 **Pre-emption rights**

4.9.1 Subject to the provisions of this paragraph 4.9, the Company shall not issue equity securities, nor sell them from treasury, for cash on any terms to a person unless:

4.9.1.1 it has made an offer to each person who holds equity securities of the same class in the Company to issue to him on the same or more favourable terms a proportion of those equity securities that is as nearly as practicable equal to the proportion in number held by him of the share capital of the Company of that class; and

4.9.1.2 the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made,

provided that the Directors may impose such exclusions and/or make such other arrangements as they deem necessary or expedient or having regard to any legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange in any territory or otherwise. The holders of equity securities affected as a result of such exclusions or arrangements shall not be deemed, or be deemed to be, a separate class of members for any purposes whatsoever.

4.9.2 Securities that the Company has offered to issue to a holder of equity securities in accordance with sub-paragraph 4.9.1 above may be issued to him, or anyone in whose favour he has renounced his right to the issue, without contravening the restriction referred to in sub-paragraph 4.9.1.

4.9.3 Shares held by the Company as treasury shares shall be disregarded for the purposes of the restriction referred to in sub-paragraph 4.9.1, so that the Company is not treated as a person who holds shares; and equity securities held as treasury shares are not treated as forming part of the share capital of the Company.

4.9.4 Any offer required to be made by the Company pursuant to the restriction referred to in sub-paragraph 4.9.1 should be made by a notice in writing (given in accordance with the notice provisions of the Articles) and must state a period of not less than 14 days beginning on the date on which such offer is deemed to be delivered or received (as the case may be) pursuant to the notice provisions of the Articles during which it may be accepted and the offer shall not be withdrawn before the end of that period.

4.9.5 The restriction referred to in sub-paragraph 4.9.1 shall not apply in relation to the issue of:

4.9.5.1 bonus shares, shares issued in lieu of dividend or distribution, nor to a particular issue of equity securities if they are, or are to be wholly or partly paid otherwise than in cash; or

4.9.5.2 equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of shares or a class of shares at such record date as the Directors may determine where the securities attributable to the interests of holders of shares or a class of shares are proportionate

(as near as may be practicable) to the respective number of shares of that class held by them on such record date, subject to such conditions or other arrangements as the Directors may deem necessary or expedient in relation or legal or practical problems arising under the laws of any jurisdiction or the requirements of any regulatory body or stock exchange or any other matter whatsoever.

- 4.9.6 Notwithstanding sub-paragraphs 4.9.1 to 4.9.5 above, the Directors may be given by virtue of a special resolution the power to issue, or sell from treasury, equity securities either generally or in respect of a specific issue, or sale from treasury, such that:
- 4.9.7 sub-paragraph 4.9.1 shall not apply to the issue of Ordinary Shares or otherwise or sale of Ordinary Shares from treasury; or
- 4.9.8 sub-paragraph 4.9.1 shall only apply to the issue of Ordinary Shares, or sale of Ordinary Shares or otherwise from treasury with such modifications as the Directors may determine; and
- 4.9.9 the authority granted by the special resolution may be granted for such period of time as the special resolution permits and such authority may be revoked, repealed or varied by a further special resolution, provided that such special resolution must:
 - 4.9.9.1 state the maximum number of equity securities in respect of which the restriction in sub-paragraph 4.9.1 is excluded or modified; and
 - 4.9.9.2 specify the date on which such exclusions or modifications will expire, which must be not more than five years from the date on which the resolution is passed.
- 4.9.10 Any such special resolution passed may:
 - 4.9.10.1 be renewed or further renewed by a further special resolution for a further period not exceeding five years; and
 - 4.9.10.2 be revoked or varied at any time by a further special resolution.
- 4.9.11 Notwithstanding that any such special resolution may have expired, the Directors may issue or sell from treasury equity securities in pursuance of an offer or agreement previously made by the Company if the resolution enabled the Company to make an offer or agreement that would or might require equity securities to be issued or sold from treasury after it expired.
- 4.9.12 The pre-emption rights described above have been disapplied, *inter alia*, in relation to the issue of Ordinary Shares in connection with the Placing and subsequent placings in connection with the Placing Programme.

4.10 **Untraced Shareholders**

The Company may sell the share of a member or of a person entitled by transmission at the best price reasonably obtainable at the time of sale if, in accordance with the terms of the Articles, that person has not claimed or accepted dividends declared over a period of time and has not responded to advertisements of the Company and that the Company has received no indication of the whereabouts nor the existence of that person.

4.11 **Transfer of Shares**

- 4.11.1 Subject to the terms of the Articles, any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Directors may approve. An instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- 4.11.2 Subject to the terms of the Articles, any member may transfer all or any of his uncertificated shares by means of an Uncertificated System authorised by the Directors in such manner provided for, and subject as provided, in the Regulations and the Rules and no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred.

- 4.11.3 The Directors may, in their absolute discretion and without giving a reason, refuse to transfer, convert or register any transfer of any share in certificated form or uncertificated form (subject to sub-paragraph 4.11.4 below) which is not fully paid or on which the Company has a lien, provided in the case of a listed or quoted share that this would not prevent dealings in the share from taking place on an open and proper basis on the London Stock Exchange. In addition, the Directors may refuse to register a transfer of shares if:
- 4.11.3.1 it is in respect of more than one class of shares;
 - 4.11.3.2 it is in favour of more than four joint transferees;
 - 4.11.3.3 in relation to a share in certificated form, having been delivered for registration to the office or such other place as the Directors may decide, it is not accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; or
 - 4.11.3.4 the transfer is in favour of any Non-Qualified Holder.
- 4.11.4 The Directors may only decline to register a transfer of an uncertificated share in the circumstances set out in the Regulations and the Rules, where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.
- 4.11.5 Subject to such restrictions (if any) as may be imposed by the Regulations and/or the Rules, the registration of transfers of shares or of transfers of any class of shares may be suspended by giving such notices as may be required by the Regulations and/or the Rules at such times and for such periods (not exceeding thirty days in any year) as the Directors may determine.
- 4.11.6 No fee shall be charged for the registration of any instrument of transfer or, subject as otherwise provided in the Articles, any other document relating to or affecting the title to any share.
- 4.11.7 If it shall come to the notice of the Directors that any shares are owned directly, indirectly or beneficially by a Non-Qualified Holder or a transfer of shares is in favour of any Non-Qualified Holder, the Directors may (i) refuse to register a transfer of such shares and/or (ii) serve a notice (a **"Transfer Notice"**) upon the person (or any one of such persons where shares are registered in joint names) appearing in the Register as the holder (the **"Vendor"**) of any of the shares concerned (the **"Relevant Shares"**) requiring the Vendor within twenty-one days (or such extended time as in all the circumstances the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Shares to another person who, in the sole and conclusive determination of the Directors, is not a Non-Qualified Holder (such a person being hereinafter called an **"Eligible Transferee"**). On and after the date of such Transfer Notice, and until registration of a transfer of the Relevant Share to which it relates pursuant to the provisions referred to in this sub-paragraph 4.11.7 or sub-paragraph 4.11.8 below, the rights and privileges attaching to the Relevant Shares will be suspended and not capable of exercise.
- 4.11.8 If within twenty-one days after the giving of a Transfer Notice (or such extended time as in all the circumstances the Directors consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the Directors, the Company may sell the Relevant Shares on behalf of the holder of them by instructing a member of the London Stock Exchange to sell them on arm's length terms to any Eligible Transferee or Eligible Transferees. For this purpose the Directors may authorise in writing any officer or employee of the Company or any officer or employee of the secretary of the Company or of any manager that may be appointed to transfer the Relevant Shares on behalf of the holder of them to the purchaser or purchasers and an instrument of transfer executed by that person will be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the Relevant Shares. The purchaser

will not be bound to see the application of the purchase monies nor will its title to the Relevant Shares be affected by an irregularity or invalidity in the proceedings relating to the sale or by the price at which the Relevant Shares are sold. The Net Proceeds of the sale of the Relevant Shares will be received by the Company, whose receipt will be a good discharge for the purchase moneys, and will belong to the Company and, upon their receipt, the Company will become indebted to the former holder of, or person entitled by transmission to, the Relevant Shares for an amount equal to the Net Proceeds of transfer upon surrender by it or them, in the case of certificated shares, of the certificate for the Relevant Shares which the Vendor shall immediately be obliged to deliver to the Company. No trust will be created in respect of the debt and no interest will be payable in respect of it. The Company will pay to the Vendor at its discretion or on demand by the Vendor the proceeds of transferring the Relevant Shares (less costs and expenses) but otherwise the Company will not be required to account for any money secured from the Net Proceeds of transfer which may be employed in the business of the Company or as it thinks fit. The Company may register the transferee as holder or holders of the Relevant Shares at which time the transferee will become absolutely entitled to them.

- 4.11.9 A person who becomes aware that it is a Non-Qualified Holder shall forthwith, unless it has already received a Transfer Notice pursuant to the provisions of the Articles summarised in sub-paragraph 4.11.7 above, either transfer the shares to one or more Eligible Transferees or give a request in writing to the Directors for the issue of a Transfer Notice in accordance with the provisions of the Articles summarised in sub-paragraph 4.11.7 above. Every such request shall, in the case of certificated shares, be accompanied by the certificate(s) for the shares to which it relates.
- 4.11.10 Subject to the provisions of the Articles, the Directors will, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the shares are held directly, indirectly or beneficially by a Non-Qualified Holder. The Directors may, however, at any time and from time to time call upon any holder (or any one of joint holders) of shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holder of shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than twenty-one days after service of the notice requiring the same) as may be specified by the Directors in the said notice, the Directors may, in their absolute discretion, treat any share held by such a holder or joint holders as being held by a Non-Qualified Holder.
- 4.11.11 The Directors will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions. The exercise of the powers conferred by the provisions of the Articles summarised in sub-paragraphs 4.11.7 and/or 4.11.8 and/or 4.11.9 and/or 4.11.10 above may not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct, indirect or beneficial ownership or holding of shares by any person or that the true direct, indirect or beneficial owner or holder of any shares was otherwise than as appeared to the Directors at the relevant date provided that the said powers have been exercised in good faith.
- 4.11.12 Uncertificated shares of a class are not to be regarded as forming a separate class from certificated shares of that class. Unless the Directors otherwise determine, shares held by the same holder or joint holder in both certificated form and uncertificated form shall be treated as separate holdings.
- 4.11.13 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate or marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.
- 4.11.14 On the death of a Shareholder the survivors where the deceased was a joint holder and the executors of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing in the Articles shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.

4.11.15 A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Shareholder shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but shall not be entitled to receive notice of or to attend or vote at meetings of the Company, or save as aforesaid, to any of the rights or privileges of a Shareholder unless and until he shall be registered as a Shareholder in respect of the share provided always that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.

4.12 **Alteration of Share Capital**

Subject as provided for in the Articles, the Company may by ordinary resolution alter its share capital, including, *inter alia*, consolidating share capital, sub-dividing shares, cancelling untaken shares, converting shares into shares of a different currency and denominating or redenominating the currency of share capital.

4.13 **Notice of General Meeting**

Any general meeting shall be called by at least ten days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice, other than the holder of the B Share, shall not invalidate the proceedings at the meeting.

4.14 **Borrowing Powers of Directors**

Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow or raise money (including the power to borrow for the purpose of redeeming shares) and secure any debt or obligation of or binding on the Company in any manner including by the issue of debentures (perpetual or otherwise) and to secure the repayment of any money borrowed raised or owing by mortgage, charge, pledge or lien upon the whole or any part of the Company's undertaking property or assets (whether present or future) and also by a similar mortgage charge pledge or lien to secure and guarantee the performance of any obligation or liability undertaken by the Company or any third party.

4.15 **Appointment and Retirement of Directors**

4.15.1 Subject to the Companies Law and the Articles, the Directors shall have power at any time, and from time to time, without sanction of the Company in general meeting but subject to receiving the written consent of the holder of the B Share, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-appointment. Subject to the Companies Law and the Articles, the Company may by ordinary resolution appoint any person as a Director; and remove any person from office as a Director and there shall be no requirement for the appointment or removal of two or more Directors to be considered separately.

4.15.2 A Director may resign from office as a Director by giving notice in writing to that effect to the Company.

4.15.3 There is no age limit at which a Director is required to retire.

4.15.4 At each annual general meeting of the Company, each Director, other than the Director appointed by the holder of the B Share pursuant to the Articles, shall retire from office and each Director may offer himself for election or re-election by the Shareholders.

4.16 **Disqualification and Removal of Directors**

4.16.1 A Director shall not be required to hold any qualification shares.

4.16.2 The office of a Director shall be vacated if he ceases to be a Director by virtue of any provision of the Companies Law or he ceases to be eligible to be a Director in

accordance with the Companies Law; or he has his affairs declared en désastre, becomes bankrupt or makes any arrangement or composition with his creditors generally or otherwise has any judgment executed on any of his assets; or he becomes of unsound mind or incapable or an order is made by a court having jurisdiction (whether in Guernsey or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator or other person to exercise powers with respect to his property or affairs; or he shall have absented himself from meetings of the Directors for a consecutive period of 6 months and the Directors resolve, subject to the written approval of the holder of the B Share, that his office shall be vacated; or he dies; or he resigns his office by written notice to the Company; or, other than in relation to the Director appointed by the holder of the B Share, the Company so resolves by ordinary resolution; or where there are more than two Directors, all the other Directors, subject to the written approval of the holder of the B Share, request him to resign in writing.

4.17 **Remuneration of Directors**

Unless otherwise determined by the Company by ordinary resolution, the Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed the annual equivalent of £250,000 per annum (or such sum as the Company in general meeting shall from time to time determine).

4.18 **Directors' Appointments and Interests**

4.18.1 Subject to the provisions of the Companies Law, the Directors may appoint one or more of their number to the office of managing Director or to any other executive office upon such terms as they determine.

4.18.2 Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with the Companies Law the nature and extent of that interest.

4.18.3 For the purposes of the article summarised in sub-paragraph 4.18.2 above, a general disclosure given to the Directors to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party shall be deemed to be sufficient disclosure of his interest in any such transaction or arrangement.

4.18.4 The requirement summarised in sub-paragraph 4.18.2 above does not apply if the transaction proposed is between a Director and the Company, or if the Company is entering into the transaction in the ordinary course of business on usual terms.

4.18.5 A Director may not vote or be counted in the quorum on a resolution of the Board or committee of the Board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company) but, in the absence of some other material interest than is mentioned below, this prohibition does not apply to a resolution concerning any of the following matters:

4.18.5.1 the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;

4.18.5.2 the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity by the giving of security;

4.18.5.3 a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its

- subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- 4.18.5.4 a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including any subsidiary of the Company) in which he (and any persons connected with him) is interested and whether as an officer, Shareholder, creditor or otherwise, if he (and any persons connected with him) does not to his knowledge hold an interest in shares representing one per cent. or more of any class of the equity share capital of or the voting rights in the relevant company (or of any other company through which his interest is derived);
- 4.18.5.5 a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries which only awards him a privilege or benefit generally accorded to the employees to whom it relates; and
- 4.18.5.6 a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.
- 4.18.6 For the purposes of this article a person shall be treated as being connected with a Director if that person is:
- 4.18.6.1 a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or
- 4.18.6.2 an associated body corporate which is a company in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20 per cent. or more of the value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20 per cent. of the voting power at general meetings; or
- 4.18.6.3 a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within paragraphs 4.18.6.1 and 4.18.6.2 above excluding trustees of an employees' share scheme or pension scheme; or
- 4.18.6.4 a partner (acting in that capacity) of the Director or persons in paragraphs 4.18.6.1 to 4.18.6.3 above.
- 4.18.7 A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company, or at which the terms of any such appointment are arranged or at which any contract between the Director and the Company are considered, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these provisions) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 4.18.8 A Director may hold any other office or place of profit under the Company (other than the Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such office or place of profit or as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director so contracting or being so interested be liable to account to the Company for any profits

realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

- 4.18.9 Any Director may act by himself or his firm in a professional capacity for the Company (other than Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- 4.18.10 Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Company or in which the Company may be interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him as director, managing director, manager or other officer or member of any such company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as director of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them director, managing director, managers or other officers of such company, or voting or providing for the payment of remuneration to themselves as Directors, managing directors, managers or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in the manner aforesaid, notwithstanding that he may be or be about to be appointed a director, managing director, manager or other officer of such company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.
- 4.18.11 If a question arises at a meeting as to the materiality of a Director's interest (other than the interest of the chairman of the meeting) or as to the entitlement of a Director (other than the chairman) to vote or to be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman and his ruling in relation to the Director concerned is conclusive and binding on all concerned.
- 4.18.12 If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the Directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.

4.19 **Dividends and Distributions**

- 4.19.1 Subject to the provisions of the Companies Law and the Articles, the Board may at any time declare and pay such dividends and distributions as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.
- 4.19.2 No dividend or other distribution shall exceed the amount recommended by the Directors.
- 4.19.3 Except as otherwise provided by the rights attached to shares, all dividends or other distributions shall be declared and paid *pro rata* according to the respective numbers of shares held by Shareholders of the relevant class on which the dividend or other distribution is paid. If any share is issued on terms providing that it shall rank for dividend or other distribution as from a particular date, that share shall rank for dividend or other distribution accordingly. Any resolution declaring a dividend or a distribution on a share, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the person registered as the holders of the shares at the close of business on a particular date notwithstanding that it may be a date prior to that on which the resolution is passed and thereupon the dividend or distribution shall be payable to such persons in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend or distribution of transferors and transferees of any such shares.

- 4.19.4 The Directors may without the authority of an ordinary resolution direct, that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
- 4.19.5 The Directors may deduct from any dividend or other distribution, or other moneys payable to any member on or in respect of a share, all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 4.19.6 All unclaimed dividends or other distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. Any dividend or other distribution which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company. No dividend or other distribution or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
- 4.19.7 The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to divide.
- 4.19.8 The Directors may, subject to such terms and in such manner as they may determine, issue shares in lieu of dividends in accordance with section 306 of the Companies Law.

4.20 **Winding-Up**

Upon a winding-up of the Company the surplus assets of the Company remaining after payment of all creditors shall be divided amongst the holders of Ordinary Shares *pro rata* to their holdings of their shares.

4.21 **Certain U.S. and U.S Tax related Matters**

- 4.21.1 Without prejudice to sub-paragraph 4.8.3, the Company is authorised to take any action it determines is desirable to comply with FATCA and any similar laws (as defined in sub-paragraph 4.8.3 above), and may enter into an agreement with the U.S. Internal Revenue Service or the taxing and revenue services of any other country. The Company shall not pay any additional amounts to any person in respect of any withholding of taxes, including those relating to the provisions referred to above.
- 4.21.2 The Company is not required to make available the information necessary for any person to make a so-called “qualified electing fund” election under U.S. tax law.

4.22 **C Shares**

The following definitions apply for the purposes of this paragraph 4.22:

“**Calculation Date**” means the earliest of the:

- (a) close of business on the date to be determined by the Directors after the day on which the Investment Manager shall have given notice to the Directors that at least 80 per cent. of the net proceeds attributable to the C Shares (or such other percentage as the Directors and Investment Manager shall agree) shall have been invested; or
- (b) close of business on the date falling twelve calendar months after the issue of the C Shares or if such a date is not a business day the next following Business Day; or
- (c) close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or
- (d) close of business on such date as the Directors may determine;

“**Conversion**” means, in relation to any class of C Shares, the conversion of that class of C Shares into New Shares of the relevant class in accordance with the Articles;

“Conversion Date” means a date which falls after the Calculation Date and is the date on which the admission of the New Shares arising on Conversion to trading on the London Stock Exchange becomes effective and which is the earlier of:

- (a) the opening of business on such Business Day as may be selected by the Directors provided that such day shall not be more than forty-five Business Days after the Calculation Date; and
- (b) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances have arisen or are imminent;

“Conversion Ratio” for the C Shares of the relevant class, is A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C}{D}$$

$$B = \frac{E}{F}$$

where

“C” is the Net Asset Value of the relevant class of C Shares as at the Calculation Date

“D” is the number of C Shares of the relevant class in issue at the Calculation Date;

“E” is the Net Asset Value of the shares of the relevant class into which the relevant class of C Shares will convert as at the Calculation Date;

“F” is the number of shares of the relevant class into which the relevant class of C Shares will convert in issue at the Calculation Date (excluding any Shares of the relevant class held in treasury);

provided that the Directors shall make such adjustments to the value or amount of A and B as (i) the auditors shall report to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the net proceeds relating to the C Shares of the relevant class and/or to the reasons for the issue of the C Shares of the relevant class or (ii) the Directors deem appropriate;

“Force Majeure Circumstances” means in relation to any class of C Shares (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of the relevant class with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

“New Shares” means the ordinary shares of the relevant class arising on conversion of the C Shares.

The holders of the C Shares shall, subject to the rights of any C Shares which may be issued with special rights or privileges, have the following rights as to income:

- (a) the C Shares of each class carry the right to receive all income of the Company attributable to the C Shares, and to participate in any distribution of such income by the Company *pro rata* to the relevant Net Asset Values of each of the classes of C Share and within each such class income shall be divided *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of such class held by them;
- (b) the New Shares of the relevant class shall rank in full for all dividends and other distributions declared, made or paid by reference to a record date falling after the Calculation Date and otherwise *pari passu* with Shares of the relevant class in issue at the Calculation Date; and

- (c) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Date and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

At a time when any C Shares are for the time being in issue and prior to the Conversion Date, on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of C Shares in accordance with the provisions of the Articles and the Companies Law): the surplus capital and assets of the Company attributable to the C Shares remaining after payment of all creditors shall, subject to the rights of any C Shares that may be issued with any special rights and privileges, be divided amongst the holders of C Shares of each class *pro rata* to the relative Net Asset Values of each of the classes of C Share and within each such class, such assets shall be distributed *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of such class held by them.

As regards voting the C Shares shall carry the right to receive notice of and to attend, speak and vote at general meetings of the Company. The voting rights of holders of C Shares will be the same as that applying to other holders of shares as set out in the Articles.

Without prejudice to the generality of the Articles, for so long as there are C Shares in issue the consent of the holders of the Shares and the holders of the C Shares of the relevant class or classes, as appropriate, each as a separate class shall be required for, and accordingly the special rights attached to the Shares and the C Shares shall be deemed to be varied, *inter alia*, by:

- (a) any alteration to the Memorandum or the Articles which directly or indirectly affects the rights attaching to the C Shares as set out in the Articles;
- (b) any issue of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the issue of further C Shares;
- (c) the passing of any resolution to wind-up the Company; and
- (d) any change being made to the Company's accounting reference date.

For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Shares and C Shares, of the relevant class or classes, as appropriate, as described above, shall not be required in respect of:

- (a) the issue of further shares ranking *pari passu* in all respects with the shares already in issue (otherwise than in respect of any dividend or other distribution declared, paid or made on the shares of the relevant class by the issue of such further shares); or
- (b) the sale of any shares held as treasury shares or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).

For so long as one or more classes of C Shares are in issue and until Conversion, and without prejudice to its obligations under the Companies Law the Company shall in relation to each class or classes of Shares and C Shares (as appropriate):

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the Shares and the C Shares of the relevant class or classes (as appropriate) can, at all times, be separately identified and separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the Shares and the C Shares of the relevant class or classes (as appropriate);
- (b) allocate to the assets attributable to the Shares and the C Shares of the relevant class or classes (as appropriate) such proportion of the expenses and liabilities of the Company as the Directors fairly consider to be attributable to the Shares and C Shares of the relevant class or classes (as appropriate); and
- (c) the Company shall give appropriate instructions to the Investment Manager and the Administrator to manage the Company's assets so that such undertaking can be complied with by the Company.

The C Shares are issued on such terms that they shall be redeemable by the Company in accordance with the terms set out in the Articles. At any time prior to Conversion, the Company

may, subject to the provisions of the Companies Law, at its discretion, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject, where applicable, to the facilities and procedures of any uncertificated system) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holders of C Shares.

The C Shares of the relevant class shall be converted into New Shares of the corresponding class on the Conversion Date in accordance with the following provisions of this paragraph:

- (a) the Directors shall procure that:
 - (i) the Company (or its delegate) calculates, within ten Business Days after the Calculation Date, the Conversion Ratio as at the Calculation Date and the numbers of New Shares of the relevant class to which each holder of C Shares shall be entitled on Conversion; and
 - (ii) the auditors (or some other appropriately qualified person) shall be requested to certify, within three Business Days of the Calculation Date, that such calculations have been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all shareholders, subject to the proviso immediately after the definition of "F" above.

The Directors shall procure that, as soon as practicable following such certificate, an announcement is made to a Regulatory Information Service, advising holders of C Shares of the relevant class of the Conversion Date, the Conversion Ratio and the aggregate number of New Shares of the relevant class to which holders of C Shares of the relevant class are entitled on Conversion.

Conversion shall take place on the Conversion Date. On Conversion:

- (a) each issued C Share of the relevant class shall automatically convert and be re-designated into such number of New Shares of the corresponding class as shall be necessary to ensure that, upon Conversion being completed, the number of New Shares of the relevant class equals the number of C Shares of the relevant class in issue at the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole New Share of the relevant class) (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Shares of the relevant class, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares of the relevant class, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares of the relevant class who shall be bound by them;
- (b) forthwith upon Conversion, any certificates relating to the C Shares of the relevant class shall be cancelled and the Company shall issue to each such former holder of C Shares of the relevant class new certificates in respect of the New Shares of the relevant class which have arisen upon Conversion unless such former holder of any C Shares of the relevant class elects to hold their New Shares of the relevant class in uncertificated form;
- (c) the Company will use its reasonable endeavours to procure that, upon Conversion, the New Shares are admitted to the trading on the London Stock Exchange; and
- (d) the Directors are authorised to effect such and any conversions and/or consolidations and/or subdivisions and/or combinations of the foregoing (or otherwise as appropriate) as may have been or may be necessary from time to time to implement the conversion mechanics for C Shares set out in the Articles or as they, in their discretion, consider fair and reasonable having regard to the interest of all shareholders.

5. TAKEOVER CODE

5.1 Mandatory bid

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

5.2 Compulsory Acquisition

The Companies Law provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within four months after the date of such offer, the offer is approved or accepted by Shareholders comprising not less than 90 per cent. in value of the shares affected, then the offeror may, within a period of two months immediately after the last day on which the offer can be approved or accepted, give notice to any dissenting shareholders informing them that it wishes to acquire their shares (an “**Acquisition Notice**”). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire the dissenting shareholders’ shares on the terms of the offer approved by the shareholders comprising not less than 90 per cent. in value of the shares affected; and where the terms of the offer provided a choice of consideration, the Acquisition Notice must give particulars of the choice and state, (a) the period within which, and the manner in which, the dissenting shareholder must notify the offeror of his choice, and (b) which consideration specified in the offer will apply if it does not so notify the offeror.

6. MATERIAL CONTRACTS OF THE COMPANY

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Company since its incorporation and are, or may be, material or contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this document:

6.1 Placing Agreement

The Placing Agreement dated 1 February 2023 between the Company, the Investment Manager and Liberum, pursuant to which, subject to certain conditions, Liberum has agreed to use reasonable endeavours to procure subscribers for Ordinary Shares pursuant to the Placing at the Issue Price and to use reasonable endeavours to procure subscribers under the Placing Programme for Shares at the Placing Programme Price. The Company has appointed Liberum as financial adviser and bookrunner to the Company in connection with the Placing and the Placing Programme.

The Placing Agreement provides for Liberum to be paid commissions by the Company in respect of the Shares to be issued pursuant to the Placing and the Placing Programme. Any Shares subscribed for by Liberum may be retained or dealt in by it for its own benefit.

Under the Placing Agreement, Liberum is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees. Liberum is also entitled under the Placing Agreement to retain agents and may pay commission to any or all of those agents out of its own resources.

The Placing Agreement may be terminated by Liberum in certain customary circumstances.

The obligation of the Company to issue the Ordinary Shares and the obligation of Liberum to use its reasonable endeavours to procure subscribers for Ordinary Shares pursuant to the Placing is conditional upon certain conditions that are typical for an agreement of this nature.

These conditions include, among others: (i) the Takeover Offer becoming or being declared unconditional; (ii) Admission in relation to the Placing Shares having become effective on or before 8.00 a.m. on the date being two business days following the date on which the Takeover Offer has become or been declared unconditional (or such later time and/or date as the Company and Liberum may agree (not being later than 8.00 a.m. on 31 July 2023 or such later date as the Company and Liberum may agree from time to time)); and (iii) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission.

Each issue of Shares pursuant to a Subsequent Placing under the Placing Programme is conditional, *inter alia*, on: (i) Admission of the relevant Shares occurring by no later than 8.00 a.m. on such date as the Company and Liberum may agree from time to time in relation to that Admission, not being later than 31 January 2024; (ii) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules; (iii) in respect of an issue of Shares, the Placing Programme Price being determined by the Directors; and (iv) the Placing Agreement being wholly unconditional as regards the relevant Subsequent Placing (save as to the relevant Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.

In addition, pursuant to the terms of the Placing Agreement and subject to the satisfaction of certain conditions, Liberum will procure Admission in respect of the Takeover Shares to be issued to Eligible Dignity Shareholders in connection with the Listed Share Alternative and the Ordinary Shares to be issued pursuant to the Consortium Rollover.

The Company and the Investment Manager have given warranties to Liberum concerning, *inter alia*, the accuracy of the information contained in this document. The Company and the Investment Manager have also given indemnities to Liberum. The warranties and indemnities are standard for an agreement of this nature.

The Placing Agreement is governed by the laws of England and Wales.

6.2 Investment Management Agreement

The Investment Management Agreement dated 23 September 2021 between the Company and the Investment Manager, pursuant to which the Investment Manager is appointed to act as the Company's alternative investment fund manager for the purposes of the UK AIFM Regime, and accordingly the Investment Manager is responsible for providing portfolio management and risk management services to the Company, subject to the overall control and supervisions of the Directors. The Investment Manager, in its capacity as the Company's alternative investment fund manager, also made the relevant notifications for the marketing of the Shares in the United Kingdom and elsewhere.

The Investment Manager's remuneration for the provision of its services under the Investment Management Agreement will be the performance fee only (the "**Performance Fee**").

The Company's performance is measured over consecutive periods of not less than three years (each a "**Performance Period**"). The first Performance Period commenced on initial admission pursuant to the Company's IPO on 18 October 2021 and ends on 31 December 2024.

The Performance Fee is equal to one third of the outperformance of the Net Asset Value total return (on an undiluted basis and excluding any accrual or payment of the Performance Fee) after adjustment for inflows and outflows (such inflows and outflows including, for the avoidance of doubt, tender payments and, buybacks), with dividends reinvested, over the FTSE All-Share Total Return Index, for each Performance Period (or, where no performance fee is payable in respect of a financial year, in the period since a Performance Fee was last payable). The Net Asset Value total return is based on the weighted number, and Net Asset Value, of the Ordinary Shares in issue over the relevant Performance Period.

Subject at all times to compliance with relevant regulatory and tax requirements, any Performance Fee payable shall be satisfied as to 100 per cent. of its value by the issuance of new Ordinary Shares by the Company to the Investment Manager (rounded down to the nearest whole number of Ordinary Shares) (including the reissue of treasury shares) ("**Performance Fee Shares**").

The number of Performance Fee Shares to be issued to the Investment Manager, shall be equal to applicable Performance Fee divided by the prevailing Net Asset Value per Ordinary Share at the time of issue (adjusted for any dividend or other distributions the right to which have gone ex prior to the date of issue).

In no event, however, shall the Investment Manager be obliged to receive, or acquire, further Ordinary Shares where to do so would result in the Investment Manager or the Company being in breach of any law or regulation. In particular, at no time shall the Investment Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant “whitewash” resolution having been passed, to receive or acquire further Ordinary Shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code.

At its option, the Investment Manager shall be entitled to elect that a portion of any Performance Fee is paid in cash instead of Performance Fee Shares where the Investment Manager is required to pay any tax liability and other related costs arising from the payment of any Performance Fee. Any such election shall be made within five working days of the relevant Performance Fee calculation date and the resulting cash payment shall be made at the same time as the issuance of any Performance Fee Shares.

Where any restriction exists on the issuance of further new Ordinary Shares to the Investment Manager, the relevant amount of the Performance Fee may be paid in cash.

The Investment Management Agreement is for an initial term of five years commencing on 18 October 2021 and thereafter subject to termination on not less than 24 months’ written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager or in the event that the Investment Manager ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Investment Management Agreement).

The Company has given an indemnity in favour of the Investment Manager (subject to customary exceptions) in respect of the Investment Manager’s potential losses in carrying on its responsibilities under the Investment Management Agreement.

The Investment Management Agreement is governed by the laws of England and Wales.

6.3 **The Joint Venture Agreement**

The Joint Venture Agreement dated 29 September 2022 as amended and restated on 23 January 2023 between the Company, SPWOne, Valderrama and the Investment Manager pursuant to which the parties have agreed to set out the basis on which the shareholders will subscribe for shares in the capital of Valderrama and the basis on which Valderrama and its business will be managed.

Under the agreement SPWOne and the Company have each agreed to subscribe for such number of A1 ordinary shares or A2 ordinary shares in Valderrama respectively at an average price of £1.00 per ordinary share as equals at least the maximum aggregate amount required to satisfy the cash consideration payable to the fully diluted Dignity Shareholders in accordance with the terms of the Takeover Offer or Scheme (as applicable), being £212,081,171, less any such amount which Morgan Stanley agrees may be satisfied by a source other than the Company and SPWOne. Furthermore, it was agreed that SPWOne and the Company may determine that the Takeover Offer requires additional funding in which case the terms of such funding will be agreed between the parties at the relevant time. Where any part of such additional funding is provided by a new investor in the form of an equity investment in Valderrama, such new investor(s) would be required to execute a deed of adherence to ensure it is bound by the terms of the Joint Venture Agreement. In such instance the parties agreed that the new investor’s investment would take the form of newly issued B ordinary shares in Valderrama.

At the Effective Date, simultaneous with the issue of A1, A2 and/or B ordinary shares as outlined above, Valderrama may also issue: (i) C1 ordinary shares to such person(s) as are nominated by SPWOne; (ii) C2 ordinary shares to such person(s) as are nominated by the Company; (iii) D ordinary shares to any third party investors to facilitate the rolling over of their

existing equity interests in Dignity; and (iv) E ordinary shares to such parties as the A1 shareholders and A2 shareholders may agree from time to time.

The Joint Venture Agreement contains provisions governing the return of capital. On a share sale or asset sale, any surplus consideration or assets (as appropriate) after payment or provision of expenses (“**Surplus Assets**”) is to be applied as follows:

- firstly, simultaneously to all holders of ordinary shares until they have each received an amount equal to (or a pro-rata share of, if less) the aggregate cumulative amount of the issue price of the relevant ordinary shares held by it, respectively;
- secondly, simultaneously to all holders of ordinary shares pro-rata to the number of shares held as follows:
 - the A1, A2, B and D shareholder(s) shall receive a sum equal to the remaining Surplus Assets (“**Shared Gains**”) per share multiplied by 0.85 in respect of each ordinary share held by it, as appropriate;
 - the C1 shareholder(s) shall receive a sum equal to the Shared Gains per share multiplied by 0.12 in respect of each ordinary share held by it, as appropriate;
 - the C2 shareholder(s) shall receive a sum equal to the Shared Gains per share multiplied by 0.03 in respect of each ordinary share held by it, as appropriate; and
 - the E shareholder(s) shall receive a sum equal to the Shared Gains per share in respect of each ordinary share held by it.

On a listing, to the extent that a share capital reorganisation is required, such reorganisation shall be effected in a manner consistent with the economic rights of the existing shares.

Pursuant to the terms of the Joint Venture Agreement Nick Edwards of SPWOne (the “**A1 Director**”) and Steve Tatters of the Investment Manager (the “**A2 Director**”) were appointed as the two directors of Valderrama. The parties agreed that, *inter alia*, no board resolution is passed without at least one A1 Director and one A2 Director voting in favour of such resolution. Each of SPWOne and the Company respectively indemnify Valderrama against any claim made against or loss suffered by Valderrama as a result of the exercise by that party of its right to appoint or remove a shareholder director.

The Joint Venture Agreement shall terminate: (i) where there remains only one holder of shares in Valderrama; (ii) where certain steps are taken in pursuant of the winding up of Valderrama; or (iii) in the event of a dispute between the A1 shareholders and A2 shareholders that has reached a deadlock that is otherwise incapable of being resolved.

The Joint Venture Agreement is governed by the laws of England and Wales.

6.4 Consortium Exclusivity Agreement

The Consortium Exclusivity Agreement dated 7 October 2022 between the Company, SPWOne and the Investment Manager (together, the “**Consortium**”) pursuant to which the parties have agreed to work together on an exclusive basis for the purposes of implementing the Takeover Offer on the terms and subject to the conditions of the agreement.

Pursuant to its terms, the parties have undertaken that they shall not (and in the case of the Company and the Investment Manager (in its capacity as a fund manager), they shall use their best endeavours to procure that the Other Phoenix Accounts and any members of the Investment Manager’s staff who hold Dignity Shares directly (together the “**Concert Party**”) shall not (in each case other than pursuant to the Takeover Offer)) pursue various specified actions in relation to any Dignity Shares or other securities or assets of its group including, *inter alia*, not offering to acquire or sell any interest in any Dignity Shares or enter into any discussions in connection therewith, in all cases without the prior written consent of the other parties (and, if required under the Takeover Code, the consent of the Takeover Panel). If any of the parties are approached with regard to certain such matters such party must promptly notify the other parties.

Each of the parties has also undertaken that it nor any of its directors, officers, employees, agents and advisers shall (and in the case of the Company and the Investment Manager (in its capacity as a fund manager), they shall use their best endeavours to procure that the Concert

Party and their respective directors, officers, employees, agents and advisers shall), do or omit to do anything which frustrates the Consortium's ability to make the Takeover Offer or which is intended to, or is likely to, prejudice or delay the successful consummation of the Takeover Offer.

Furthermore, the parties have also undertaken that they shall (and in the case of the Company and the Investment Manager (in its capacity as a fund manager), they shall use their best endeavours to procure that the Concert Party shall) comply with various provisions ensuring the Consortium's co-operating including, *inter alia*, that they work together in all reasonable respects and in good faith in pursuing, conducting and implementing the Takeover Offer.

The Consortium Exclusivity Agreement may be terminated with immediate effect upon the earlier of: (a) 14 days after the Takeover Offer (if made) becomes effective or unconditional; (b) the written agreement of the parties; (c) the Takeover Offer (if made) lapsing or being withdrawn or not become effective or unconditional by the longstop date specified in the Announcement; (d) any competitive offer in relation to Dignity becoming effective or unconditional; (e) the date on which the Consortium makes an announcement under Rule 2.8 of the Takeover Code of their intention not to make the Takeover Offer; and (f) if the Announcement has not been released, the date falling six months after the date of the agreement unless unanimously agreed to be later.

The Consortium Exclusivity Agreement is governed by the laws of England and Wales.

6.5 **Confidentiality Agreement**

The Confidentiality Agreement dated 21 November 2022 between the Company, Dignity, Valderrama, the Investment Manager and SPWOne pursuant to which the parties have agreed to keep confidential certain information provided by Dignity in relation to the Takeover Offer, subject to certain exceptions customary for an agreement of this nature.

The parties also agree and acknowledge that they will not engage in any behaviour while in possession of confidential information which would amount to market abuse for the purposes of, or is otherwise prohibited under, MAR or any equivalent offences under the Criminal Justice Act 1993.

The obligations in the Confidentiality Agreement will expire on the earlier of (a) 18 months from the date of the agreement and (b) the date of completion of the Takeover Offer.

The Confidentiality Agreement is governed by the laws of England and Wales.

6.6 **Standby Loan Facility A**

The Standby Loan Facility A dated 20 January 2023, as amended and restated on 1 February 2023, between the Company and Phoenix UK Fund Limited, pursuant to which Phoenix UK Fund Limited has made available to the Company an unsecured term loan facility up to an amount of £60,000,000 to be used by the Company, if required, to finance some or all of the cash consideration payable by the Company (as one of the Consortium members) for Dignity Shares pursuant to the Takeover Offer. The loans under the Standby Loan Facility A will be available on a customary "certain funds" basis.

Loans under the Standby Loan Facility A will bear interest at the percentage rate per annum specified under the margin loan agreement dated 12 January 2023 between, amongst others, Phoenix UK Fund Limited (as borrower) and Morgan Stanley Bank N.A. (as original lender) ("**Margin Loan Agreement**") (which is the aggregate of 2.5 per cent. and the compounded reference rate for that day, plus a margin under the Standby Loan Facility A of 5 per cent. per annum. In addition, the Company shall pay to Phoenix UK Fund Limited an amount equal to the fees, interest (to the extent not fully reimbursed above), costs and expenses payable by Phoenix UK Fund Limited under and in accordance with the Margin Loan Agreement, which shall include an upfront fee equal to 1.7 per cent. of the total commitment and a six month make whole of 2.5 per cent.

The maturity of the Standby Loan Facility A is: (a) if an advance has been made, the date specified by Phoenix UK Fund Limited as the repayment date, or (b) if no advance has been made, the date notified by Phoenix UK Fund Limited.

The Standby Loan Facility A is governed by the laws of England and Wales.

6.7 **Standby Loan Facility B**

The Standby Loan Facility B dated 20 January 2023, as amended and restated on 1 February 2023, between the Company and Phoenix UK Fund Limited, pursuant to which Phoenix UK Fund Limited has made available to the Company an unsecured term loan facility up to an amount of £49,000,000 to be used by the Company, if required, to finance some or all of the cash consideration payable by the Company (as one of the Consortium members) for Dignity Shares pursuant to the Takeover Offer. The loans under the Standby Loan Facility B will be available on a customary “certain funds” basis.

Loans under the Standby Loan Facility B will bear interest at the percentage rate of 15 per cent. per annum on the amount of the commitment until such time as Phoenix UK Fund Limited notifies the Borrower that interest shall accrue on the total principal amount of any advance. In addition, the Company shall pay to Phoenix UK Fund Limited an amount equal to the fees, costs and expenses incurred by Phoenix UK Fund Limited in the preparation, negotiation and execution of the Standby Loan Facility B.

The maturity of the Standby Loan Facility B is: (a) if an advance has been made, the date specified by Phoenix UK Fund Limited as the repayment date, or (b) if no advance has been made, the date notified by Phoenix UK Fund Limited.

The Standby Loan Facility B is governed by the laws of England and Wales.

6.8 **The PUK Commitment Letter**

The commitment letter dated 27 January 2023 between Phoenix UK Fund Limited and the Company pursuant to which Phoenix UK Fund Limited irrevocably agrees that, in the event the Placing does not raise Gross Proceeds of at least £10 million by 30 April 2023, it will subscribe for such number of new Ordinary Shares at a subscription price of 75.02 pence per Ordinary Share as will provide the Company with gross proceeds of £10 million (less the Gross Proceeds raised under the Placing (if any)).

The PUK Commitment Letter is governed by the laws of England and Wales.

6.9 **The Consortium Rollover SPA**

The Consortium Rollover SPA dated 23 January 2023 between the Company, the Other Phoenix Accounts and Bidco pursuant to which the Company and the Other Phoenix Accounts have agreed to transfer their entire holdings of Dignity Shares to Bidco in exchange for the issue by Bidco of unsecured loan notes of £1.00 each. The transfer is conditional on the first of (i) the Takeover Offer becoming unconditional, (ii) the Takeover Offer being capable of being declared unconditional and (iii) the Takeover Offer being capable of being declared unconditional but for the satisfaction of the Acceptance Condition (provided that the Takeover Offer would be capable of being declared unconditional following the transfer to Bidco of the Dignity Shares as contemplated by the agreement) or, if Bidco elects to effect the Takeover Offer by way of a scheme of arrangement, upon the scheme of arrangement becoming effective in accordance with its terms.

The Consortium Rollover SPA will terminate if the Takeover Offer or, where Bidco elects to implement the Takeover Offer by way of a scheme of arrangement, the scheme of arrangement, lapses or is withdrawn and Bidco confirms that it does not intend to proceed.

The Consortium Rollover SPA is governed by the laws of England and Wales.

6.10 **Administration Agreement**

The Administration Agreement between the Company, the Investment Manager and the Administrator dated 16 July 2021, pursuant to which the Administrator agreed to act as Administrator to the Company.

Under the terms of the Administration Agreement, the Administrator shall provide the day-to-day administration of the Company and is also responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company's accounting and statutory records.

The Company has given an indemnity in favour of the Administrator in respect of the Administrator's potential losses in carrying on its responsibilities under the Administration Agreement.

The Administration Agreement is terminable, *inter alia*, upon not less than 90 days written notice. The Administration Agreement is also terminable immediately upon the occurrence of certain standard events including the insolvency of the Company or the Administrator or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within 30 days of written notice being given).

Details of the fees payable to the Administrator are set out in paragraph 5.1 of Part 6 of this document.

The Administration Agreement is governed by the laws of Guernsey.

6.11 **Depositary Agreement**

The Depositary Agreement between the Company, the Investment Manager and the Depositary dated 19 July 2021, pursuant to which the Depositary was appointed as the Company's Depositary.

In accordance with the terms of the Depositary Agreement, and subject to the provisions of the UK AIFM Regime, the Depositary may delegate its safe-keeping functions in relation to financial instruments and other assets of the Company.

The Depositary Agreement is terminable by any party giving to the others not less than six months written notice. The Depositary Agreement may be terminated with immediate effect by any of the parties on the occurrence of certain events, including: (i) if another party has committed a material breach of the terms of the Depositary Agreement; or (ii) in the case of insolvency of a party.

The Company has given market standard indemnities in favour of the Depositary in respect of the Depositary's potential losses in carrying on its responsibilities under the Depositary Agreement.

Details of the fees payable to the Depositary are set out in paragraph 5.2 of Part 6 of this document.

The Depositary Agreement is governed by the laws of Guernsey.

6.12 **Registrar Agreement**

The Registrar Agreement dated 23 September 2021 between the Company and the Registrar pursuant to which the Registrar agreed to act as Registrar to the Company.

Under the agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time. The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

The Registrar Agreement is for an initial period of three years commencing on 18 October 2021 and thereafter shall automatically renew for successive periods of 12 months unless or until terminated by either party (a) at the end of the initial period, provided written notice is given to the other party at least six months prior to the end of the initial period, or (b) at the end of any successive 12 month period, provided written notice is given to the other party at least six months prior to the end of such successive 12 month period. In addition, either party may terminate the Registrar Agreement:

- by service of three months' written notice should the parties not reach an agreement regarding any increase of the fees payable under the Registrar Agreement; or
- upon service of written notice if the other party commits a material breach of its obligations under the Registrar Agreement (including any payment default) which that party has failed to remedy within 45 calendar days of receipt of a written notice to do so from the first party; or

- upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an Administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Company has given certain market standard indemnities in favour of the Registrar and its affiliates and their Directors, officers, employees and agents in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar's Agreement is governed by the laws of Guernsey.

6.13 **IPO Placing and Offer Agreement**

The IPO Placing and Offer Agreement dated 23 September 2021 between the Company, the Directors, the Investment Manager and Liberum, pursuant to which, subject to certain conditions, Liberum agreed to use reasonable endeavours to procure subscribers for Ordinary Shares pursuant to the initial placing forming part of the Company's IPO and to use reasonable endeavours to procure subscribers under the placing programme for Shares implemented as part of the IPO. The Company appointed Liberum as financial adviser and bookrunner to the Company in connection with the IPO initial placing and the IPO placing programme.

The IPO Placing and Offer Agreement provided for Liberum to be paid commissions by the Company in respect of the Shares issued pursuant to the initial IPO placing and the IPO placing programme.

The Company, the Directors and the Investment Manager gave warranties to Liberum concerning, *inter alia*, the accuracy of the information contained in the IPO prospectus. The Company and the Investment Manager also gave indemnities to Liberum. The warranties and indemnities were standard for an agreement of this nature.

The IPO Placing and Offer Agreement is governed by the laws of England and Wales.

6.14 **Master Initial Portfolio Acquisition Agreement**

The Master Initial Portfolio Acquisition Agreement dated 23 September 2021 between the Company and the Investment Manager, pursuant to the terms of which, the Investment Manager agreed to direct the sale of the interests held by certain funds and managed accounts under the discretionary management of the Investment Manager (the "**Vendors**") in a portfolio of target seed assets and the Company agreed to purchase such assets on the terms and conditions of the agreement.

The Master Initial Portfolio Acquisition Agreement provided for the total consideration for the sale of the interests of the Vendors in the target seed assets to be equal to the aggregate of the market value of the shares held by the Vendors in: (a) Dignity; (b) Hornby; (c) Phoenix SG, and (d) CIL.

The aggregate consideration payable to the Vendors for the acquisition of the interests in the acquired assets was satisfied by the issuance by the Company to the Vendors (or their nominees) of Ordinary Shares.

The Investment Manager gave warranties to the Company concerning, *inter alia*, its full power, legal capacity and authority to enter into and perform its obligations under the Master Initial Portfolio Acquisition Agreement. The warranties were standard for an agreement of this nature.

Under the Master Initial Portfolio Acquisition Agreement, the Investment Manager had limited liability and shall not be liable in certain circumstances, including for loss of profit, loss of goodwill, indirect or consequential losses except those that were reasonably foreseeable.

The Master Initial Portfolio Acquisition Agreement is governed by the laws of England and Wales.

6.15 **Aurora Initial Portfolio Acquisition Agreement**

The Aurora Initial Portfolio Acquisition Agreement dated 23 September 2021 between the Company, Aurora and the Investment Manager, pursuant to the terms of which, Aurora agreed to direct the Investment Manager to procure the sale of interests in the target seed assets, held by Aurora, and the Company agreed to purchase such assets on the terms and conditions of the agreement.

The Aurora Initial Portfolio Acquisition Agreement provided for the total consideration for the sale of the interests of Aurora in the target seed assets to be equal to the aggregate of the market value of the shares held by Aurora in: (a) Dignity; (b) Hornby; (c) Phoenix SG, and (d) CIL.

The consideration payable to Aurora for the acquisition of the interests in the acquired assets was satisfied by the issuance by the Company to Aurora (or its nominee) of Ordinary Shares.

Each party gave warranties concerning, *inter alia*, its full power, legal capacity and authority to enter into and perform its obligations under the Aurora Initial Portfolio Acquisition Agreement. The warranties were standard for an agreement of this nature.

The Aurora Initial Portfolio Acquisition Agreement is governed by the laws of England and Wales.

6.16 **Additional Portfolio Acquisition Agreement**

The Additional Portfolio Acquisition Agreement dated 10 November 2021 between the Company and the Investment Manager, pursuant to the terms of which, the Investment Manager agreed to direct the sale of the interests held by certain further managed accounts under the discretionary management of the Investment Manager (the “**Additional Vendors**”) in a portfolio of target seed assets and the Company agreed to purchase such assets on the terms and conditions of the agreement.

The Additional Portfolio Acquisition Agreement provided for the total consideration for the sale of the interests of the Additional Vendors in the target seed assets to be equal to the aggregate of the market value of the shares held by the Vendors in: (a) Dignity; (b) Hornby; and (c) Phoenix SG.

The aggregate consideration payable to the Additional Vendors for the acquisition of the interests in the acquired assets was satisfied by the issuance by the Company to the Additional Vendors (or their nominees) of Ordinary Shares.

The Investment Manager gave warranties to the Company concerning, *inter alia*, its full power, legal capacity and authority to enter into and perform its obligations under the Additional Portfolio Acquisition Agreement. The warranties were standard for an agreement of this nature.

Under the Additional Portfolio Acquisition Agreement, the Investment Manager had limited liability and shall not be liable in certain circumstances, including for loss of profit, loss of goodwill, indirect or consequential losses except those that were reasonably foreseeable.

The Additional Portfolio Acquisition Agreement is governed by the laws of England and Wales.

6.17 **Rawnet SPA**

The Rawnet SPA between the Rawnet Sellers and the Investment Manager dated 19 August 2020 pursuant to which the Investment Manager agreed to purchase the entire issued share capital of Rawnet from the Rawnet Sellers. The Rawnet SPA was formally novated to the Company pursuant to the Rawnet Deed of Novation between the Company, the Investment Manager and the Rawnet Sellers dated 12 February 2021, pursuant to which the parties agreed that all of the rights, liabilities and obligations of the Investment Manager under the Rawnet SPA and the related transaction documents shall be novated to the Company. The acquisition of Rawnet completed on 12 February 2021.

The purchase price for the acquisition comprised of initial consideration of £2,709,255 and deferred consideration of a sum not exceeding £2,709,932 (the “**Deferred Consideration**”). The initial consideration was payable to the Rawnet Sellers by a deposit of £1,000,000 paid on the date of the Rawnet SPA (the “**Deposit**”), and an additional payment at completion, made up of the balance of the initial consideration (less the Deposit) and less any amount withheld

from certain of the Rawnet Sellers in respect of the exercise price due to be paid by them for the exercise of their respective share options. The Deposit was reimbursed by the Company to the Investment Manager pursuant to the Rawnet Deed of Novation.

Payment of the Deferred Consideration is subject to achievement by the Rawnet Sellers of certain earn-out hurdles being achieved in the period of three years from completion (the “**Earn-out Period**”).

If all of the first year hurdles and second year hurdles are achieved, the Company will pay £903,311 in Deferred Consideration for each year. If all of the Third Year Hurdles are met, the Company will pay the Rawnet Sellers a further £903,310. If only some of the earn-out hurdles are met, the Deferred Consideration will be reduced, dependent upon which hurdles have been achieved and in respect of which of Hornby, Stanley Gibbons or CIL the achievement has been made. If it is agreed between the Company and the Rawnet Sellers that any of the hurdles cannot be achieved due to an action or omission of any of the companies to which the hurdles relate, or a change in strategy of those companies, the full amount of the Deferred Consideration will become payable to the Rawnet Sellers. If any of the Rawnet Sellers become Bad Leavers (as set out in the Rawnet SPA), they will cease to be entitled to their proportion of the Deferred Consideration.

The Rawnet SPA contains a customary suite of warranties, including a set of tax warranties and tax covenant in respect of any tax liability that may arise. Adam Paul Smith agreed to indemnify Rawnet and the Company in respect of any costs that are incurred in relation to any of the non-tax warranties.

The Rawnet SPA is governed by the laws of England and Wales

6.18 **Subscription Letter**

The Subscription Letter between Phoenix UK Fund Limited and the Company pursuant to which Phoenix UK Fund Limited applied to subscribe for 4,000,000 Ordinary Shares for an aggregate subscription price of £4,000,000. The Subscription Letter is governed by the laws of Guernsey.

6.19 **Ocula Shareholders Agreement**

The Ocula Shareholders Agreement dated 6 May 2021 between the Company, Gerard Buggy, Buggy-Inv Ltd, Tom McKenna and Ocula pursuant to which the parties have agreed to set out the basis on which the Company and the other parties will manage and regulate Ocula's business.

While the Company is a shareholder it has the right to appoint a director of its choosing. The parties have agreed a list of matters and actions which require consent of the Company prior to taking place which include, *inter alia*, the issue of new shares, any material changes to Ocula's business plan, operating plan or budget and any material changes to its constitution or business.

The agreement contains restrictions on the transfer of shares without the consent of the Company and any proposed new shareholder (whether by way of the transfer of existing shares or the issuance of new shares) must first execute a deed of adherence. The agreement will be terminated, *inter alia*, in relation to any shareholder on the date he or it ceases to be the registered holder of shares in Ocula.

The Ocula Shareholders Agreement is governed by the laws of England.

7. **LITIGATION**

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time during a period covering at least the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Group.

8. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements that is for at least the next 12 months from the date of this document.

9. CAPITALISATION AND INDEBTEDNESS

The following table, sourced without material adjustment from the Company's unaudited management accounting records, sets out the Group's capitalisation as at 31 December 2022:

	As at 31 December 2022 (unaudited) £'000
Total current debt (including current portion of non-current debt):	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
	<hr/>
Total current debt	–
	<hr/>
Total non-current debt (excluding current portion of non-current debt):	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
	<hr/>
Total non-current debt	–
	<hr/>
Total indebtedness	–
	<hr/>
Shareholder equity:	
Share capital	184,117
Legal reserve(s)	–
Other reserves	(46,084)
	<hr/>
Total shareholder equity	138,033
	<hr/>

The following table, sourced without material adjustment from the Company's unaudited management accounting records, sets out the Group's net indebtedness as at 31 December 2022:

	As at 31 December 2022 (unaudited) £'000
A. Cash	7,614
B. Cash equivalents	–
C. Other current financial assets	–
	<hr/>
D. Liquidity (A + B + C)	7,614
	<hr/>
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	–
F. Current portion of non-current financial debt	–
	<hr/>
G. Current financial indebtedness (E + F)	–
	<hr/>
H. Net current financial indebtedness (G – D)	7,614
	<hr/>
I. Non-current financial debt (excluding current portion and debt instruments)	–
J. Debt instruments	–
K. Non-current trade and other payables	–
	<hr/>
L. Non-current financial indebtedness (I + J + K)	–
	<hr/>
M. Total financial indebtedness (H + L)	7,614
	<hr/>

The Company had no indirect or contingent indebtedness as at 31 December 2022.

10. GENERAL

- 10.1 Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 10.2 As at the date of this document the Company does not have any borrowings or indebtedness and there are no mortgages, charges or security interests over or attaching to the Company's assets.
- 10.3 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than to the Specialist Fund Segment of the Main Market.
- 10.4 Liberum has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.5 The Investment Manager was incorporated in England and Wales as a limited company on 20 February 1998 under the Companies Act 2006 (registration number 03514660). The Investment Manager is authorised and regulated by the FCA (FCA registration number 186871). The registered office of the Investment Manager is 64-66 Glenthams Road, Barnes, London SW13 9JJ (tel. +44 (0) 208 600 0100). The Investment Manager has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear. The Investment Manager accepts responsibility for the sections of the Risk Factors entitled Risks relating to the investment strategy and Risks relating to the Investment Manager, the sections of Part 2 entitled "Valuation methodology", "The B Share" and "The controlling position of the Investment Manager", Part 5 (The Current Assets), the sections of Part 6 entitled "The Investment Manager", "The Phoenix Team", "the Investment Process" and "Conflicts of Interest", of this document (together the "**Investment Manager Sections**") for the purposes of Prospectus Regulation Rule 5.3.2(2)(f). To the best of the knowledge of the Investment Manager, the Investment Manager Sections are in accordance with the facts and make no omission likely to affect its import.
- 10.6 Northern Trust (Guernsey) Limited ("NTGL") whose registered office is PO Box 71, Les Banques, Trafalgar Court, St. Peter Port GY1 3DA, acts as the Company's Depositary and has certain specific safekeeping, monitoring and oversight duties in respect of the assets of the Company. NTGL was incorporated with limited liability in Guernsey on 19 September 1972 with registration number 2651 and is a wholly-owned indirect subsidiary of Northern Trust Corporation, a corporation established in the United States. NTGL is authorised by GFSC (registration number 33). The principal business of NTGL is the provision of custodial, banking, depositary and related financial services.
- 10.7 The Auditor of the Company is Grant Thornton Limited of Lefebvre House, Lefebvre Street, St Peter Port, Guernsey, GY1 3TF. Grant Thornton Limited has been the only Auditor of the Company since 23 April 2021. Grant Thornton Limited is a member of the Institute of Chartered Accountants for England and Wales.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available on the Company's website (www.castelnaugroup.com) and for inspection at the registered office of the Company during normal business hours on any Business Day from the date of this document until 31 January 2024:

- the Memorandum and Articles of the Company;
- the Announcement;
- the Annual Report;
- the Interim Report; and
- this document.

Dated: 1 February 2023

PART 12

DEFINITIONS

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

Acceptance Condition	has the meaning given to it in the Announcement
Administration Agreement	the administration agreement between the Company, the Investment Manager and the Administrator, a summary of which is set out in paragraph 6.10 of Part 11 of this document
Administrator	Northern Trust International Fund Administration Services (Guernsey) Limited
Admission	any admission of Shares (including the Placing Shares, the Takeover Shares, the Ordinary Shares issued pursuant to the Consortium Rollover and Shares issued pursuant to any Subsequent Placing (as the context may require)) to trading on the Specialist Fund Segment of the Main Market, becoming effective in accordance with the admission and disclosure standards of the London Stock Exchange
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance published by the AIC from time to time
AIF	an alternative investment fund for the purposes of the UK AIFM Regime
AIFM	an alternative investment fund manager for the purposes of the UK AIFM Regime
AIFM Regulations	The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019)
Alternative Offers	has the meaning given to it in Part 1 of this document
Alternative Offers Consortium Call Option	has the meaning given to it in Part 1 of this document
Alternative Offers Consortium Put and Call Option Deed	the put and call option deed to be entered into between Company, the Other Phoenix Accounts and Valderrama, granting Valderrama the Alternative Offers Consortium Call Option and granting a put option to the other parties
Alternative Offers Maximum	has the meaning given to it in Part 1 of this document
Alternative Offers Other Dignity Shareholder Call Option	has the meaning given to it in Part 4 of this document
Alternative Offers Other Dignity Shareholder Put and Call Option Deed	the put and call option deed to be entered into between Valderrama and (pursuant to the Power of Attorney) the Other Dignity Shareholders who validly elect for either or both of the Alternative Offers, granting Valderrama the Alternative Offers Other Dignity Shareholder Call Option and granting a put option to the other parties
AML Legislation	the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), ordinances, rules and regulations made thereunder, and the GFSC's Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time), together with any applicable legislation in the UK, including but not limited to, the Proceeds of Crime Act 2002 (as amended) and

the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended from time to time together with any subordinate legislation, regulations or guidance notes pursuant thereto

Announcement	the announcement made by Bidco on 23 January 2023 in relation to the Takeover Offer pursuant to Rule 2.7 of the Takeover Code
Annual Report	the audited financial statements of the Company for the year ended 31 December 2021 (incorporating the unaudited financial statements of the Company from incorporation on 13 March 2020 to 31 December 2020)
Articles	the articles of incorporation of the Company, as amended from time to time
Audit Committee	the audit committee of the Board
Auditor	Grant Thornton Limited
Aurora	Aurora Investment Trust Plc
Aurora Initial Portfolio Acquisition Agreement	the acquisition agreement dated 23 September 2021 entered into between Aurora, the Investment Manager and the Company relating to the acquisition by the Company of interests in certain assets held by Aurora, a summary of which is set out in paragraph 6.15 of Part 11 of this document
Benefit Plan Investor	(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the U.S. Tax Code (including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of a Plan’s investment in the entity, or (iii) any “benefit plan investor” as otherwise defined in section 3(42) of ERISA or regulations promulgated by the U.S. Department of Labor
Bidco	Yellow (SPC) Bidco Limited, a private company limited by shares incorporated in England and Wales with registered number 14417289
Bidco CG1 Loan Notes	loan notes to be issued under a loan note instrument to be executed by Bidco for the purposes of permitting Eligible Dignity Shareholders to elect for the Listed Share Alternative
Bidco CG2 Loan Notes	loan notes to be issued under a loan note instrument executed by Bidco for the purposes of permitting the Other Phoenix Accounts to receive new Ordinary Shares under the Consortium Rollover SPA
Bidco D Loan Notes	loan notes to be issued under a loan note instrument to be executed by Bidco for the purposes of permitting Eligible Dignity Shareholders to elect for the Unlisted Share Alternative
Bidco E Loan Notes	loan notes to be issued under a loan note instrument executed by Bidco on 23 January 2023 for the purposes of permitting the Company and the Other Phoenix Accounts to receive Valderrama E Shares under the Consortium Rollover SPA
Bidco Loan Notes	the Bidco CG1 Loan Notes, the Bidco CG2 Loan Notes, the Bidco D Loan Notes and the Bidco E Loan Notes
Board	the board of Directors of the Company or any duly constituted committee thereof

B Share	the “B” ordinary share of no par value in the capital of the Company
B Share Continuation Resolution	has the meaning defined in paragraph 7 of Part 2 of this document
B Share Rights	the rights attaching to the B Share as summarised in paragraph 7 of Part 2 of this document
Business Day	any day which is not a Saturday or Sunday or a bank holiday in the City of London and Guernsey
Cambium Group	The Cambium Group, further details of which are set out in Part 5 of this document
Capital gains tax or CGT	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
CG1 Call Option	has the meaning given to it in Part 4 of this document
CG1 Put and Call Option Deed	the put and call option deed to be entered into between the Company and (pursuant to the Power of Attorney) the Other Dignity Shareholders who validly elect for the Listed Share Alternative, granting the Company the CG1 Call Option and granting a put option to the other parties
CG2 Call Option	has the meaning given to it in Part 4 of this document
CG2 Put and Call Option Deed	the put and call option deed to be entered into between Company and the Other Phoenix Accounts who agreed to receive new Ordinary Shares under the Consortium Rollover SPA, granting the Company the CG2 Call Option and granting a put option to the Other Phoenix Accounts
Cash Offer	550 pence per Dignity Share
certificated or in certificated form	not in uncertificated form
CIL	Cambium International Limited, further details of which are set out in Part 5 of this document
CIL Guarantees	means the deed of guarantee entered into between Gary Channon and the Company, relating to the Company’s investment in CIL, further details of which are set out in paragraph 3 of Part 5 of this document
COBS Rules	the FCA Conduct of Business Rules applicable to firms with investment business customers
Companies Act	the UK Companies Act 2006, as amended, modified or re-enacted from time to time
Companies Law	the Companies (Guernsey) Law, 2008, as amended
Company	Castelnau Group Limited
Conditions	the conditions to the Takeover Offer set out in the Announcement and to be set out in the Offer Document
Confidentiality Agreement	the non-disclosure agreement dated 21 November 2022 entered into between the Company, Dignity, Valderrama, the Investment Manager and SPWOne, a summary of which is set out in paragraph 6.5 of Part 11 of this document
Consortium	together, the Company, the Investment Manager and SPWOne
Consortium Exclusivity Agreement	the exclusivity and cooperation agreement dated 7 October 2022 entered into between the Company, SPWOne and the Investment Manager, a summary of which is set out in paragraph 6.4 of Part 11 of this document

Consortium Rollover	has the meaning given to it in Part 2 of this document
Consortium Rollover Shares	the 14,876,159 Dignity Shares owned or controlled by the Company and the Investment Manager in aggregate, representing approximately 29.08 per cent. of Dignity's fully diluted share capital
Consortium Rollover SPA	the share purchase agreement between the Company, the Other Phoenix Accounts and Bidco dated 23 January 2023 relating to the Consortium Rollover Shares, a summary of which is set out in paragraph 6.9 of Part 11 of this document
Conversion	the conversion of C Shares into Ordinary Shares in accordance with the Articles and as described in paragraph 4.22 of Part 11 of this document
Conversion Date	has the meaning given in paragraph 4.22 of Part 11 of this document
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CREST Regulation	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
C Share	the "C" ordinary share of no par value each in the capital of the Company
CTA 2009	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
Current Assets	the current investments in the Portfolio, further details of which are set out in Part 5 of this document
Depository	Northern Trust (Guernsey) Limited
Depository Agreement	the depository agreement between the Company, the Investment Manager and the Depository, a summary of which is set out in paragraph 6.11 of Part 11 of this document
Dignity	Dignity PLC, further details of which are set out in Part 3 of this document
Dignity Board	the board of directors of Dignity
Dignity Group	Dignity and its subsidiary undertakings from time to time
Dignity Shareholders	the holders of shares in Dignity from time to time
Dignity Shares	<p>the ordinary shares of 12 48/143 pence each in the capital of Dignity and includes:</p> <ol style="list-style-type: none"> 1. the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 12 48/143 pence each in the capital of Dignity; 2. any further ordinary shares of 12 48/143 pence each in the capital of the Dignity which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Takeover Offer closes or before such earlier date as Bidco may (subject to the Takeover Code) determine, not being earlier than the date on which the Takeover Offer becomes or is declared unconditional; and 3. any Dignity shares held as treasury shares that cease to be held as treasury shares before the date on which the Takeover Offer closes or before such earlier date as Bidco may (subject to the Takeover Code) determine, not being earlier than the date on which the Takeover Offer becomes or is declared unconditional,

but excludes any shares held as treasury shares on such date as Bidco may determine before the date on which the Takeover Offer closes (which may be a different date to the dates referred to in 2 and 3 above) and “**Dignity Share**” means any one of them

Directors	the directors from time to time of the Company and “ Director ” is to be construed accordingly
Disclosure Guidance and Transparency Rules	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of FSMA, as amended from time to time
DP Legislation	the laws which govern the handling of personal data, including but not limited to, the Data Protection (Bailiwick of Guernsey) Law, 2017 and any other legislation in Guernsey concerning data protection, the General Data Protection Regulation (EU) 2016/679 and any other applicable laws implementing that regulation or related to data protection
DvP	delivery versus payment
EEA	European Economic Area
EEA EFTA States	comprising, Iceland, Liechtenstein and Norway
EEA Prospectus Regulation	Regulation (EU) No. 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
Effective	in the context of the Takeover Offer: (i) if the Takeover Offer is implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code or (ii) if the Takeover Offer is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms
Effective Date	the date on which: (i) the Takeover Offer becomes or is declared unconditional; or (ii) if Bidco elects to implement the Takeover Offer by way of Scheme, the date on which the Scheme becomes effective in accordance with its terms
Eligible Dignity Shareholders	Dignity Shareholders other than, (i) the Company, (ii) the Other Phoenix Accounts, and (iii) Restricted Dignity Shareholders
ERISA	U.S. Employee Retirement Income Security Act of 1974, as amended
EU AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time
Euroclear	Euroclear UK & International Limited, being the operator of CREST
European Union or EU	the European Union first established by the treaty made at Maastricht on 7 February 1992
Existing Ordinary Shares	the Ordinary Shares in issue at the Latest Practicable Date, being 183,996,059 Ordinary Shares and any further Ordinary Shares issued prior to 8.00 a.m. on the Effective Date (if any)
Existing Ordinary Shareholder	a holder of Existing Ordinary Shares
Facility A Loan	has the meaning given to it in paragraph 6.6 of Part 11 of this document
Facility C Loan	has the meaning given to it in paragraph 6.7 of Part 11 of this document

FATCA	the U.S. Foreign Account Tax Compliance Act of 2010, as amended from time to time
FCA	the Financial Conduct Authority or any successor authority
FCA Handbook	the FCA Handbook of rules and guidance as amended from time to time
Form of Acceptance	the form of acceptance to accept the Takeover Offer, which will accompany the Offer Document (when published)
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
GFSC	the Guernsey Financial Services Commission
Gross Proceeds	the gross proceeds of the Placing
Group	the Company and the other companies in its group for accounting purposes
HMRC	His Majesty's Revenue and Customs
Hornby	Hornby PLC, further details of which are set out in Part 5 of this document
Hornby Relationship Agreement	the agreement entered into between the Investment Manager and Hornby, further details of which are set out in Part 5 of this document
IAS Regulation	Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards
IFRS	international financial reporting standards
Initial Portfolio Acquisition Agreements	together the Master Initial Portfolio Acquisition Agreement and the Aurora Initial Portfolio Acquisition Agreement
Interim Report	the unaudited condensed consolidated interim financial statements of the Company for the period from 1 January 2022 to 30 June 2022
Investment Management Agreement	the investment management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 6.2 of Part 11 of this document
Investment Manager	Phoenix Asset Management Partners Limited
IPO	the Company's initial public offering which completed on 18 October 2021
IPO Placing and Offer Agreement	the placing and offer agreement between the Company, the Directors, the Investment Manager and Liberum, a summary of which is set out in paragraph 6.13 of Part 11 of this document
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
ISIN	International Securities Identification Number
Issue Price	75.02 pence per Ordinary Share (the Issue Price is equal to the unaudited Net Asset Value per Share as at 31 December 2022)
Joint Venture	the joint venture formed between the Company and SPWOne and formalised in the Joint Venture Agreement, further details of which are set out in Part 4 of this document

Joint Venture Agreement	the amended and restated joint venture agreement dated 23 January 2023 entered into between the Company, SPWOne V Limited, Valderrama and the Investment Manager, a summary of which is set out in paragraph 6.3 of Part 11 of this document
Key Information Document	the key information document relating to the Ordinary Shares produced pursuant to the PRIIPs Regulation, as amended and updated from time to time
Latest Practicable Date	31 January 2023 (being the last Business Day prior to the publication of this document)
Listed Share Alternative	has the meaning given to it in Part 1 of this document
LEI	Legal Entity Identifier
Liberum	Liberum Capital Limited
LIBOR	London Inter-Bank Offered Rate
Link Group	the trading Name of Link Market Services Limited
Listing Rules	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time
Loan Notes	(i) the Bidco Loan Notes, (ii) the Midco Loan Notes and (iii) the Topco Loan Notes
London Stock Exchange	London Stock Exchange plc
Main Market	the London Stock Exchange's Main Market for listed securities
Management Engagement Committee	the management engagement committee established by the Board
Market Abuse Regulation or MAR	the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018
Master Initial Portfolio Acquisition Agreement	the master initial portfolio acquisition agreement entered into between the Investment Manager and the Company relating to the acquisition by the Company of the interests held by certain funds and managed accounts under the discretionary management of the Investment Manager in certain assets, a summary of which is set out in paragraph 6.14 of Part 11 of this document
Midco	Yellow (SPC) Midco Limited, a private company limited by shares incorporated in England and Wales with registered 14416044
Midco CG1 Loan Notes	loan notes to be issued under a loan note instrument to be executed by Midco for the purposes of permitting Eligible Dignity Shareholders to elect for the Listed Share Alternative
Midco CG2 Loan Notes	loan notes to be issued under a loan note instrument to be executed by Midco for the purposes of permitting Other Phoenix Accounts to receive new Ordinary Shares under the Consortium Rollover SPA
Midco Consortium Call Option	has the meaning given to it in Part 4 of this document
Midco Consortium Put and Call Option Deed	the put and call option deed to be entered into between the Company, the Other Phoenix Accounts (each acting by their discretionary investment manager, the Investment Manager) and Midco, granting Midco the Midco Consortium Call Option and granting a put option to the other parties
Midco D Loan Notes	loan notes to be issued under a loan note instrument to be executed by Midco for the purposes of permitting Eligible Dignity Shareholders to elect for the Unlisted Share Alternative

Midco E Loan Notes	loan notes to be issued under a loan note instrument to be executed by Midco for the purposes of permitting the Company and the Other Phoenix Accounts to receive Valderrama E Shares under the Consortium Rollover SPA
Midco Loan Notes	the Midco CG1 Loan Notes, the Midco CG2 Loan Notes, the Midco D Loan Notes and the Midco E Loan Notes
Midco Other Dignity Shareholder Call Option	has the meaning given to it in Part 4 of this document
Midco Other Dignity Shareholder Put and Call Option Deed	the put and call option deed to be entered into between Midco and (pursuant to the Power of Attorney) the Other Dignity Shareholders, granting Midco the Midco Other Dignity Shareholder Call Option and granting a put option to the other parties
MiFID II	the UK version of Directive 2014/65/EU on markets in financial instruments, Regulation (EU) No. 600/2014 on markets in financial instruments, and any secondary legislation, rules, regulations and procedures made pursuant thereto up to 31 December 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended
Money Laundering Directive	the Council Directive on prevention of the use of the financial system for the purposes of money laundering or terrorist financing (EU/2015/849) as amended by the Money Laundering Directive (EU) 2018/843 of the European Parliament and of the Council of the Europe Union of 9 July 2018 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing
Money Laundering Regulations	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended from time to time
Morgan Stanley	Morgan Stanley & Co. International plc, financial adviser to Bidco and the Consortium
Net Asset Value	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
Net Asset Value per Share	(i) in respect of the Ordinary Shares, at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation; and (ii) in respect of the C Shares, at any time the Net Asset Value attributable to the C Shares divided by the number of C Shares in issue (other than the C Shares held in treasury) at the date of calculation, as the case may be
Net Proceeds	the proceeds of the Placing, after deduction of costs and expenses
Nomination Committee	the nomination committee of the Board
Ocula	Ocula Technologies Limited, further details of which are set out in Part 5 of this document
Ocula Shareholders Agreement	the agreement entered into between Gerard Buggy, Buggy Inv-Ltd and the Company, further details of which are set out in Part 5 of this document and paragraph 6.19 of Part 11 of this document
Offer Document	the offer document to be sent to (among others) Dignity Shareholders, containing and setting out, among other things, the full terms and conditions of the Takeover Offer

Official List	the official list maintained by the FCA pursuant to Part VI of FSMA
Ordinary Shares	ordinary shares of no par value each in the capital of the Company and “ Ordinary Share ” shall be construed accordingly
Other Dignity Shareholders	any Dignity Shareholder other than the Company or the Other Phoenix Accounts
Other Phoenix Accounts	together, Phoenix UK Fund Limited, Sanofi-Aventis Pensions Trust Limited, MULTI-MANAGER INVESTMENT PROGRAMMES PCC LIMITED UK Equity Master Fund, Cambridge University Endowment Fund, Phoenix Equity Fund a sub-fund of Pentaris QIAIF plc, Aurora, Hemera Foundation and Huginn Fund
Overseas Persons	a potential investor who is not resident in, or who is not a citizen of, the UK
Panel	the Panel on Takeovers and Mergers
Performance Period	has the meaning defined in paragraph 6.2 of Part 11 of this document
Placee	any person who agrees to subscribe for Shares pursuant to the Placing and/or any Subsequent Placing
Placing	the conditional placing of Ordinary Shares by Liberum at the Issue Price as described in this document
Placing Agreement	the conditional placing and placing programme agreement between the Company, the Investment Manager and Liberum, a summary of which is set out in paragraph 6.1 of Part 11 of this document
Placing Programme	the proposed placing programme of Shares incorporating any Subsequent Placing as described in this document and, for the avoidance of doubt, excluding the Placing
Placing Programme Price	the price at which Shares will be issued to Placees pursuant to a Subsequent Placing under the Placing Programme, as set out in Part 8 of this document
Placing Shares	the Ordinary Shares to be issued pursuant to the Placing at the Issue Price
POI Law	the Protection of Investors (Bailiwick of Guernsey) Law, 2020
Portfolio	the Company’s portfolio of investments from time to time
Portfolio Company	any company held in the Portfolio from to time, including the Current Assets
Power of Attorney	the power of attorney to be included in the Form of Acceptance (in respect of Dignity Shares held in certificated form) or the Offer Document (in respect of Dignity Shares held in uncertificated form), pursuant to which any Eligible Dignity Shareholders who validly elect for either or both of the Alternative Offers will irrevocably appoint Bidco, and any director of, or person authorised, by Bidco, as their attorney and/or agent to execute on their behalf all documents necessary or desirable to give effect to the terms of the Takeover Offer (including the rollover mechanics)
PRA	the Prudential Regulation Authority
PRIPs Regulation	the UK version of Regulation EU No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products and its implementing and delegated acts, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Packaged Retail and

Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019

Prospectus Regulation	the UK version of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Prospectus (Amendment, etc) (EU Exit) Regulations 2019
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time
PUK Commitment Letter	the commitment letter dated 27 January 2023 entered into by Phoenix UK Fund Limited and the Company, a summary of which is set out in paragraph 6.8 of Part 11 of this document
Rawnet	Rawnet Limited, further details of which are set out in Part 5 of this document
Rawnet Deed of Novation	the deed of novation in respect of the Rawnet SPA, more information in relation to which is set out in paragraph 6.17 of Part 11 of this document
Rawnet Loan Agreement	the loan agreement in respect of Rawnet
Rawnet Sellers	means Adam Paul Smith, Donna Sepala, James Crooke, Steve Druckman, Stuart Neilson, Claire Ridd, Gyles Marshall and Sam Evans
Rawnet SPA	the sale and purchase agreement relating to the issued and to be issued share capital of Rawnet entered into between the Rawnet Sellers and the Investment Manager (and as novated to the Company pursuant to the Rawnet Deed of Novation), a summary of which is set out in paragraph 6.17 of Part 11 of this document
RCIS Rules	the Registered Collective Investment Scheme Rules and Guidance, 2021
Register	the register of Shareholders of the Company
Registrar	Link Market Services (Guernsey) Limited
Registrar Agreement	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 6.12 of Part 11 of this document
Regulation S	Regulation S under the U.S. Securities Act
Regulatory Information Service	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Relevant State	each member state of the EEA and the EEA EFTA States
Restricted Dignity Shareholders	(i) US Persons, (ii) in relation to the Listed Share Alternative, Dignity Shareholders who (a) are located in a Restricted Jurisdiction or (b) whose registered address is in an EEA Member State and (iii) in relation to the Unlisted Share Alternative, Dignity Shareholders who are located in a Restricted Jurisdiction
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Takeover Offer is sent or made available to Dignity Shareholders in that jurisdiction (including each of Australia, Canada, Japan, South Africa and the US);
Rules	has the meaning given in paragraph 4.1 of Part 11 of this document

SEDOL	the Stock Exchange Daily Official List
Scheme	should the Takeover Offer be implemented by way of a scheme of arrangement under Part 26 of the Companies Act, such scheme of arrangement between Dignity and the Dignity Shareholders to implement the Takeover Offer with or subject to any modification, addition or condition approved or imposed by the Court
Shareholder	a holder of Shares
Shares	the Ordinary Shares and/or the C Shares, as the context may require
similar law	any U.S. federal, state, local or foreign law that is similar to section 406 of ERISA or section 4975 of the U.S. Tax Code
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
Specialist Fund Segment	the Specialist Fund Segment of the London Stock Exchange's Main Market
SPWOne	SPWOne V Limited
Squeeze Out Notice	the required notice served pursuant to section 979(2) of the Companies Act
SSAS	a small self-administered scheme as defined in the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
Standby Loan Facilities	together, Standby Loan Facility A and Standby Loan Facility B
Standby Loan Facility A	the certain funds standby loan facility (A) dated 20 January 2023 as amended and restated on 1 February 2023 entered into between the Company and Phoenix UK Fund Limited in connection with the Takeover Offer, a summary of which is set out in paragraph 6.6 of Part 11 of this document
Standby Loan Facility B	the certain funds standby loan facility (B) dated 20 January 2023 as amended and restated on 1 February 2023 entered into between the Company and Phoenix UK Fund Limited in connection with the Takeover Offer, a summary of which is set out in paragraph 6.7 of Part 11 of this document
Stanley Gibbons	The Stanley Gibbons Group PLC, further details of which are set out in Part 5 of this document
Statutory Squeeze Out	any squeeze out of remaining Dignity Shareholders effected by Bidco pursuant to the statutory squeeze out mechanism under section 979 of the Companies Act
Sterling or GBP or £ or pence	the lawful currency of the United Kingdom
Subscription Letter	the subscription letter between Phoenix UK Fund Limited and the Company, a summary of which is set out in paragraph 6.18 of Part 11 of this document
Subsequent Placing	any placing of Shares pursuant to the Placing Programme described in this document
Takeover Code	the City Code on Takeovers and Mergers
Takeover Offer	the recommended offer to be made by or on behalf of Bidco by means of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act to acquire the entire issued and to be issued share capital of Dignity not already owned or controlled by the Company and the Investment Manager, on the terms and subject to the conditions to be set out in the Offer Document, this document and the Form of Acceptance, including, where the

	context admits, any subsequent revision, variation, extension or renewal of such offer
Takeover Shares	the new Ordinary Shares proposed to be issued to Eligible Dignity Shareholders pursuant to the terms of the Listed Share Alternative (including, for the avoidance of doubt, any Takeover Shares issued to Eligible Dignity Shareholders who elect for the Listed Share Alternative pursuant to the Statutory Squeeze Out)
Target Market Assessment	has the meaning defined on page 28 of this document
Topco	Yellow (SPC) Topco Limited, a private company limited by shares incorporated in England and Wales with registered number 14415281
Topco CG1 Loan Notes	loan notes to be issued under a loan note instrument to be executed by Topco for the purposes of permitting Eligible Dignity Shareholders to elect for the Listed Share Alternative
Topco CG2 Loan Notes	loan notes to be issued under a loan note instrument to be executed by Topco for the purposes of permitting Other Phoenix Accounts to receive new Ordinary Shares under the Consortium Rollover SPA
Topco Consortium Call Option	has the meaning given to it in Part 4 of this document
Topco Consortium Put and Call Option Deed	the put and call option deed to be entered into between the Company, the Other Phoenix Accounts (each acting by their discretionary investment manager, the Investment Manager) and Topco, granting Topco the Topco Consortium Call Option and granting a put option to the other parties
Topco D Loan Notes	loan notes to be issued under a loan note instrument to be executed by Topco for the purposes of permitting Eligible Dignity Shareholders to elect for the Unlisted Share Alternative
Topco E Loan Notes	loan notes to be issued under a loan note instrument to be executed by Topco for the purposes of permitting the Company and the Other Phoenix Accounts to receive Valderrama E Shares under the Consortium Rollover SPA
Topco Loan Notes	the Topco CG1 Loan Notes, the Topco CG2 Loan Notes, the Topco D Loan Notes and the Topco E Loan Notes
Topco Other Dignity Shareholder Call Option	has the meaning given to it in Part 4 of this document
Topco Other Dignity Shareholder Put and Call Option Deed	the put and call option deed to be entered into between Topco and (pursuant to the Power of Attorney) the Other Dignity Shareholders, granting Topco the Topco Other Dignity Shareholder Call Option and granting a put option to the other parties
UK AIFM Regime	together, the AIFM Regulations and the Investment Funds Sourcebook forming part of the FCA Handbook
uncertificated or in uncertificated form	a share 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
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States of America, United States or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
Unlisted Share Alternative	has the meaning given to it in Part 1 of this document

U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended from time to time
U.S. Person	has the meaning given to it in Regulation S
U.S. Securities Act	U.S. Securities Act of 1933, as amended
U.S. Tax Code	the US Internal Revenue Code of 1986, as amended from time to time
Valderrama	Valderrama Limited, a non-cellular company incorporated in Guernsey with registered number 70991
Valderrama A Shares	the Valderrama A1 Shares and the Valderrama A2 Shares
Valderrama A1 Shares	voting A1 shares in the capital of Valderrama
Valderrama A2 Shares	voting A2 shares in the capital of Valderrama
Valderrama B Shares	non-voting B shares in the capital of Valderrama
Valderrama C Shares	the Valderrama C1 Shares and the Valderrama C2 Shares
Valderrama C1 Shares	non-voting C1 shares in the capital of Valderrama
Valderrama C2 Shares	non-voting C2 shares in the capital of Valderrama
Valderrama D Shares	non-voting D shares in the capital of Valderrama
Valderrama E Shares	non-voting E shares in the capital of Valderrama
Valderrama Shares	the Valderrama A Shares, the Valderrama B Shares, the Valderrama C Shares, the Valderrama D Shares and the Valderrama E Shares
VAT	value added tax

PART 13

TERMS AND CONDITIONS OF THE PLACING AND PLACING PROGRAMME

1. INTRODUCTION

- 1.1 Each Placee which confirms its agreement (whether orally or in writing) to Liberum to subscribe for Shares under the Placing or any Subsequent Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 Liberum may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and may require any such Placee to execute a separate placing letter ("**Placing Letter**").

2. AGREEMENT TO SUBSCRIBE FOR SHARES

- 2.1 Conditional on, amongst other things: (i) in respect of the Placing only, the Takeover Offer becoming or being declared unconditional; (ii) in respect of the Placing only, Admission occurring and becoming effective by 8.00 a.m. on the date being two business days following the date on which the Takeover Offer has become or been declared unconditional (or such later time and/or date as the Company and Liberum may agree (not being later than 31 July 2023 or such later date as the Company and Liberum may agree from time to time); (iii) in respect of a Subsequent Placing only, Admission of the Shares issued pursuant to the relevant Subsequent Placing occurring and becoming effective by 8.00 a.m. on or prior to the date agreed by the Company and Liberum in respect of that Subsequent Placing, not being later than 31 January 2024 (iv) the Placing Agreement becoming otherwise unconditional in all respects in respect of the Placing or the relevant Subsequent Placing, as applicable and, not having been terminated on or before the date of the Placing or the relevant Subsequent Placing; and (v) Liberum confirming to the Placees their allocation of Shares, a Placee agrees to become a Shareholder of the Company and agrees to subscribe for those Shares allocated to it by Liberum at the Issue Price or applicable Placing Programme Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.
- 2.2 Applications under the Placing and any Subsequent Placing must be for a minimum subscription amount of £1,000.
- 2.3 Any commitment to acquire Shares under the Placing and/or any Subsequent Placing agreed orally with Liberum, as agent for the Company, will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Liberum, to subscribe for the number of Shares allocated to it on the terms and subject to the conditions set out in this Part 13 and the oral or email placing confirmation as applicable (for the purpose of this Part 13, the "**Placing Confirmation**") and in accordance with the Articles. Except with the consent of Liberum, such oral commitment will not be capable of variation or revocation after the time at which it is made.
- 2.4 Each Placee's allocation of Shares under the Placing and/or any Subsequent Placing will be evidenced by the Placing Confirmation confirming: (i) the number of Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Shares; and (iii) settlement instructions to pay Liberum, as agent for the Company. The provisions as set out in this Part 13 will be deemed to be incorporated into that Placing Confirmation.
- 2.5 If: (a) the conditions under the Placing Agreement and above at paragraph 2.1 are not fulfilled (or, to the extent permitted under the Placing Agreement, have not been waived by Liberum); or (b) the Placing Agreement is terminated in accordance with its terms, the Placing or the relevant Subsequent Placing, as applicable, will lapse and each Placee's rights and obligations under the Placing or the relevant Subsequent Placing shall cease and determine at such time and no claim may be made by a Placee in respect thereof. Liberum shall have no liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date

for the satisfaction of any condition in the Placing Agreement or in respect of the Placing or any Subsequent Placing under the Placing Programme generally.

3. PAYMENT FOR SHARES

- 3.1 Each Placee undertakes to pay the Issue Price or Placing Programme Price (as applicable) for the Shares issued to the Placee in the manner and by the time directed by Liberum. In the event of any failure by any Placee to pay as so directed and/or by the time required by Liberum, the relevant Placee's application for Shares may, at the discretion of Liberum, either be accepted or rejected and, in the former case, paragraph 3.2 below shall apply.
- 3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant Issue Price or Placing Programme for the Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Liberum elects to accept that Placee's application, Liberum may sell all or any of the Shares allocated to the Placee on such Placee's behalf and retain from the proceeds an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Shares on such Placee's behalf.
- 3.3 Settlement of transactions in the Shares following Admission will take place in CREST but Liberum reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Placing Confirmation or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

4. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Shares under the Placing or a Subsequent Placing, each Placee which enters into a commitment to subscribe for Shares will (for itself and for any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, Liberum, the Investment Manager and the Registrar that:

- 4.1 in agreeing to subscribe for Shares under the Placing or a Subsequent Placing, it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time by any person concerning the Company, the Shares, the Placing or any Subsequent Placing, including without limitation, the Key Information Document(s). It agrees that none of the Company, Liberum, the Investment Manager or the Registrar, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares under the Placing or a Subsequent Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will result in the Company, Liberum, the Investment Manager or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing and/or Subsequent Placing;
- 4.3 it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part 13 and, as applicable, in the Placing Confirmation and the Articles as in force at the date of Admission or the Subsequent Placing (as applicable);
- 4.4 the price payable per Ordinary Share is payable to Liberum on behalf of the Company in accordance with the terms of these terms and conditions and in the Placing Confirmation;

- 4.5 it has the funds available to pay, in full, for the Shares for which it has agreed to subscribe and it will pay the total subscription amount in accordance with the terms set out in these terms and conditions and as set out in the Placing Confirmation on the due time and date;
- 4.6 it has not relied on Liberum or any person affiliated with Liberum in connection with any investigation of the accuracy of any information contained in this document;
- 4.7 it acknowledges that the content of this document is exclusively the responsibility of the Company, the Directors, the Investment Manager and neither Liberum nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing or any Subsequent Placing based on any information, representation or statement contained in this document or otherwise;
- 4.8 it acknowledges that no person is authorised in connection with the Placing or any Subsequent Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by Liberum, the Company or the Investment Manager;
- 4.9 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.10 its commitment to acquire Shares under the Placing and/or any Subsequent Placing will be agreed orally or in writing (which shall include by email) with Liberum as agent for the Company and that a Placing Confirmation will be issued by Liberum as soon as possible thereafter. That oral or written agreement will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Liberum to subscribe for the number of Shares allocated to it and comprising its Placing Commitment at the Issue Price or the Placing Programme Price on the terms and conditions set out in this Part 13 and, as applicable, in the Placing Confirmation and the Placing Letter (if any) and in accordance with the Articles in force as at the date of Admission. Except with the consent of Liberum such oral or written commitment will not be capable of variation or revocation after the time at which it is made;
- 4.11 its allocation of Shares under the Placing and any Subsequent Placing will be evidenced by a Placing Confirmation, as applicable, confirming: (i) the number of Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Shares; and (iii) settlement instructions to pay Liberum as agent for the Company. The terms of this Part 13 will be deemed to be incorporated into that Placing Confirmation;
- 4.12 settlement of transactions in the Shares following any Admission will take place in CREST but Liberum reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Placing Confirmation, in the Placing Letter or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction;
- 4.13 it accepts that none of the Shares have been or will be registered under the securities laws, or with any securities regulatory authority of, the United States, any member state of the EEA other than the United Kingdom, Australia, Canada, the Republic of South Africa or Japan (each a "**Restricted Jurisdiction**"). Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Jurisdiction unless an exemption from any registration requirement is available;
- 4.14 if it is within the United Kingdom, it is: (a) a person who falls within (i) Articles 49(2)(A) to (D) or (ii) Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "**Order**") or is a person to whom the Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations, (b) a qualified investor (as such term is defined in Article 2(e) of the Prospectus Regulation) and (c) a person to whom the Shares may lawfully be marketed under the UK AIFM Regime;

- 4.15 if it is a resident in a Relevant State, it is (a) a qualified investor within the meaning of Article 2(e) of the EEA Prospectus Regulation, and (b) it is a person to whom the Shares may lawfully be marketed to under the EU AIFM Directive or under the applicable implementing legislation (if any) of the Relevant State;
- 4.16 if it is a professional investor (as such term is given meaning in the EU AIFM Directive) resident, domiciled in, or with a registered office in the EEA, it confirms that the Shares have only been promoted, offered, placed or otherwise marketed to it, and the subscription will be made from, (a) a country outside the EEA; (b) a country in the EEA that has not transposed the EU AIFM Directive as at the date of the Placée's commitment to subscribe is made; or (c) a country in the EEA in respect of which the Investment Manager has confirmed that it has made a relevant national private placement regime notification and is lawfully able to market Shares into that EEA county;
- 4.17 in the case of any Shares acquired by an investor as a financial intermediary as that term is used in Article 5(2) of the EEA Prospectus Regulation: (i) the Shares acquired by it in the Placing and/or Subsequent Placings have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the EEA Prospectus Regulation, or in circumstances in which the prior consent of Liberum has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant State other than qualified investors, the offer of those Shares to it is not treated under the EEA Prospectus Regulation as having been made to such persons;
- 4.18 it: (i) is entitled to subscribe for the Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorisations to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- 4.19 if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing (for the purposes of this Part 13, each a "**Placing Document**") constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Placing or any Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.20 it does not have a registered address in, and is not a citizen, resident or national of a Restricted Jurisdiction or any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- 4.21 if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Shares under the Placing or relevant Subsequent Placing;
- 4.22 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no Placing Document is being issued by Liberum in its capacity as an authorised person under section 21 of FSMA and such documents may not therefore be subject to the controls which would apply if they were made or approved a financial promotion by an authorised person;
- 4.23 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving, the United Kingdom;
- 4.24 it is aware of the provisions of the Criminal Justice Act 1993 regarding insider dealing, the Market Abuse Regulation and the Proceeds of Crime Act 2002 and in Guernsey under the

Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1996 (as amended), Section 41A of the POI Law, and the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended and confirms that it has and will continue to comply with any obligations imposed by such statutes;

- 4.25 unless it is otherwise expressly agreed with the Company and Liberum in the terms of any particular placing, it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other Placing Document to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.26 it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase and Transfer Restrictions" in paragraph 5 below;
- 4.27 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Shares or possession of this document (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.28 it acknowledges that neither Liberum nor any of its respective affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or any Subsequent Placing or providing any advice in relation to the Placing or any Subsequent Placing and participation in the Placing or any relevant Subsequent Placing is on the basis that it is not and will not be a client of Liberum and that Liberum does not have any duties or responsibilities to it for providing the protections afforded to their respective clients or for providing advice in relation to the Placing or any Subsequent Placing (as applicable);
- 4.29 that, save in the event of fraud on the part of Liberum, none of Liberum, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to a Placee or any of its clients for any matter arising out of Liberum's role as financial adviser and bookrunner or otherwise in connection with the Placing or any Subsequent Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 4.30 it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Placing or relevant Subsequent Placing (as applicable) in the form provided by the Company and/or Liberum. It agrees that the provision of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.31 it irrevocably appoints any Director and any director of Liberum to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Placing or any Subsequent Placing (as applicable), in the event of its own failure to do so;
- 4.32 it accepts that if the Placing or relevant Subsequent Placing does not proceed or the relevant conditions to the Placing Agreement are not satisfied as regards the relevant placing or the Shares for which valid applications are received and accepted are not admitted to trading on the Specialist Fund Segment of the Main Market for any reason whatsoever, then none of Liberum or the Company or the Investment Manager, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.33 in connection with its participation in the Placing or relevant Subsequent Placing (as applicable) it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the

- identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations; or (ii) subject to the Money Laundering Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.34 it acknowledges that due to anti-money laundering requirements, Liberum, the Administrator, the Registrar and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Liberum and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Liberum and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- 4.35 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.36 if it is acting as a “distributor” (for the purposes of MiFID II Product Governance Requirements):
- 4.36.1 it acknowledges that the Target Market Assessment undertaken by the Investment Manager and Liberum does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares and each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels;
- 4.36.2 notwithstanding any Target Market Assessment undertaken by the Investment Manager and Liberum, it confirms that, other than where it is providing an execution-only service to investors, it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Shares and that it has considered the compatibility of the risk/reward profile of such Shares with the end target market; and
- 4.36.3 it acknowledges that the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom;
- 4.37 Liberum and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.38 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Liberum and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of Shares are no longer accurate, it shall promptly notify Liberum and the Company;
- 4.39 where it or any person acting on behalf of it is dealing with Liberum, any money held in an account with Liberum on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Liberum to segregate such money, as that money will be held by Liberum under a banking relationship and not as trustee;
- 4.40 any of its clients, whether or not identified to Liberum, will remain its sole responsibility and will not become clients of Liberum for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;

- 4.41 it accepts that the allocation of Shares shall be determined by the Company in its absolute discretion (following consultation with Liberum and the Investment Manager) and that it may scale down any Placing or Subsequent Placing commitments for this purpose on such basis as it may determine;
- 4.42 time shall be of the essence as regards its obligations to settle payment for the Shares and to comply with its other obligations under the Placing or relevant Subsequent Placing (as applicable);
- 4.43 it authorises Liberum to deduct from the total amount subscribed under the Placing or relevant Subsequent Placing (as applicable) the aggregate placing commission (if any) payable on the number of Shares allocated under the Placing or relevant Subsequent Placing;
- 4.44 in the event that a supplementary prospectus is required to be produced pursuant to section 87G FSMA and in the event that it chooses to exercise any right of withdrawal pursuant to Article 23(2) of the Prospectus Regulation, such Placee will immediately re-subscribe for the Shares previously comprising its placing commitment;
- 4.45 the commitment to subscribe for Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Placing or any Subsequent Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing and/or any Subsequent Placing;
- 4.46 it is capable of being categorised as a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;
- 4.47 it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended);
- 4.48 if it is in the Bailiwick of Guernsey, it is a person licensed under any of the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 2020, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020 (and in each case any statutory modification or re-enactment thereof for the time being in force; and
- 4.49 in the event that a supplementary prospectus is required to be produced pursuant to Article 23(1) of the UK Prospectus Regulation (as amended) and in the event that it chooses to exercise any right of withdrawal in respect of its subscription for Shares in the Placing and/or a Subsequent Placing (in each case, a "Placing Commitment") pursuant to Article 23(2) of the UK Prospectus Regulation (as amended) or otherwise, such Placee will immediately re-subscribe for the Shares previously comprising its Placing Commitment.

5. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

Unless it is otherwise expressly agreed with the Company and Liberum, by participating in the Placing and/or Subsequent Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, Liberum, the Investment Manager and the Registrar that:

- 5.1 it is not a U.S. Person, is not located within the United States, is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Shares for the account or benefit of a U.S. Person;
- 5.2 it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;

- 5.3 it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
- 5.4 unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in section 3(3) of ERISA that is subject to Part 4 of subtitle B of fiduciary responsibility or prohibited transaction Title I of ERISA; (ii) a “plan” as defined in section 4975 of the U.S. Tax Code, including an individual retirement account, that is subject to section 4975 of the U.S. Tax Code; or (iii) an entity whose underlying assets include the assets of any such “employee benefit plan” or “plans” by reason of ERISA or the U.S. Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA (the “**Plan Assets Regulation**”), or otherwise (including certain insurance company general accounts) for the purposes of section 4.6 of ERISA or section 4975 of the U.S. Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- 5.5 that if any Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:
- “CASTELNAU GROUP LIMITED (THE “**COMPANY**”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”) OR THE PLAN ASSETS REGULATION;”
- 5.6 if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which: (a) will not require the Company to register under the U.S. Investment Company Act; and (b) will not result in the assets of the Company constituting “plan assets” within the meaning of ERISA or the Plan Assets Regulation;
- 5.7 it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 5.8 it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person’s status under the U.S. federal securities laws and to require any such person that has not satisfied the Company that the holding of Shares by such person will not violate or require registration under the U.S. securities laws to transfer such Shares or interests in accordance with the Articles;

- 5.9 it is entitled to acquire the Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, Liberum, the Investment Manager or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with its acceptance of participation in the Placing and/or Subsequent Placing (as the case may be);
- 5.10 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Shares to or within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
- 5.11 if it is acquiring any Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, Liberum, the Investment Manager and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor must immediately notify the Company and Liberum.

6. SUPPLY OF INFORMATION

If Liberum, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Shares under the Placing and/or Subsequent Placing, such Placee must promptly disclose it to them.

7. MONEY LAUNDERING

Each Placee acknowledges and agrees that:

- 7.1 in connection with its participation in the Placing or a Subsequent Placing it has observed all relevant legislation and regulations, in particular (but without limitation) the AML Legislation and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations in force in the United Kingdom; or (ii) subject to the Money Laundering Directive; or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 7.2 due to anti-money laundering requirements, Liberum and the Company and/or their agents may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Liberum, the Company and/or their agents may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Liberum, the Company and/or their agents against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis.

8. DATA PROTECTION

- 8.1 Each Placee acknowledges that it has been informed that, pursuant to DP Legislation the Company and/or the Registrar will following Admission, hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data will be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company's privacy notice (the "**Purposes**") which is available for consultation on the Company's website at www.castelnaugroup.com (the "**Privacy Notice**") which include to:

- 8.1.1 process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its respective service contracts, including as required by or in connection with the Placee's holding of Shares, including processing personal data in connection with credit and anti-money laundering checks on it;
 - 8.1.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Shares;
 - 8.1.3 comply with the legal and regulatory obligations of the Company and/or the Registrar; and
 - 8.1.4 process its personal data for the Registrar's internal administration.
- 8.2 Where necessary to fulfil the Purposes, the Company will disclose personal data to:
- 8.2.1 third parties located either within, or outside of Guernsey, if necessary for the Registrar to perform its functions, or when it is within its legitimate interests, and in particular in connection with the holding of Shares; or
 - 8.2.2 its affiliates, the Registrar or the Investment Manager and their respective associates, some of which may be located outside of Guernsey.
- 8.3 Any sharing of personal data between parties will be carried out in compliance with the DP Legislation and as set out in the Privacy Notice.
- 8.4 By becoming registered as a holder of Shares a person becomes a data subject (as defined under DP Legislation). In providing the Registrar with information, the Placee hereby represents and warrants to the Company, the Registrar and the Administrator that: (i) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Privacy Notice; and (ii) where consent is legally competent and/or required under DP Legislation the Placee has obtained the consent of any data subject to the Company and Registrar and their respective affiliates and group companies, holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes).
- 8.5 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is a natural person he or she has read and understood the terms of the Privacy Notice.
- 8.6 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants that:
- 8.6.1 it has brought the Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company as a result of the Placee agreeing to subscribe for Shares under the Placing or a Subsequent Placing; and
 - 8.6.2 the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 8.7 Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing or a Subsequent Placing:
- 8.7.1 comply with all applicable DP Legislation;
 - 8.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
 - 8.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
 - 8.7.4 it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses

(including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.

9. MISCELLANEOUS

- 9.1 The rights and remedies of the Company, Liberum, the Investment Manager and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 9.2 On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing and any Subsequent Placings will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 9.3 Each Placee agrees to be bound by the Articles once the Shares, which the Placee has agreed to subscribe for pursuant to the Placing and/or the relevant Subsequent Placing, have been acquired by the Placee. The contract to subscribe for Shares under the Placing or relevant Subsequent Placing (as applicable) and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Liberum, the Company and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 9.4 In the case of a joint agreement to subscribe for Shares under the Placing or a Subsequent Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 9.5 Liberum and the Company expressly reserve the right to modify the Placing and/or any Subsequent Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined. The Placing and each Subsequent Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 6.1 of Part 11 of this document.

