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If you have sold or otherwise transferred all of your Ordinary Shares in London and St Lawrence Investment Company PLC (the “**Company**”), please forward the accompanying documents (but not the personalised Form of Election or personalised Forms of Proxy) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, the accompany documents should not be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (other than the United Kingdom) or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions.

Cenkos Securities plc which is authorised and regulated by the Financial Conduct Authority is acting for the Company and no one else in connection with the Proposals. Cenkos Securities plc is not advising any other person or treating any other person as its clients, including any recipient of this document and the accompanying documents, and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos Securities plc nor for providing advice in connection with the Proposals, the contents of this document and the accompanying documents or any other matter referred to herein or therein.

The definitions used in this document are set out on pages 36 to 39.

LONDON AND ST LAWRENCE INVESTMENT COMPANY PLC

(Incorporated in England and Wales with registered number 107908 and registered as an investment company under section 833 of the Companies Act 2006)

Recommended Proposals for the Scheme of Reconstruction and Voluntary Winding-Up of the Company

and

Notices of General Meetings

The Proposals described in this document are conditional, inter alia, on Shareholder approval. Your attention is drawn to the letter from the Chairman of the Company set out in Part I of this document which contains the recommendations of the Directors that Shareholders should vote in favour of the Resolutions which are to be proposed at the General Meetings of the Company referred to below.

Notices of the First General Meeting to be held on 12 April 2017 and the Second General Meeting to be held on 20 April 2017, both at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU are set out at the end of this document. Shareholders are requested to complete and return the Forms of Proxy accompanying this document for use at the General Meetings. To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon by post or by hand to the Company’s Registrar, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received by no later than 48 hours before the time appointed for the relevant General Meeting. Shareholders who hold their Shares in uncertificated form (i.e. in CREST), may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notices of the General Meetings set out at the end of this document).

Ordinary Shareholders who hold Ordinary Shares in certificated form will also find enclosed with this document a Form of Election for use in connection with the Scheme. To be effective, the Form of Election must be returned by post in the enclosed reply-paid envelope for Ordinary Shareholders with UK registered addresses only or by post or by hand using your own envelope to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event not later than 1:00 p.m. on 11 April 2017. All Elections will be irrevocable. Failure to return a Form of Election (or the return of a Form of Election which is not validly completed), or to make a valid TTE Instruction, will result in the relevant Ordinary Shareholder (save for any Restricted Shareholders) being deemed to have elected for the Default Option in respect of their entire holding (being an election to receive Practical Income Units). Restricted Shareholders are not entitled to receive Practical Income Units and will be deemed to have elected for the Cash Option.

Ordinary Shareholders who wish to receive Practical Income Units under the Default Option should read the Practical Investor Information Documents which accompany this document carefully before making their Election.

Your attention is drawn to Part 2 of this document entitled “Action to be taken” which can be found on pages 14 to 17.

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A BRIEF HISTORY OF LONDON AND ST LAWRENCE INVESTMENT COMPANY PLC

London and St Lawrence Investment Company plc was originally called Nyassa Plantations Ltd and was formed in 1910 to develop rubber plantations in Nyassaland, Africa. One of the founding members of the Company was Herbert C. Hoover, who later became the President of the United States. This venture was not successful and the Company tried to recoup some of its assets without much success as this extract from a letter from the General Manager sent from Nyassaland shows: *“We were unable to get any offers for the plantation as, a plantation occupied by a madman threatening to shoot is not generally considered a desirable acquisition”*.

By 1956 Nyassa Plantations Ltd had become a “shell” with liquid assets of about £23,000, but still had a Stock Exchange listing.

In that year, Gerald Ashfield was looking to launch an investment company and purchased Nyassa Plantations Ltd for this purpose. The Company’s Articles were changed and it became an investment company. Its objective was to invest in investment trusts and other financial securities in both London and Canada. In 1957 the Company’s name was changed to London and St Lawrence Investment Company Ltd.

By 1962 the Company had grown to approximately £750,000 and each ordinary share had a NAV of 0.075p per share.

In 1993 the Company merged with Practical Investment Company, which was a similar investment company run by Gerald Ashfield.

The Company continued to grow as can be seen from the NAV and NAV per Share over the years:

Date	NAV (£)	NAV per Share (p)
31 August 1972	3,439,565	18.28
31 August 1982	5,212,032	27.70
31 August 1992	23,486,131	124.82
31 August 2002	62,879,681	212.57
31 August 2012	85,040,109	296.06
31 August 2013	97,862,477	340.70
31 August 2014	105,594,168	364.76
31 August 2015	105,075,982	362.97
31 August 2016	110,515,489	381.76

Over the years the Ashfield family has invested in the Company and has been closely involved in its management. Sean Ashfield, who is a current Director, is the third generation member of the Ashfield family to manage the investments.

As at the Latest Practicable Date, the NAV of the Company was £117,876,179 and its market capitalisation was £113,009,440.

GENERAL INFORMATION ON VOTING AND ELECTIONS

Full details of the action to be taken by Shareholders are set out in Part 2 of this document and in the instructions on the Forms of Proxy and Form of Election (as applicable). The attention of Overseas Shareholders and Restricted Shareholders is drawn to the section headed "Restricted Shareholders and Overseas Shareholders" in Part 2 of this document.

As the Proposals are conditional, among other things, on Shareholder approval, Shareholders are requested to complete and return their Forms of Proxy in accordance with the instructions set out in Part 2 of this document.

If you have any queries in relation to your shareholding(s) in the Company, please call the Shareholder Helpline between 9:00 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales) on +44(0)371 664 0321 (from within the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Shareholder Helpline can provide information only regarding the completion of Forms of Proxy and/or completion of Forms of Election but cannot provide you with investment or tax, financial or legal advice.

Ordinary Shareholders (save for any Restricted Shareholders) who do not elect for the Cash Option for some or all of their holdings of Ordinary Shares and therefore do not validly complete and return a Form of Election, or make a valid TTE Instruction, in accordance with the instructions set out in Part 2 of this document by 1:00 p.m. on 11 April 2017 will be deemed to have chosen the Default Option in respect of their entire holding (being an election to receive Practical Income Units). Restricted Shareholders are not entitled to hold Practical Income Units and will be deemed to have elected for the Cash Option.

EXPECTED TIMETABLE

Ex dividend date of the Interim Dividend	30 March 2017
Record date for the Interim Dividend	5:30 p.m. on 31 March 2017
Latest time for receipt of Forms of Proxy for use at the First General Meeting	12:00 noon on 10 April 2017
Latest time for receipt of Forms of Election or TTE Instructions	1:00 p.m. on 11 April 2017
Record Date for the Scheme	5:30 p.m. on 11 April 2017
Ordinary Shares disabled in CREST	7:00 a.m. on 12 April 2017
First General Meeting	12.00 noon on 12 April 2017
Ordinary Shares reclassified, Official List amended, opening of the Register and commencement of dealings in respect of the Reclassified Shares	8.00 a.m. on 13 April 2017
Latest time for receipt of Forms of Proxy for use at the Second General Meeting	10:00 a.m. on 18 April 2017
Calculation Date and valuation point for the Practical Income Units to be issued pursuant to the Scheme	12:00 noon on 18 April 2017
Payment date for the Interim Dividend	19 April 2017
Dealings in Reclassified Shares suspended	7:30 a.m. on 20 April 2017
Second General Meeting	10:00 a.m. on 20 April 2017
Scheme Effective Date	20 April 2017
Contract notes for Practical Income Units dispatched	W/c 24 April 2017 ¹
Cheques expected to be dispatched in respect of the Cash Option and CREST payments made to Shareholders	W/c 24 April 2017
Cancellation of the listing of the Reclassified Shares	as soon as practicable after the Scheme Effective Date

If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through an RIS.

*In this document, where the context requires, references to Thursday 16 March 2017 should be treated as being references to the latest practicable date prior to the publication of this document (the "**Latest Practicable Date**").*

¹ Ordinary Shareholders who are deemed to elect to receive Practical Income Units via the Default Option will be required to supply evidence of identity for anti-money laundering purposes. The administrator of the Practical Investment Fund will write to holders of Practical Income Units following the Scheme Effective Date if evidence of their identity is required.

PART I

LETTER FROM THE CHAIRMAN

London and St Lawrence Investment Company PLC

(Incorporated in England and Wales with registered number 107908 and registered as an investment company under section 833 of the Companies Act 2006)

Directors:

P.J.C. Ashfield (Chairman)
S.P. Ashfield
J.B.O. Carleton Paget
C.J. Lloyd
A.T. Maidment
J.M. Sculley

Registered Office:

Fair Lorna House
Buckingham Road
Singleborough
Milton Keynes
MK17 0RB

20 March 2017

Dear Shareholder

Introduction

On 26 January 2017 the Company announced recommended proposals for a reconstruction of the Company that would ultimately conclude with the voluntary liquidation of the Company.

As a result of a transfer of funds to clients managed by Aviva, Aviva has become interested in 19.52 per cent. of the issued Ordinary Shares. Aviva has determined that it does not wish to hold the Ordinary Shares over the longer term and informed the Board that it wished to divest its holding in the Company. After due consideration and consultation, it was decided that the best course of action was to undertake a voluntary liquidation of the Company and offer Ordinary Shareholders the option to receive a cash distribution for their holdings or the option to rollover their investment into the Practical Investment Fund, allowing those Ordinary Shareholders to remain invested in a fund with a similar income-focused investment strategy to the Company and managed by the same management team who have been rated FE Alpha Manager for 2017 by Financial Express.

Under the Scheme, Ordinary Shareholders (who are not Restricted Shareholders) are being offered a choice of the following:

- a tax and cost efficient rollover into Practical Income Units issued by the Trustee for the account of the Practical Investment Fund, a unit trust; and/or
- a cash exit at NAV (on the Calculation Date) less costs.

As part of the Proposals, and in conjunction with the liquidation of the Company, it is also proposed that Consistent Unit Trust Management Company Limited, which is currently a wholly-owned subsidiary of the Company, is sold to the Ashfield Consortium. In addition, Aviva has agreed with the Company, subject to certain conditions, to make a contribution to the costs of implementing the Proposals. Further details of both of these matters are set out below.

The Practical Investment Fund is a unit trust established as a UCITS scheme and as at the Latest Practicable Date had total assets of approximately £64 million. As at the Latest Practicable Date, the offer price of a Practical Income Unit was 243.9 pence. The assets of the Practical Investment Fund are managed by Consistent Unit Trust Management Company Limited. The Practical Investment Fund seeks to provide investors with above average capital growth and increasing income from investment in a wide spread of UK and dollar denominated investment trusts, ordinary shares and other selected investments. The Practical Investment Fund follows a similar income-focused investment strategy to the Company and is managed by Sean Ashfield and Jenny Sculley who are also the Company's investment managers.

Further information about the Practical Investment Fund is set out below, in Part 4 of this document, in the accompanying Practical Investor Information Documents and on Consistent's website at www.consistentunittrust.co.uk.

The Proposals are subject to the approval of Shareholders and notices convening the General Meetings, at which such approvals will be sought, are set out at the end of this document.

If the Proposals are not approved by Shareholders the Company will continue as presently constituted as an investment trust.

Resolution 4 to be proposed at the First General Meeting is to approve, as a related party transaction for the purposes of the Listing Rules, the sale of Consistent to the Ashfield Consortium.

In accordance with the Articles, holders of the Company's Preference Shares will, on liquidation of the Company, receive a distribution from the Liquidation Fund equal to the nominal value of £1.00 for each Preference Share and any accrued but unpaid preference dividends.

I am now writing to you to provide details of the Proposals and to seek your approval for their implementation.

The Scheme

Subject to Shareholder approval, under the Scheme the Company will enter liquidation on 20 April 2017 by means of a members' voluntary liquidation in order to implement a scheme of reconstruction under section 110 of the Insolvency Act and Ordinary Shareholders (who are not Restricted Shareholders) will be entitled to choose to receive a combination of the following in respect of their holdings of Ordinary Shares:

- Practical Income Units; and/or
- cash.

The Practical Income Units will be issued by the Trustee at bid price on the Calculation Date.

Ordinary Shareholders (save for any Restricted Shareholders) who do not wish to receive cash for their Ordinary Shares do not need to complete and return a Form of Election or make a TTE Instruction and will be deemed to have chosen the Default Option in respect of their entire holding (being an election to receive Practical Income Units).

Ordinary Shareholders (save for any Restricted Shareholders) who wish to receive the Cash Option for all or part of their holdings of Ordinary Shares are encouraged to complete and return a Form of Election or make a valid TTE Instruction (as the case may be) in accordance with the instructions set out in Part 2 of this document. Restricted Shareholders are not entitled to hold Practical Income Units and will be deemed to have elected for the Cash Option.

The Company has received undertakings from Aviva and the Ashfield Family Interests under the terms of which Aviva has undertaken in respect of its holding of 5,651,428 Ordinary Shares (representing 19.52 per cent. of the issued ordinary share capital of the Company) to elect for the Cash Option and the Ashfield Family Interests have undertaken in respect of their aggregate holding of 8,659,173 Ordinary Shares (representing 29.91 per cent. of the issued ordinary share capital of the Company) to elect for the Default Option.

The Company has also received an undertaking from the Trustee, as trustee of the Practical Investment Fund, under the terms of which the Trustee has undertaken in respect of its holding of 1,590,000 Ordinary Shares (representing 5.49 per cent. of the issued ordinary share capital of the Company) to elect for the Cash Option.

Benefits of the Scheme

The Directors consider the Scheme should have the following benefits:

- it removes the uncertainty that has arisen by virtue of Aviva's desire to divest its holding in the Company;
- the Scheme provides Ordinary Shareholders with optionality, allowing those who wish to divest some or all their holdings to receive a cash distribution and, for those who wish to remain invested (in whole or in part), a tax efficient roll-over into a vehicle with similar investment objectives and managed by the same management team;
- by virtue of Aviva's contribution to the costs of the Scheme it is a cost effective solution for Shareholders;
- it will enable Ordinary Shareholders who are deemed to elect for the Default Option to retain market exposure through a vehicle whose portfolio is managed by the same team that manages the Company's portfolio and whose investment objectives are similar;

- Ordinary Shareholders who may be subject to UK capital gains or corporation tax on gains on their investment in the Company should be able to rollover this investment into Practical Income Units without crystallising an immediate charge to UK capital gains tax or corporation tax on gains;
- Ordinary Shareholders who are deemed to elect for the Default Option will not be required to pay any initial charge or meet any requirement for a minimum subscription level in the Practical Investment Fund. The Practical Investment Fund also offers daily subscriptions and redemptions at net asset value; and
- it is expected that the proposed purchase of Consistent by the Ashfield Consortium will allow the Company to achieve an uplift to the carrying book value of Consistent.

Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately seek their own personal financial advice from an appropriately qualified independent adviser authorised under the FSMA.

Mechanics of the Scheme

If the Scheme proceeds, before any assets are transferred to the Trustee (on account of the Practical Investment Fund) under the Scheme or set aside to pay Ordinary Shareholders who have elected for the Cash Option, the Liquidators will set aside sufficient assets in the Liquidation Fund to meet all estimated current and future, actual and contingent liabilities and costs which the Company is required to pay (including an amount necessary to pay the nominal capital entitlements and accrued but unpaid preference dividends of the Preference Shares) on the liquidation of the Company. The Liquidators will also provide in the Liquidation Fund for a retention which they consider necessary to meet any unknown and unascertained liabilities of the Company. The retention amount is currently not expected to exceed £50,000. In addition, the shares of Consistent held by the Company will be allocated to the Liquidation Fund.

After provision for liabilities as described above has been made in the Liquidation Fund, the assets and cash of the Company will be apportioned into two pools, the Cash Fund and the Rollover Fund at the Calculation Date. The apportionment of the assets will be on the basis of the value attributable to elections for the Cash Option and the value attributable to deemed elections for the Default Option. The Directors acting reasonably and in good faith will have discretion over the appropriation of assets between the Liquidation Fund, the Cash Fund and the Rollover Fund.

On the Scheme Effective Date:

- the Liquidators will transfer the assets in the Rollover Fund to the Trustee (for the account of the Practical Investment Fund). In consideration of such transfer, Practical Income Units will be issued by the Trustee at the applicable issuance price to Ordinary Shareholders who are deemed to have elected for the Default Option. The transfer of these assets will be carried out in accordance with the terms of the Transfer Agreement details of which are set out in paragraph 4 of Part 5 of this document; and
- the Liquidators will distribute the Cash Fund to Ordinary Shareholders who elect for the Cash Option as a single liquidation distribution, provided that no single payment of less than £5.00 will be made to any Ordinary Shareholder. Any such amounts will be transferred to the Liquidation Fund.

Subject to completion occurring, the net sale proceeds payable under the Share Sale Agreement will be received by the Liquidators and apportioned to the Liquidation Fund. Such net sale proceeds will be paid as a liquidation distribution on a *pro rata* basis to all Ordinary Shareholders on the Register on the Scheme Effective Date. This means that all Ordinary Shareholders whether they have elected for the Cash Option or are deemed to have elected for the Default Option will receive a cash distribution from the Liquidators representing their proportionate entitlement to such sale proceeds (together with any residual surplus remaining in the Liquidation Fund after payment of all claims, costs and expenses of the Liquidation), provided that, in respect of the Liquidators' final distribution from the Liquidation Fund only, no single payment of less than £5.00 will be made to any Ordinary Shareholder. Any such amounts will be transferred to a charity to be nominated by the Chairman. It is likely that a single first and final distribution from the Liquidation Fund will be made prior to the closure of the liquidation, once the Liquidators are satisfied all liabilities, including creditors' claims and the costs and expenses of the liquidation have been satisfied. However, the Liquidators will be able to pay an interim distribution from the Liquidation Fund if considered appropriate and at their discretion.

In accordance with the Articles, holders of the Company's Preference Shares will, on liquidation of the Company, receive a distribution equal to the nominal value of £1.00 for each Preference Share and any accrued but unpaid preference dividends. As the Proposals entail the liquidation of the Company, Preference Shareholders are entitled to attend and vote at the General Meetings.

Taxation

You are advised to read carefully the section headed "Taxation in the United Kingdom" in paragraph 6 of Part 5 of this document which sets out a general guide to certain aspects of current UK taxation law and HMRC published practice.

If you are in any doubt as to your tax position, or if you may be subject to taxation in a jurisdiction other than the United Kingdom, you are recommended to seek immediately your own personal tax advice from an independent professional adviser.

Conditions to the Scheme

The Scheme is conditional upon, amongst other things:

- (i) the passing of all the Resolutions to be proposed at: (a) the First General Meeting; and (b) the Second General Meeting and all conditions to such Resolutions (excluding any condition relating to the passing of any other Resolution) being fulfilled;
- (ii) the UK Listing Authority agreeing to amend the listing of the Ordinary Shares to reflect their reclassification as Reclassified Shares for the purpose of implementing the Scheme; and
- (iii) the Directors not resolving to abandon the Scheme.

In the event that any of conditions (i), (ii) and (iii) fail to be satisfied, the Scheme will not proceed and the Company will continue as presently constituted as an investment trust.

Interim Dividend

In light of the Proposals, the Board has declared an interim dividend of 9.5 pence per Ordinary Share payable to Ordinary Shareholders on the Register at the close of business on 31 March 2017. The Interim Dividend will be paid on 19 April 2017. Subject to the Scheme being implemented, it is not anticipated that there will be any further dividends paid by the Company.

The Rollover Vehicle – The Practical Investment Fund

Practical Investment Fund is a UK authorised unit trust which seeks to provide investors with above average capital growth and increasing income from investment in a wide spread of UK and dollar denominated investment trusts, ordinary shares and other selected investments.

The portfolio managers of the Practical Investment Fund are Sean Ashfield and Jenny Sculley acting on behalf of Consistent, whose registered office and principal place of business is Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RD. Consistent is authorised and regulated by the FCA.

The Practical Investment Fund has been selected as the rollover vehicle as it has a similar income-focused investment objective and strategy to that of the Company and is managed by the same fund managers, Sean Ashfield and Jenny Sculley. As such, and given the undertakings given by the Ashfield Family Interests and the Trustee, it is anticipated that a significant proportion of the Rollover Pool to be transferred to the Trustee, on behalf of the Practical Investment Fund, will comprise the Company's existing assets, which will reduce realisation costs compared to a straightforward winding-up of the Company. Practical Income Units issued pursuant to the Default Option will be issued without any initial charge.

Investors in the Practical Investment Fund are able to buy and redeem Practical Income Units on any Business Day. The Practical Investment Fund is an authorised unit trust which can be made available in the UK to retail investors. It is also a UCITS scheme which is subject to the investment and borrowing powers and restrictions applicable to UCITS schemes as set out in the COLL Sourcebook. A key aim of the restrictions on investment and borrowing powers in the COLL Sourcebook is to protect unitholders by laying down minimum standards for the investments that may be held by a UCITS scheme. There are also a number of investment rules requiring diversification of investment so providing a prudent spread of risk.

Practical Income Units pay income bi-annually. The Practical Investment Fund also issues accumulation units where any income is accumulated bi-annually and reflected in the price of the accumulation units. Ordinary Shareholders who receive Practical Income Units will, if they so wish, be able to switch their holdings on any dealing day into accumulation units at no charge.

Further details of the Practical Investment Fund, and the Practical Income Units is set out in Part 4 of this document and in the accompanying Practical Investor Information Documents. Further information relating to the Practical Investment Fund, including the Prospectus and the Supplementary Information Document is available on Consistent's website at www.consistentunittrust.co.uk and is also available for inspection at the address specified in paragraph 11 of Part 5 of this document.

Ordinary Shareholders who are deemed to elect to receive Practical Income Units will be required to supply evidence of identity for anti-money laundering purposes and residence information for tax purposes. Failure to provide this information when requested to do so may delay the payment of any proceeds should the Practical Income Units subsequently be sold.

Considerations for Ordinary Shareholders

Before making an election, Ordinary Shareholders should carefully consider, in the light of their own circumstances and investment objectives, the following:

- Ordinary Shareholders who elect for the Cash Option are likely to be treated as disposing of their Ordinary Shares for the purposes of UK taxation and this may lead to a chargeable gain which creates a UK tax liability;
- if an Ordinary Shareholder is deemed to have elected for the Default Option any subsequent disposal of Practical Income Units may constitute a disposal for the purposes of crystallising a liability to UK capital gains tax;
- there can be no assurance that there will not be changes to key personnel within Consistent or that the investment objective and policy of the Practical Investment Fund will not change;
- Ordinary Shareholders (other than Restricted Shareholders) making no election for cash will, by virtue of the Default Option, receive Practical Income Units;
- Practical Income Units are designed to be held over the long-term and may not be suitable as short-term investments. There can be no guarantee that any appreciation in the value of Practical Income Units will occur and investors may not get back the full value of their investment;
- there can be no guarantee that the investment objective of the Practical Investment Fund will be met;
- the past performance of the Practical Investment Fund is not a guide to the future performance of the Practical Investment Fund;
- the capital value and income (from Practical Income Units) can fluctuate and the price of Practical Income Units and the income from Practical Income Units can go down as well as up and is not guaranteed; and
- Ordinary Shareholders who are deemed to elect for the Default Option will be required to supply evidence of their identity to comply with anti-money laundering regulations. The administrator of the Practical Investment Fund will write to the relevant holders of Practical Income Units following the Scheme Effective Date requesting the relevant information. Those holders are advised that, for the purposes of anti-money laundering laws, they will not be permitted to deal (transfer, redeem, subscribe or convert) in any new Practical Income Units received until the anti-money laundering procedures have been completed.

Costs of the Proposals

The costs of the Proposals (including all advisers' fees, printing and other ancillary costs of the Proposals, but excluding stamp duty incurred on the in specie transfer of assets from the Company to the Trustee pursuant to the Transfer Agreement), are expected to be approximately £560,000 (inclusive of VAT).

Aviva has, subject to Shareholder approval, agreed to contribute up to a maximum of £551,500 to the costs of implementation of the Proposals. For the purposes of the Listing Rules, the agreement of Aviva to contribute to the costs of the Proposals is a related party transaction and must be approved in advance by Shareholders (other than Aviva and its associates). Accordingly, Aviva's agreement to contribute to the costs of the Proposals is subject to the passing of Resolution 3 at the First General

Meeting which will be proposed as an ordinary resolution and will require the approval of more than 50 per cent. of the votes cast in respect of it by independent shareholders (being all Shareholders save for Aviva and its associates). Aviva has undertaken that it will not vote on Resolution 3 at the First General Meeting and that it will take all reasonable steps to ensure that its associates will not vote on Resolution 3 at the First General Meeting.

Shareholders should note that the Ashfield Family Interests have undertaken to vote in favour of Resolution 3 to be proposed at the First General Meeting in respect of in aggregate 8,715,128 Shares held by the Ashfield Family Interests (representing in aggregate 37.0 per cent. of the voting rights entitled to vote on Resolution 3 at the First General Meeting).

In the event that the Scheme is not approved by Shareholders and/or Resolution 3 to be proposed at the First General Meeting is not passed, the Company will be liable to pay all of the aborted costs of the Scheme, which it is estimated would be approximately £310,000.

Further details of the agreement entered into between the Company and Aviva are set out in paragraph 7.3 of Part 5 of this document.

Proposed Sale of Consistent

Consistent is a wholly owned subsidiary of the Company and is the investment manager of the Practical Investment Fund.

Consistent is authorised and regulated by the FCA and is responsible for managing and administering the Practical Investment Fund. The directors of Consistent are Philip Ashfield, Sean Ashfield and Jenny Sculley. Consistent is also the manager of another UCITS fund, the Consistent Unit Trust.

The Company and the Ashfield Consortium have entered into a conditional agreement under the terms of which the Ashfield Consortium (or their nominee) will purchase the entire issued share capital of Consistent for a consideration price, which will be calculated shortly after the commencement of the Company's liquidation, as 3 per cent. of Consistent's funds under management (including assets rolling over under the Scheme but excluding the value of the Ashfield family holdings) as at the date of completion of the Share Sale Agreement (currently anticipated to be 24 April 2017) plus the value of Consistent's own tangible net asset value (with the total consideration capped at £26 million (being 23 per cent. of the market capitalisation of the Company as at the Latest Practicable Date)).

For the purposes of the Listing Rules, the agreement to sell Consistent to the Ashfield Consortium is a related party transaction as the Ashfield Consortium includes Christopher Lloyd, Jenny Sculley and a company in which both myself and Sean Ashfield are interested. As we are all directors of the Company, the transaction must be approved in advance by Shareholders (other than the Ashfield Consortium and their respective associates). Accordingly, completion of the Share Sale Agreement is subject to the passing of Resolution 4 at the First General Meeting which will be proposed as an ordinary resolution and will require the approval of more than 50 per cent. of the votes cast in respect of it by independent shareholders (being all Shareholders save for the Ashfield Family Interests). Myself, Sean Ashfield, Christopher Lloyd and Jenny Sculley have undertaken that we will not vote on Resolution 4 at the First General Meeting and that we will take all reasonable steps to ensure that our respective associates, including the Ashfield Family Interests, will not vote on Resolution 4 at the First General Meeting.

Shareholders should note that Aviva has undertaken to vote in favour of Resolution 4 to be proposed at the First General Meeting in respect of 5,651,428 Ordinary Shares in which Aviva is interested (representing 27.6 per cent. of the voting rights entitled to vote on Resolution 4 at the First General Meeting).

Further details of the Share Sale Agreement are set out in paragraph 7.1 of Part 5 of this document.

Restricted Shareholders and Overseas Shareholders

Restricted Shareholders and Overseas Shareholders should refer to the section headed "Restricted Shareholders and Overseas Shareholders" in Part 2 of this document.

Shareholder Meetings

As described above, the Proposals are conditional on the approval of Shareholders which is being sought at the First General Meeting and the Second General Meeting.

At the First General Meeting, the following Resolutions will be proposed:

Resolution 1 (special resolution)

Resolution 1 will seek to reclassify the Ordinary Shares as either shares with “A” rights or “B” rights depending upon whether a deemed election for Practical Income Units or an election (or deemed election) for cash has been made in relation to those Ordinary Shares under the Scheme. Resolution 1 will also seek to make necessary amendments to the Articles in connection with such reclassification.

Resolution 2 (special resolution)

Resolution 2 will seek Shareholder approval of the Scheme and empower the Liquidators to implement the Scheme.

Resolution 3 (ordinary resolution)

Resolution 3 will seek independent shareholder approval for the entry into of the agreement between Aviva and the Company, under which Aviva has agreed to make a contribution towards the costs of the Scheme. The Shareholder approval sought is as a related party transaction under the Listing Rules.

Resolution 4 (ordinary resolution)

Resolution 4 will seek independent shareholder approval for the entry into of the Share Sale Agreement relating to the sale of the shares in Consistent, between the Company and the Ashfield Consortium. The Shareholder approval sought is as a related party transaction under the Listing Rules.

Aviva and the Ashfield Family Interests have each undertaken that they will vote in favour of Resolutions 1 and 2 at the First General Meeting.

Aviva has undertaken that it will, (i) not vote on Resolution 3 at the First General Meeting and that it will take all reasonable steps to ensure that its associates will not vote on Resolution 3 at the First General Meeting, and (ii) vote in favour of Resolution 4 at the First General Meeting.

The members of the Ashfield Consortium have undertaken that they will, (i) not vote on Resolution 4 at the First General Meeting and that they will take all reasonable steps to ensure that their respective associates, including the Ashfield Family Interests, will not vote on Resolution 4 at the First General Meeting, and (ii) vote in favour of Resolution 3 at the First General Meeting.

At the Second General Meeting, a special resolution will be proposed which, if passed, will appoint the Liquidators and the Company will be placed into liquidation (the “**Winding-up Resolution**”).

Each of Aviva and the Ashfield Family Interests have (in respect of the 5,651,428 Shares and 8,715,128 Shares held by them respectively and representing in aggregate 49.2 per cent. of the voting rights entitled to vote on the Winding-up Resolution) undertaken to vote in favour of the Winding-up Resolution.

Action to be taken

Details of the action to be taken by Shareholders are set out in Part 2 of this document. It is important that Shareholders read Part 2 carefully and that Shareholders return their Forms of Proxy as soon as possible and in any event so as to be received not later than 48 hours before the appointed time of the relevant General Meeting. In addition, Ordinary Shareholders who wish to elect for the Cash Option in respect of some or all of their holding of Ordinary Shares should return their Forms of Election or submit a valid TTE Instruction (in accordance with the instructions set out in Part 2 of this document) so as to be received by Capita Asset Services by no later than 1:00 p.m. on 11 April 2017. There is no requirement to complete the Form of Election or submit a TTE Instruction if you wish to receive Practical Income Units in respect of your entire holding of Ordinary Shares as you will automatically receive Practical Income Units as the Default Option in respect of your entire holding. If you do complete the Form of Election or submit a TTE Instruction to receive cash for only part of your holding of Ordinary Shares, you will receive Practical Income Units under the Proposals in respect of the balance of your holding.

If you hold your Shares in uncertificated form (i.e. in CREST) you may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notices of the General Meetings set out at the end of this document). Proxies submitted via CREST for the General Meetings must be transmitted so as to be received by Capita Asset Services by no later than 48 hours before the time of the relevant General Meeting or (as the case may be) the adjourned General Meeting.

As the Proposals are conditional on the passing of the Resolutions, Shareholders are requested to complete and return their Forms of Proxy irrespective of the Election, if any, Ordinary Shareholders intend to make in respect of their Ordinary Shares.

Recommendation

The Directors, who have been so advised by a Sponsor, Cenkos, consider the Scheme and the cost contribution being made by Aviva to be fair and reasonable insofar as all Shareholders are concerned. In advising the Directors, Cenkos has taken into account the Directors' commercial assessment of the Scheme. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 1, 2 and 3 to be proposed at the First General Meeting and the Winding-up Resolution to be proposed at the Second General Meeting, as the Directors intend to do in respect of their own beneficial holdings amounting, in aggregate, to 1,712,960 Ordinary Shares (representing 5.9 per cent. of the Ordinary Shares in issue).

Aviva has undertaken that it will not vote on Resolution 3 at the First General Meeting and that it will take all reasonable steps to ensure that its associates will not vote on Resolution 3 at the First General Meeting.

The Directors who have been so advised by a Sponsor, Cenkos, consider the sale by the Company to the Ashfield Consortium of Consistent on the terms of the Share Sale Agreement to be fair and reasonable insofar as all Shareholders are concerned. In advising the Directors, Cenkos has taken into account the Board's commercial assessment of the terms upon which Consistent is proposed to be sold. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 4 to be proposed at the First General Meeting. Those Directors who are members of the Ashfield Consortium have undertaken that they will not vote on Resolution 4 at the First General Meeting. The Independent Directors intend to vote in favour of Resolution 4 at the First General Meeting in respect of their own beneficial holdings amounting, in aggregate, to 10,050 Ordinary Shares (representing 0.03 per cent. of the Ordinary Shares in issue).

The members of the Ashfield Consortium, as they are related parties, have undertaken that they will not vote on Resolution 4 at the First General Meeting and that they will take all reasonable steps to ensure that their respective associates, including the Ashfield Family Interests will not vote on Resolution 4 at the First General Meeting.

Shareholders in any doubt as to the action they should take should consult an appropriately qualified independent adviser, authorised under FSMA, without delay.

Yours sincerely

P.J.C. Ashfield
Chairman

PART 2

ACTION TO BE TAKEN

Shareholders should read the following sections of this document carefully. If Shareholders are unsure as to what action they should take or how to take any action, they are recommended to seek immediately their own personal financial advice from an appropriately qualified independent adviser authorised under FSMA.

The General Meetings

The implementation of the Scheme will require Shareholders to vote in favour of the Resolutions at the two General Meetings of the Company which have been convened for 12:00 noon on 12 April 2017 and 10:00 a.m. on 20 April 2017. The notices convening the General Meetings are set out at the end of this document. The General Meetings will be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU.

Both Ordinary Shareholders and Preference Shareholders are entitled to attend and vote at the General Meetings and vote on the Resolutions.

In order to ensure that a quorum is present at the General Meetings, it is necessary for two Shareholders entitled to vote to be present in person or by proxy (or, if a corporation, by a representative).

If a quorum (being two Shareholders present in person, by corporate representative or by proxy and entitled to vote) is not present within half an hour from the time appointed for holding the First General Meeting, the First General Meeting will stand adjourned to such time and place as the chairman of the First General Meeting may decide and at such adjourned meeting one Shareholder present in person, by corporate representative or by proxy and entitled to vote shall be a quorum. Forms of Proxy will also be valid at the adjourned meeting.

If the Scheme is not approved at the First General Meeting the Winding-up Resolution will not be put to Shareholders at the Second General Meeting.

Forms of Proxy

Shareholders will find enclosed with this document a white Form of Proxy in respect of the Ordinary Shares and a blue Form of Proxy in respect of the Preference Shares for use at the First General Meeting, and a green Form of Proxy in respect of the Ordinary Shares and a yellow Form of Proxy in respect of the Preference Shares for use at the Second General Meeting.

Whether or not you intend to be present at the General Meetings, you are requested to complete and sign the applicable Forms of Proxy and return them, in accordance with the instructions printed thereon, to the Company's Registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received by no later than 12:00 noon on 10 April 2017 in respect of the First General Meeting and by no later than 10:00 a.m. on 18 April 2017 in respect of the Second General Meeting.

CREST members who wish to appoint a proxy for the General Meetings through the CREST electronic proxy appointment service are referred to Note (viii) to the Notice of the First General Meeting and Note (viii) to the Notice of the Second General Meeting. Completion and return of a Form of Proxy (including online) or the giving of a CREST Proxy Instruction will not preclude a Shareholder from attending the General Meetings in person if he or she so wishes. Proxies submitted via CREST for the General Meetings must be transmitted so as to be received by no later than 48 hours before the time of the relevant General Meeting or (as the case may be) the adjourned meeting.

Making an Election

Action for holders of Ordinary Shares in certificated form

The personalised Form of Election enclosed with this document is for use by Ordinary Shareholders (other than Restricted Shareholders) who hold their Ordinary Shares in certificated form and allows such Ordinary Shareholders to indicate whether they wish to receive cash under the Scheme in respect of some or all of their Ordinary Shares. Do not complete the Form of Election if you wish to receive Practical Income Units under the Proposals in respect of your entire holding of Ordinary Shares; you will automatically receive Practical Income Units as the Default Option for any Ordinary Shares in respect of which you do not elect to receive cash. If you do complete the Form of Election to receive cash for only

part of your holding of Ordinary Shares, you will receive Practical Income Units under the Proposals in respect of the balance of your holding.

Ordinary Shareholders (other than Restricted Shareholders) should read the Form of Election carefully, complete the appropriate boxes and return it by post in the enclosed reply-paid envelope for Ordinary Shareholders with a UK registered address only or by post or by hand using your own envelope (during normal business hours) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event so as to arrive by no later than 1:00 p.m. on 11 April 2017.

Forms of Election, once submitted, will be irrevocable without the consent of the Directors.

You should note that, if you hold Ordinary Shares in both certificated and uncertificated form, and wish to elect for the Cash Option for some or all of your holding of Ordinary Shares, you should complete a Form of Election for your certificated holding only and follow the procedure set out below under the heading "Action for holders of Ordinary Shares in uncertificated form" in relation to your uncertificated holding.

If you hold your Ordinary Shares in certificated form, but under different designations, and wish to elect for the Cash Option for some or all of your holding of Ordinary Shares you should complete a separate Form of Election in respect of each designation.

If you have any queries relating to the completion of Form(s) of Election and/or require additional form(s) please contact the Shareholder Helpline at Capita Asset Services on +44(0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Restricted Shareholders will not be provided with a Form of Election and will receive cash under the Scheme unless they have satisfied the Directors that it is lawful for the Trustee to offer and issue Practical Income Units to them under any relevant overseas laws and regulations.

Action for holders of Ordinary Shares in uncertificated form

If your Ordinary Shares are held in uncertificated form, you should not complete a Form of Election in respect of such Ordinary Shares. Instead, if you wish to elect for the Cash Option for some or all of your holding of Ordinary Shares you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares, in respect of which you are choosing the Cash Option, to an escrow balance, specifying Capita Asset Services in its capacity as escrow agent under its participant ID referred to below, as soon as possible and in any event so that the transfer to escrow settles not later than 1:00 p.m. on 11 April 2017. You should send (or, if you are a CREST sponsored member procure that your CREST sponsor sends) a TTE Instruction to Euroclear which may be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number of Ordinary Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of Capita Asset Services in its capacity as CREST receiving agent, which is RA10;
- the member accounts ID of Capita Asset Services, which for these purposes is 29052CAS;
- the ISIN number for the Ordinary Shares, which is GB0005310056;
- the corporate action number for the Cash Option, which is allocated by Euroclear and can be found by viewing the relevant corporate actions details in CREST;
- a contact name and number, which should be inserted in the shared note field of the TTE Instruction;
- the intended settlement date for the transfer to escrow, which should be as soon as possible and in any event by no later than 1:00 p.m. on 11 April 2017; and
- the standard delivery instruction priority, which is 80.

Any Ordinary Shareholder who is a CREST sponsored member should refer to its CREST sponsor before taking any action. An Ordinary Shareholder's CREST sponsor will be able to confirm details of such Ordinary Shareholder's participant ID and member account ID under which the Ordinary Shares are held. In addition, only an Ordinary Shareholder's CREST sponsor will be able to send the TTE Instruction in relation to the Ordinary Shares for which they wish to choose the Cash Option under the Scheme.

After settlement of the TTE Instructions, you will not be able to access the Ordinary Shares in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Capita Asset Services as escrow agent. You are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above.

The last date for receipt of TTE Instructions is 1:00 p.m. on 11 April 2017. The Record Date, being the date for determining which Ordinary Shareholders are entitled to make Elections under the Scheme, is 5:30 p.m. on 11 April 2017.

Ordinary Shareholders should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will, therefore, apply in connection with the TTE Instruction and its settlement. Ordinary Shareholders should therefore ensure that all necessary action is taken by them (or by their CREST sponsor) to enable a TTE Instruction relating to the Ordinary Shares to settle prior to 1:00 p.m. on 11 April 2017. Ordinary Shareholders are referred in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

Restricted Shareholders should not take any action and will receive cash under the Scheme unless they have satisfied the Directors that it is lawful for the Trustee to offer and issue Practical Income Units to them under any relevant overseas laws and regulations.

Failure to make an Election

In the event that Ordinary Shareholders (who are not Restricted Shareholders) do not wish to elect for the Cash Option for some or all of their holdings of Ordinary Shares and therefore do not return a Form of Election or submit a TTE Instruction by 1:00 p.m. on 11 April 2017, or a Form of Election is submitted but is not validly completed, such Ordinary Shareholders (except Restricted Shareholders who will be deemed to have chosen the Cash Option) will be deemed to have chosen the Default Option in respect of their entire holding.

The Default Option is Practical Income Units.

Under Elections

If, on any Form of Election (or in relation to any TTE Instruction) an Ordinary Shareholder elects to receive the Cash Option in respect of less than his total holding of Ordinary Shares as at the Record Date, he shall be deemed to have chosen the Default Option in respect of the balance of his holding.

Excess Elections

If, on any Form of Election (or in relation to any TTE Instruction), an Ordinary Shareholder elects to receive the Cash Option in respect of a number of Ordinary Shares which exceeds his total holding shown on the Form of Election (or the subject of any TTE Instruction) or, if different, his actual holding as at the Record Date, such Election made by such Ordinary Shareholder on that Form of Election (or the subject of any TTE Instruction) shall be decreased so that such Election shall equate to his total holding and, in any such case, such decreased Election shall be deemed to be the Election made by such Ordinary Shareholder on the Form of Election (or the subject of any TTE Instruction) for all purposes of the Scheme.

Restricted Shareholders and Overseas Shareholders

The terms of the Scheme, as they relate to Overseas Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas Shareholders should inform themselves about, and observe any applicable legal requirements.

It is the responsibility of Overseas Shareholders who are not Restricted Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Proposals, including the obtaining of any governmental or other consents which may be required, compliance with necessary formalities and the payment of any issue, transfer or other taxes due to such jurisdiction.

Overseas Shareholders should note, however, that if they have registered addresses in the United States, Canada, Australia, Japan, the Republic of South Africa or any EEA State (other than the United Kingdom) they are deemed to be Restricted Shareholders and not meant to receive Forms of Election or the accompanying documents concerning the Practical Investment Fund, and will be deemed under the terms of the Scheme to have made irrevocable Elections for the Cash Option unless they have satisfied the Directors that it is lawful for the Trustee to offer and issue Practical Income Units to them under any relevant overseas laws and regulations.

Ordinary Shareholders who are subject to taxation outside the United Kingdom should consult their tax advisers as to the tax effect of the Proposals on them.

Further information in relation to Restricted Shareholders and Overseas Shareholders is set out in paragraph 9 of Part 3 of this document.

PART 3 THE SCHEME

1 DEFINITIONS AND INTERPRETATION

Words and expressions defined on pages 36 to 39 have the same meanings when used in this Scheme. Save as otherwise provided in this Scheme, any Ordinary Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act, shall be disregarded for the purposes of this Scheme. Nothing in this Scheme or in any document executed under or in connection with this Scheme shall affect the rights of any persons who have validly exercised their rights under section 111(2) of the Insolvency Act.

2 ELECTIONS AND ENTITLEMENTS UNDER THE SCHEME

- 2.1 Subject to the Resolutions contained in the notice of the First General Meeting being passed at such General Meeting, or at any adjournment thereof, and becoming unconditional:
- (a) the Ordinary Shares in respect of which the holders are deemed to have made Elections under the Default Option for Practical Income Units will be reclassified as Ordinary Shares with “A” rights (“**A Shares**”); and
 - (b) the Ordinary Shares in respect of which the holders have made or are deemed to have made, valid Elections for the Cash Option will be reclassified as Ordinary Shares with “B” rights (“**B Shares**”).
- 2.2 The rights of the A Shares and B Shares (together the “**Scheme Shares**”) will be the rights as set out in Article 3 (C) to be inserted in the Articles of Association of the Company pursuant to Resolution 1 contained in the notice of the First General Meeting and references to Ordinary Shareholders shall be construed accordingly. No dividends are payable on the Scheme Shares. The Scheme Shares will rank *pari passu* with each other.
- 2.3 On or as soon as practicable after the Calculation Date, the Directors shall calculate, for the purposes of determining the Terminal Asset Value in respect of the Scheme Shares the total assets of the Company (the “**Total Assets**”) as being the aggregate value thereof as valued in accordance with paragraph 4.1 below as at 12:00 noon on the Calculation Date.
- 2.4 In advance of the Calculation Date, the Directors will have, to the extent practicable and required, realised or realigned the undertaking and business carried on by the Company in accordance with the Scheme and the Elections made, or deemed to have been made, by Ordinary Shareholders so that, so far as practicable, the Company will hold, in addition to the assets to be appropriated to the Liquidation Fund and the Cash Fund a separate investment portfolio in the Rollover Fund as will, on or before the Scheme Effective Date, be suitable for transfer to the Trustee for the account of the Practical Investment Fund and which will be so transferred on the Scheme Effective Date (or as soon as practicable thereafter) by virtue of the Transfer Agreement.
- 2.5 The Form of Election and the provisions set out thereon shall form part of this Scheme. Forms of Election submitted by facsimile shall not be valid and effective.
- 2.6 Any Election made or deemed to have been made by any such relevant Ordinary Shareholder shall operate in accordance with the provisions set out in paragraphs 2.9 and 2.10 below in respect of the Ordinary Shareholder’s actual holding.
- 2.7 If, on any Form of Election, an Ordinary Shareholder (not being a Restricted Shareholder) elects to receive the Cash Option in respect of less than his total holding shown on the Form of Election or, if different, his actual holding as at the Record Date, he shall be deemed to have elected for the Default Option in respect of the balance of his holding.
- 2.8 If on any Form of Election, an Ordinary Shareholder elects to receive the Cash Option in respect of a number of Ordinary Shares which exceeds his total holding shown on the Form of Election or, if different, his actual holding as at the Record Date, such Election made by such Ordinary Shareholder on that Form of Election shall be decreased so that such Election shall equate to his total holding and, in any such case, such decreased Election shall be deemed to be the Election made by such Shareholder on the Form of Election for all purposes of this Scheme.

- 2.9 Ordinary Shareholders (who are not Restricted Shareholders) who do not wish to elect for the Cash Option for some or all of their holdings of Ordinary Shares and therefore do not validly complete and return a Form of Election or send a TTE instruction in accordance with the instructions set out in Part 2 of this document by 1:00 p.m. on 11 April 2017 (in the circumstances set out in paragraph 2.6 above) will be deemed to have elected for the Default Option in respect of their entire holding of Ordinary Shares (or such part of their holding as shall not be subject to an Election for the Cash Option which has been made and accepted).
- 2.10 By signing and delivering a Form of Election or sending a TTE Instruction through CREST and in consideration of the Company agreeing to process the Form of Election or TTE Instruction (as the case may be), each Ordinary Shareholder agrees that an Election for the Cash Option made on a Form of Election or in a TTE Instruction will be irrevocable (other than with the consent of the Directors) and, by signature and delivery or by such despatch thereof, such Ordinary Shareholder represents and warrants that such Election for the Cash Option is valid and binding and is made in accordance with all applicable legal requirements.
- 2.11 The Directors reserve the right to accept, at their sole discretion, delivery of Forms of Election after 1:00 p.m. on 11 April 2017.
- 2.12 All questions as to the extent (if any) to which any Election will be met and as to the validity of any Form of Election or TTE Instruction shall be at the discretion of the Directors, notwithstanding the provisions of this paragraph 2, and the Directors' determination shall be final.

3 APPORTIONMENT OF THE COMPANY'S TOTAL ASSETS

- 3.1 On the Calculation Date, or as soon as practicable thereafter, the Directors shall procure that the Company finalises the division of the Total Assets and appropriates them to three separate and distinct funds, the Liquidation Fund, the Rollover Fund and the Cash Fund as provided for and in the order specified below:
- (a) there shall be appropriated to the Liquidation Fund such of the cash, undertaking and other assets of the Company (including, without limitation, any dividends and interest due but not paid to the Company by the Calculation Date with nil value, together with overseas withholding tax debtors with nil value and the right to receive in due course any unclaimed dividends and any other assets of the Company identified after the Calculation Date, and all illiquid investments of the Company at the Calculation Date, provided that any such illiquid investments shall be appropriated to the Liquidation Fund with nil value and, if any illiquid investments remain in the Liquidation Fund upon completion of the liquidation process, the Liquidators shall have the discretion to write off such investments) of a value calculated in accordance with paragraph 4.1 and estimated by the Directors to be sufficient to meet the current and future, actual and contingent liabilities of, and any other amounts payable by, the Company (as provided in paragraphs (i) to (ix) below) which shall include, but not be limited to (without prejudice to the generality of the foregoing and save to the extent that the same have already been paid or already deducted in calculating the total net assets):
- (i) the aggregate nominal value of the Preference Shares and any accrued preferential dividend estimated to be due up to the Scheme Effective Date;
 - (ii) the administration costs of the Company that are expected to be incurred during the period commencing on the Calculation Date and ending on the Scheme Effective Date;
 - (iii) the costs and expenses incurred and to be incurred by the Company and the Liquidators in formulating, preparing and implementing the Proposals, the Scheme and in preparing this document and all associated documents, in each case as not otherwise paid prior to the liquidation;
 - (iv) the costs and expenses incurred and to be incurred by the Company and the Liquidators in preparing and implementing the Scheme, including the Transfer Agreement;
 - (v) the costs of purchasing (or making provision for the purchase of) the interests of Shareholders who have validly exercised their rights to dissent from this Scheme under section 111(2) of the Insolvency Act;

- (vi) the costs and expenses of winding-up the Company (which includes the costs and expenses in relation to the Liquidators maintaining the Company in liquidation until the release of the Liquidators and closure of the liquidation), including the fees and expenses of the Liquidators and Registrars;
- (vii) any declared but unpaid dividends of the Company;
- (viii) any tax and contingent liabilities of the Company; and
- (ix) any amounts considered by the Liquidators to be appropriate to provide for any unknown, unascertained, unrecorded or contingent liabilities (such amount not expected to exceed £50,000),

in each case including any VAT in respect thereof,

for the avoidance of doubt, (A) the Directors (or a duly authorised committee thereof) acting in good faith shall have absolute discretion over the appropriation of assets between the Liquidation Fund, the Cash Fund and the Rollover Fund, and (B) stamp duty and stamp duty reserve tax (or other similar transfer taxes or duties) payable on the transfer of the assets from the Company to the Trustee (for the account of the Practical Investment Fund) shall not be borne by the Liquidation Fund;

- (b) there shall be appropriated to the Liquidation Fund the shares held by the Company in Consistent;
 - (c) there shall also be appropriated to the Liquidation Fund such assets of the Company which either cannot be transferred, or are not suitable for transfer, to the Trustee (for the account of the Practical Investment Fund);
 - (d) there shall then be appropriated to the Cash Fund such cash, undertaking, assets and other rights of the Company from the remaining assets of the Company after the appropriations referred to in sub-paragraphs (a), (b) and (c) above which amount to the aggregate Terminal Asset Value per Share of all B Shares (which are Ordinary Shares in respect of which Elections have been made, or are deemed to have been made, for the Cash Option), in each case calculated as at the Calculation Date in accordance with paragraph 4.1 below;
 - (e) there shall then be appropriated to the Rollover Fund such cash, undertaking, assets and other rights of the Company from the remaining assets of the Company (but including the Company's full holding of Canadian & Foreign Securities Co. Limited) after the appropriations referred to in sub-paragraphs (a), (b), (c) and (d) above, which amount to the aggregate Terminal Asset Value per Share of all A Shares (which are Ordinary Shares in respect of which Elections are deemed to have been made under the Default Option for Practical Income Units), in each case calculated as at the Calculation Date in accordance with paragraph 4.1 below.
- 3.2 Interest, income and other rights or benefits accruing in respect of any of the undertaking, cash or other assets comprised in any of the Liquidation Fund, the Cash Fund or the Rollover Fund shall form part of that fund, provided that any income, dividend, distribution, interest or other right or benefit on any investment marked "ex" the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Scheme Effective Date shall be deemed to form part of the Liquidation Fund.
- 3.3 In advance of the Scheme Effective Date, the Directors shall afford the Trustee and/or Consistent (or its agents) a reasonable opportunity prior to the transfer date to satisfy itself that the securities and other assets intended to form part of the Rollover Fund can be accepted by the Trustee for the account of the Practical Investment Fund without infringing the investment objectives and policies applicable to the Practical Investment Fund and, in particular, so as not to cause infringement of such investment objectives, policies or restrictions applicable to the Practical Investment Fund (including those set out in the COLL Sourcebook).
- 3.4 Any transaction taxes, stamp duty/stamp duty reserve tax payable on the transfer of assets to the Trustee (for the account of the Practical Investment Fund) shall be borne by the Trustee (for the account of the Practical Investment Fund) and shall not be for the account of the Company as a whole.

- 3.5 The Liquidators retain the right to adjust the value of the Liquidation Fund on the Scheme Effective Date by way of a pro-rata adjustment to the Cash Fund and the Rollover Fund should the value of the Company's liabilities increase between the Calculation Date and the Scheme Effective Date.

4 CALCULATIONS OF VALUE OF THE TOTAL ASSETS

- 4.1 For the purposes of the calculation of the value of the Total Assets required to be made on the Calculation Date, when appropriating assets to the Liquidation Fund, the Cash Fund and the Rollover Fund and also the calculation of the Terminal Asset Value per Share the assets of the Company will be valued on the basis that:

- (a) investments of the Company which are listed, quoted or traded on a recognised stock exchange other than the London Stock Exchange shall be valued by reference to the bid prices on the principal stock exchange where the relevant investment is listed, quoted or dealt in as at the Calculation Date, as shown by the relevant exchange's recognised method of publication of prices for such investments or, in the absence of any such recognised method, by the latest quoted price on the Calculation Date. Investments of the Company which are listed on the London Stock Exchange will be valued according to the prices issued by the London Stock Exchange as at the Calculation Date, being the bid prices (or in the case of investments temporarily suspended from listing on the Calculation Date, the suspension price). If any such investments are traded under SETS and the latest recorded prices at which such investments have been traded as shown in the Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Date, the value of such investments will be adjusted to reflect fair realisable value as determined by the Directors. Debt related securities will be valued by reference to the bid price, subject to any adjustment to exclude any accrual of interest which may be included in the quoted price, as at the Calculation Date;
- (b) unlisted or unquoted investments of the Company which are subject to restrictions on transferability will be valued at their fair value which shall be determined by the Directors. If in any case the Directors determine that fair value cannot be readily measured, the valuation will be the same as at the previous reported value unless there is evidence that the asset has been since impaired, in which case the Directors will reduce the value;
- (c) cash and deposits with, or balances at, banks together with all bills receivable, Money Market Instruments and other debt securities not included in paragraphs (a) or (b) above and held by the Company as at the Calculation Date will be valued at par (together with interest accrued up to the Calculation Date);
- (d) any sums owing from debtors (including any dividends due but not yet received and any accrual of interest on debt related securities to the extent not already taken into account under paragraphs (a) or (b) above) on the Calculation Date will be valued at their actual amount less such provision for diminution of value (including provisions for bad or doubtful debts or discount to reflect the time value of money) as may be appropriate;
- (e) assets denominated in currencies other than Sterling will be converted into Sterling at the closing mid-point rate of exchange of Sterling and such other currencies prevailing on the Calculation Date as may be determined by the Directors;
- (f) any securities issued by an issuer which is in liquidation, administration, receivership, Chapter 11 or any analogous proceedings shall be valued at a price determined by the Directors; and
- (g) any contingent assets will be valued in accordance with the Company's normal accounting policy.

- 4.2 For the purposes of this Scheme:

- (a) the **Terminal Asset Value** shall be the NAV of the Company on the basis that the assets of the Company are valued in accordance with paragraph 4.1 above less the Liquidation Fund as calculated in accordance with paragraphs 3.1(a), 3.1(b) and 3.1(c) above; and
- (b) the **Terminal Asset Value per Share** shall be the Terminal Asset Value divided by the total number of A Shares and B Shares in issue on the Calculation Date.

- 4.3 Notwithstanding the foregoing, the Directors (or a duly authorised committee thereof), may, in their absolute discretion, permit an alternative method of valuation to be used if they, acting in good faith, consider that such valuation better reflects the fair value of any asset or security. None of the Company, the Directors, the Trustee, Consistent nor the Liquidators shall be under any liability by reason of the fact that a valuation believed to be appropriate may subsequently be found not to have been appropriate.
- 4.4 The Liquidation Fund shall be applied by the Liquidators in discharging the liabilities of the Company (including but not limited to those referred to in paragraph 3.1(a) above).

5 PROVISION OF INFORMATION BY LIQUIDATORS

On the Scheme Effective Date (prior to the transfer of the Rollover Fund under this Scheme), the Liquidators shall deliver to the Directors and the Trustee the particulars of the assets comprised in the Rollover Fund, together with a list certified by the Registrars of the names and addresses of, and the numbers of A Shares held by, Shareholders on the Register on the Scheme Effective Date.

6 DISTRIBUTION OF THE CASH FUND

- 6.1 On or following the Scheme Effective Date or as soon as practicable thereafter, the Liquidators shall procure the payment out of the Cash Fund to each holder of B Shares of an amount of cash equal to the Terminal Asset Value per Share multiplied by the number of B Shares held by such holder with entitlements being rounded down to the nearest £0.01.
- 6.2 The Receiving Agent shall provide to the Liquidators a certified list of holders of B Shares as at the Scheme Effective Date. In relation to the distribution of the Cash Fund, no single payment of less than £5.00 will be made to any holder of B Shares but instead shall be paid to the Liquidation Fund.

7 TRANSFER OF ASSETS PURSUANT TO THE TRANSFER AGREEMENT

- 7.1 On the Scheme Effective Date or as soon as practicable thereafter the Liquidators shall, and shall procure that the Company shall, enter into and implement the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto) whereby the Liquidators shall procure the transfer of the Rollover Fund to the Trustee for the account of the Practical Investment Fund in exchange for the allotment of Practical Income Units to the holders of A Shares on the basis set out in paragraph 8 below.
- 7.2 In accordance with the Transfer Agreement, the undertaking and assets to be transferred to the Trustee for the account of the Practical Investment Fund shall be transferred with such rights and title as the Company may have in respect of the same or any part thereof subject to and with the benefit of all and any rights, restrictions, obligations, conditions and agreements affecting the same or any part thereof, including the right to all income, dividends, distributions, interest and other rights and benefits attaching thereto or accruing therefrom provided that any income, dividend, distribution, interest or other right or benefit on any investment marked "ex" the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Scheme Effective Date shall be deemed to form part of the Liquidation Fund. Further, in accordance with the Transfer Agreement, the Company, acting by the Liquidators, shall, insofar as it is reasonably able to do so by law or otherwise, comply with all reasonable requests made by the Trustee in respect of vesting in the Trustee for the account of the Practical Investment Fund the title to and enjoyment of the Rollover Fund to be transferred to it.
- 7.3 If, on or prior to the Scheme Effective Date, the Company is informed in writing by the Trustee that the issue of Practical Income Units will not proceed, the Liquidators shall not enter into the Transfer Agreement with the Trustee but instead shall procure the transfer of the Rollover Fund into the Liquidation Fund as soon as reasonably practicable.

8 ISSUE OF PRACTICAL INCOME UNITS PURSUANT TO THE SCHEME

- 8.1 Upon the transfer of the Rollover Fund in accordance with paragraph 7.1 above, Practical Income Units shall be issued to the holders of the A Shares on the basis set out in paragraph 8.3 below.
- 8.2 The Practical Income Units to be issued pursuant to paragraph 8.1 above shall be issued by the Trustee to the holders of reclassified A Shares as soon as practicable after the delivery by the Receiving Agent of the particulars referred to in paragraph 5 above. The Trustee shall be entitled to assume that all information delivered to it in accordance with paragraph 5 above is correct and to utilise the same in procuring registration in the relevant register of the Practical Income Units issued pursuant to the Scheme. Consistent, acting on the instructions of the Trustee, shall arrange for the dispatch of written confirmation of ownership in respect of the Practical Income Units as soon as practicable thereafter to the persons entitled thereto at their respective addresses appearing in the register (and in the case of joint holders, to the address of the first named). No certificates will be issued in respect of the Practical Income Units issued under the Scheme. The Practical Income Units issued pursuant to the Scheme shall rank *pari passu* in all respects with the existing Practical Income Units of the same class, including the right to receive dividends and other distributions (if any) declared, paid or made by reference to a record date falling on or after the Scheme Effective Date.
- 8.3 The issue of Practical Income Units pursuant to the issue referred to in paragraph 8.1 above shall be made to or on behalf of holders of reclassified A Shares on the basis that the number of Practical Income Units to which they shall be entitled in respect of such A Shares shall be determined:
- (i) by multiplying the number of A Shares (held by such holder) by the Terminal Asset Value per Share; and
 - (ii) dividing the result by the rollover price for the purposes of the Scheme, such price being the relevant issuance price of a Practical Income Unit as at 12:00 noon on the Calculation Date.

Practical Income Units are issued to two decimal places. Where a holding is calculated to a third or more decimal place, the holding will be rounded up to the nearest second decimal place.

9 OVERSEAS SHAREHOLDERS AND RESTRICTED SHAREHOLDERS

- 9.1 Overseas Shareholders (who are not Restricted Shareholders) are entitled to participate in the Scheme. However, where the Directors and/or the Trustee, acting reasonably, consider that any offer or issue of Practical Income Units to those Overseas Shareholders would or may involve a breach of the securities laws or regulations of any jurisdiction, or if the Directors and/or the Trustee reasonably believe that the same may violate any applicable legal or regulatory requirements or may require the Trustee to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Directors and/or the Trustee have not been provided with evidence reasonably satisfactory to them that the relevant Overseas Shareholders are permitted to be offered, issued or to hold Practical Income Units under any relevant securities laws or regulations of such overseas jurisdictions (or that the Trustee would be subject to any additional regulatory requirements to which it would not have been subject but for such issue), such Overseas Shareholders will be deemed to have elected for the Cash Option.
- 9.2 Subject as provided in paragraph 9.3 below, Restricted Shareholders shall not be entitled to receive Practical Income Units, but shall instead be deemed to have elected for cash pursuant to the Cash Option under the Scheme and shall be entitled to receive payment in cash out of the Cash Fund for their Ordinary Shares, save that any amount otherwise payable to a Restricted Shareholder that is less than £5.00 will not be paid to such Restricted Shareholder but will be transferred by the Liquidators to a charity to be nominated by the Chairman.
- 9.3 The provisions of this Scheme relating to Overseas Shareholders and Restricted Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Directors and the Trustee in their absolute discretion.

10 APPLICATION OF LIQUIDATION FUND

- 10.1 On and following the Scheme Effective Date, the Liquidation Fund shall be applied by the Company (acting by the Liquidators) in discharging the liabilities of the Company (including those referred to in paragraph 3.1(a) above).
- 10.2 Any surplus in the Liquidation Fund (including, for the avoidance of doubt, the net sale proceeds arising from the divestment of the shares held by the Company in Consistent pursuant to the Share Sale Agreement) shall be paid in cash to Ordinary Shareholders who are on the Register at the close of business on the Scheme Effective Date (excluding Dissenting Shareholders) on a *pari passu* basis *pro rata* to their respective holdings of Ordinary Shares, prior to the reclassification of the Ordinary Shares provided that, in respect of the Liquidators' final distribution from the Liquidation Fund only, if any such amount otherwise payable to a Reclassified Shareholder is less than £5.00, it will not be paid to such Reclassified Shareholder but will be transferred by the Liquidators to a charity to be nominated by the Chairman.
- 10.3 To the extent that the Liquidators are required to make interim payments, any such interim payments to Reclassified Shareholders will be made in accordance with paragraph 10.2.
- 10.4 The Liquidators shall have the sole discretion to close the liquidation notwithstanding there remain any unrealised assets of the Company, including any refunds of tax paid. If any illiquid investments remain in the Liquidation Fund upon completion of the liquidation process, the Liquidators shall have the discretion to write off such investments.

11 MODIFICATIONS

Notwithstanding any other provision of this Scheme, the provisions of this Scheme shall have effect subject to such non-material modifications or additions as the Directors, the Liquidators, Consistent and the Trustee may from time to time approve in writing.

12 RELIANCE ON INFORMATION

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

13 LIQUIDATORS' LIABILITY

Nothing in this Scheme or in any document executed under or in connection with this Scheme shall impose any personal liability on the Liquidators or either of them save for any liability arising out of any negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties and this shall, for the avoidance of doubt, mean that the Liquidators shall have no personal liability for any action taken by the Liquidators in accordance with this Scheme or the Transfer Agreement.

14 CONDITIONS

14.1 This Scheme is conditional, among other things, upon:

- (a) the passing of all the Resolutions to be proposed at: (i) the First General Meeting; and (ii) the Second General Meeting (or, in each case, any adjournment thereof) and all conditions to such Resolutions (excluding any condition relating to the passing of any other Resolution) being fulfilled;
- (b) the UK Listing Authority agreeing to amend the listing of the Ordinary Shares to reflect their reclassification as Reclassified Shares; and
- (c) the Directors not resolving to abandon this Scheme pursuant to paragraph 14.2 below.

In the event that any of the conditions specified above fails to be satisfied the Scheme will not become effective.

- 14.2 The Directors have the discretion to determine that the Scheme should not proceed if they consider that it is no longer in Shareholders' best interests.
- 14.3 Subject to paragraph 14.1 above, the Scheme shall become effective on the date on which the Winding-up Resolution is passed.
- 14.4 If approved, the Scheme shall, subject to the rights of any Shareholders who have validly exercised their rights under section 111(2) of the Insolvency Act, be binding on all Shareholders and on all persons claiming through or under them.
- 14.5 Unless the Scheme shall have become effective on or before 1 June 2017, the Scheme shall not become effective.
- 14.6 Subject to paragraph 14.1(a) and 14.1(b) above, an application will be made to the UK Listing Authority for the listing of the Reclassified Shares to be suspended at 7.30 a.m. on 20 April 2017 and it is intended that such listing will be cancelled with effect from such date as the Liquidators shall determine.

15 GENERAL

- 15.1 Each mandate in force duly notified to the Company as at the Record Date relating to payment of dividends in relation to the Ordinary Shares and each instruction relating to the Ordinary Shares then in force as to notices and communication preferences from the Company will, unless and until varied or revoked, be deemed, from and including the Scheme Effective Date, to be a valid and effective mandate or instruction to the Trustee for the account of the Practical Investment Fund in relation to the Practical Income Units issued to the holders of such Ordinary Shares.
- 15.2 This Scheme shall, in all respects, be governed by, and construed in accordance with, the laws of England and Wales.
- 15.3 If, within 7 days after the passing of the Resolutions proposed at the First General Meeting, Ordinary Shareholders validly exercise their rights under section 111(2) of the Insolvency Act 1986 in respect of more than 5 per cent. in nominal value of the issued Ordinary Shares, the Directors may, but shall not be obliged to, abandon the Scheme.

PART 4

KEY FEATURES OF THE PRACTICAL INVESTMENT FUND

The following information is extracted from, or is a summary of, information contained in the Key Investor Information Document and Supplementary Information Document for the Practical Income Units in the Practical Investment Fund, and the Prospectus.

Copies of the Key Investor Information Document and Summary Information Document together with the Fund Comparison are enclosed with this document. The Prospectus is available for inspection at the address specified in paragraph 11 of Part 5 of this document and may be obtained free of charge from Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB or from Consistent's website at www.consistentunittrust.co.uk.

If you have any queries relating to the Practical Investment Fund, please call Jenny Sculley on +44(0)1296 711598. Please note that this number is for information only and no investment or tax advice can be given. **If you require financial advice, please consult an appropriately qualified independent adviser, authorised under FSMA.**

Background

In 1939, Gerald Ashfield, a member of the London Stock Exchange, believed that war with Germany was inevitable and that he would be called up to serve. Having built up a small but loyal clientele he was determined not to lose the benefit of this work and decided to transform the management of his clientele into a unit trust. The originators of unit trusts in England were Municipal & General Securities Company ("M&G"). Accordingly Gerald Ashfield approached them for help and the Practical Investment Fund was created with M&G as the administrative trustees together with Lloyds Bank. The London Stock Exchange was appalled by the idea, but Gerald Ashfield went ahead without their approval. He was the first member of the London Stock Exchange to set up a unit trust and it would be 15 years before the London Stock Exchange approved of the idea, at which time many stockbrokers followed suit.

The first units in the Practical Investment Fund were issued to John Binney of Exeter College, Oxford on the 8 February 1941. Over the 75 years to 15 September 2016, the capital value has increased by a compound annual rate of 7.3 per cent and the gross income has increased by a compound annual rate of 6.6 per cent.

Objective and investment policy of the Practical Investment Fund

The Practical Investment Fund is designed to provide investors with above average capital growth and increasing income from investment in a wide spread of UK and dollar denominated investment trusts, ordinary shares and other selected investments.

The investment policy for achieving the objective is for the manager to invest primarily in the shares of a wide range of sterling and dollar denominated investment trusts, company shares and other investments.

Investment trusts are companies which invest in various assets and can be traded on a stock exchange, similarly to a normal company share. They themselves can invest worldwide and in any industry.

The Practical Investment Fund will choose investment trusts which have good potential to grow income, and which are attractively priced.

The Practical Investment Fund may utilise the scheme property for the purpose of Efficient Portfolio Management (EPM).

Constitution of the Practical Investment Fund and parties involved in its management

Legal structure

Practical Investment Fund is a unit trust authorised by the FCA with effect from 30 September 1964. The Practical Investment Fund has an unlimited duration. Unitholders are not liable for the debts of the fund. The Practical Investment Fund is constituted by a trust deed and is a UCITS scheme. Investment of the assets of the Practical Investment Fund must comply with the COLL Sourcebook and the investment objective and policy of the Practical Investment Fund. All units issued by the Practical Investment Fund are denominated in pounds sterling.

A unit trust is a collective investment scheme. This means that when you purchase units in a unit trust, your assets are pooled with other investors. The money is then managed in line with the investment aims and objectives of the fund. You are able to make withdrawals from the fund (or make further contributions) on a regular basis, although due to the nature of stock market investing, it is generally considered appropriate to invest over the longer-term. Units in a unit trust can be bought directly or through an ISA.

Manager

The manager of Practical Investment Fund is Consistent Unit Trust Management Company Limited which is a private company limited by shares incorporated in England and Wales on 8 July 1987 whose registered office is at Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes, MK17 0RB. The manager is authorised and regulated by the FCA.

Trustee

The Trustee is National Westminster Bank Plc, a public limited company incorporated in England and Wales on 18 March 1968. The ultimate holding company of the Trustee is The Royal Bank of Scotland Group plc, which is incorporated in Scotland.

The registered and head office of the Trustee is 135 Bishopsgate, London EC2M 3UR and its principal place of business is at Younger Building, 3 Redheughs Avenue, Edinburgh EH12 9RH. The principal business activity of National Westminster Bank Plc is banking.

The Trustee is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority. It is authorised to carry on investment business in the United Kingdom by virtue of its authorisation and regulation by these regulators.

The Trustee is responsible for the safekeeping of all the scheme property (other than tangible moveable property) of the Practical Investment Fund and has a duty to take reasonable care to ensure that the Practical Investment Fund is managed in accordance with the trust deed and the provisions of the FCA Rules relating to the pricing of, and dealing in, units and relating to the income and the investment and borrowing powers of the Practical Investment Fund.

The Trustee is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of scheme property. The Trustee has delegated safekeeping of the scheme property to The Bank of New York Mellon SA/NV, London Branch (the “**Custodian**”). In turn, the Custodian has delegated the custody of assets in certain markets in which the Practical Investment Fund may invest to various sub-delegates (“**sub-custodians**”). An updated list of sub-custodians is maintained by the manager.

Administrator

The manager is responsible for the fund's register.

On behalf of the fund the manager has also appointed Yealand Administration Limited to act as administrator and registrar to the fund. The registered office of the administrator and registrar is Stuart House, St John's Street, Peterborough PE1 5DD.

Auditors

The auditors of the fund are Shipleys LLP, whose address is 10 Orange Street, Haymarket, London WC2H 7DQ.

Pricing of units in the Practical Investment Fund

The price per unit at which units are issued or cancelled is calculated by taking the proportion, attributable to the units of the class in question, of the value on the issue basis (when calculating the issue price per unit) or the cancellation basis (when calculating the cancellation price per unit) of the scheme property by reference to the most recent valuation, computing the number of units of the relevant class in issue immediately before that valuation and dividing the total by that number of units. Any initial charge or redemption charge (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

The manager deals on a forward pricing basis. A forward price is the price calculated at the next valuation point after the purchase or redemption is deemed to be accepted by the manager. Units in the fund are dual priced.

The prices of all units are published in the Financial Times and are on the website of the Investment Association: <http://www.theinvestmentassociation.org/>. The prices of units may also be obtained by calling +44(0)345 850 8818 during the manager's normal business hours. As the manager deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The manager may also, at its sole discretion, decide to publish certain unit prices in other third party websites or publications but the manager does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the manager.

Who is Practical Investment Fund suitable for?

The Practical Investment Fund may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. It may be suitable for investors wishing to seek to achieve defined investment objectives. The Practical Investment Fund may not be appropriate for investors who plan to withdraw their money within five years.

Your investment

An initial charge of 5 per cent. is ordinarily levied on the issuance of units, however, the manager has agreed to waive this charge in respect of Practical Income Units issued pursuant to the Scheme.

In addition, the Practical Investment Fund usually requires the maintenance of a minimum holding of £1,000, however, once again the manager has agreed to waive this requirement in respect of Practical Income Units issued pursuant to the Scheme.

Switching classes of units

Holders of units may, at any time, switch all or some of their units of one class for units of another class within the Practical Investment Fund. The number of new units will be determined by reference to the respective prices of the new units and original units at the valuation point (being the point on a dealing day at which the manager carries out a valuation of the scheme property for the fund for the purpose of determining the price at which units of a class may be issued, cancelled or redeemed) applicable at the time the original units are redeemed and the new units are issued. The manager may adjust the number of new units to be issued to reflect the application of any charge on switching together with any other charges or levies in respect of the application for the new units or redemption of the original units.

Risks

The Practical Income Units are each ranked in risk category 4 as their price has experienced average rises and falls historically.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Practical Investment Fund. The risk category shown is not a target or a guarantee and may change over time.

The value of investments in the Practical Investment Fund and the income from them may go down as well as up and you may not get back your original investment when you sell your units.

During unusual market conditions, the risks normally experienced by the Practical Investment Fund may increase significantly.

In addition, the Practical Investment Fund may be subject to the following risks:

Counterparty risk (including derivatives): The Practical Investment Fund is subject to the risk of the inability of any counterparty to perform with respect to transactions whether due to insolvency, bankruptcy or other losses.

Currency risk: Fluctuations in currency may adversely affect the value of the Practical Investment Fund's investments and income thereon.

Default risk: The issuers of certain bonds could become unable to make payments on their bonds.

Liquidity risk: During difficult market conditions, some securities may become hard to value or sell at a desired price.

Credit and Fixed Interest risk: Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

Investment Trusts: such investments may expose investors to increased risk due to less strict regulations and the use of derivatives. The price of investment trusts may not reflect the value of the assets they hold. This can result in wide price changes of the investment trust shares.

Management risk: Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental in extreme market conditions.

Charges to Capital Account: If expenses from the Practical Investment Fund are deducted from capital, rather than income (as allowable), this may increase the amount of income available for distribution, but may also constrain capital growth.

For full details of all the risks that could affect the Practical Investment Fund, please refer to the Prospectus.

PART 5 ADDITIONAL INFORMATION

1 DIRECTORS

The names and business address of the Directors of the Company are as follows:

Philip Ashfield (Chairman)
Sean Ashfield
John Carleton Paget
Christopher Lloyd
Alan Maidment
Jenny Sculley

all of Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB.

2 SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 28,948,944 Ordinary Shares and 280,000 Preference Shares.

3 DISCLOSURE OF INTERESTS

3.1 As at the Latest Practicable Date, the interests of the Directors or their immediate families in the share capital of the Company (all of which are beneficial unless otherwise stated):

- (a) which have been notified to the Company pursuant to the Disclosure Guidance and Transparency Rules; or
- (b) being interests of persons closely associated with a Director which would, if such person were a Director, be required to be disclosed under (a) above and the existence of which was known to or could, with reasonable due diligence, be ascertained by the Director, were as follows:

<i>Name of Director</i>	<i>Ordinary Shares</i>
Philip Ashfield (Chairman)	1,676,860
Sean Ashfield	24,500
John Carleton Paget	1,550
Christopher Lloyd	1,500
Alan Maidment	8,500
Jenny Sculley	–

3.2 None of the Directors has any interest, direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year or during any earlier financial year and which remains in any respect outstanding or unperformed.

3.3 The Directors have not entered into any formal appointment terms with the Company, however, it has been agreed between the Company and each of the Directors that each Director is entitled to receive an annual director's fees of £6,000 per annum. With the exception of the fees paid to Alan Maidment, Christopher Lloyd and John Carleton Paget, all other fees and remuneration are paid by the Company's subsidiary, Consistent Unit Trust Management Limited. In addition, an incentive agreement has been entered into with Ms. Jenny Sculley, the amount to be paid being 10 per cent. of the net profit before amortisation and tax of Consistent on an annual basis (capped at 200 per cent. of the salary payable to Ms Jenny Sculley for the relevant period).

- 3.4 Insofar as is known to the Company as at the Latest Practicable Date, the following persons were interested, directly or indirectly, in 3 per cent. or more of the Company's issued ordinary share capital having unrestricted voting rights:

Name of Ordinary Shareholder	% of Ordinary Shares
Aviva plc	19.52
Frobridge Asset Company Ltd	18.13
Friends Life	5.86
Mrs M.I. Ashfield	4.32

- 3.5 The identity and interests in the Company's issued ordinary share capital of the Ashfield Family Interests as at the Latest Practicable Date is as follows:

Name	Ordinary Shares	% of Ordinary Shares
Philip Ashfield	1,676,860	5.8
Sean Ashfield	24,500	0.1
Michael Ashfield	208,214	0.7
Eleanor Ashfield	36,833	0.1
The Pyrford Trust ⁽¹⁾	3,046,548	10.5
The MIST Trust ⁽²⁾	2,920,717	10.1
The PA Trust ⁽³⁾	414,001	1.4
The MAF Trusts ⁽⁴⁾	331,500	1.1

(1) A trust ("Pyrford"), established by a settlement dated 23 April 1963 for the benefit of Philip Ashfield's children (Sean Ashfield, Lucy McGregor, Melanie McQuillin and Holly El Majdoubi) is beneficially interested in 3,046,548 Ordinary Shares, representing 10.5 per cent. of the issued ordinary share capital of the Company. The trustees of Pyrford are Michael Ashfield and Richard Foot.

(2) A trust ("MIST"), established by a settlement dated 15 March 1965 for the benefit of Michael Ashfield's children (Jane Brundukova, Eleanor Ashfield and Dr Georgina Hicks) is beneficially interested in 2,920,717 Ordinary Shares, representing 10.1 per cent. of the issued ordinary share capital of the Company. The trustees of MIST are Richard Foot and Sean Ashfield.

(3) A trust (the "PA Trust"), established by a settlement dated 3 October 1994 for the benefit of Philip Ashfield's grandchildren, is beneficially interested in 414,001 Ordinary Shares, representing 1.4 per cent. of the issued ordinary share capital of the Company. The trustees of the PA Trust are Michael Ashfield, Richard Foot and Philip Ashfield.

(4) Three separate trusts (the "MAF Trusts") each established by settlement deeds dated 3 October 1994 for the benefit of Michael Ashfield's grandchildren (currently there are three grandchildren) are together beneficially interested in 331,500 Ordinary Shares, representing 1.1 per cent. of the issued share capital of the Company. The trustees of each of the MAF Trusts are Philip Ashfield, Richard Foot and Michael Ashfield.

4 TRANSFER AGREEMENT

Provided that all the conditions to the Scheme are satisfied and the Scheme becomes effective, the Company will enter into the Transfer Agreement with the Liquidators (in their personal capacity), the Trustee (for the account of Practical Investment Fund) and Consistent pursuant to the Scheme. The Transfer Agreement is, as at the date of this document, in a form agreed between the Company, the Liquidators and the Trustee. The Transfer Agreement provides, among other things, that the assets of the Company in the Rollover Fund are to be transferred to the Trustee for the account of the Practical Investment Fund in consideration for the issue by the Trustee (for the account of the Practical Investment Fund) of Practical Income Units to Reclassified Shareholders entitled to them in accordance with the Scheme. The Transfer Agreement excludes any liability on the part of the Liquidators for entering into and carrying into effect the Transfer Agreement. The Transfer Agreement is governed by English law.

The Transfer Agreement will be available for inspection as stated in paragraph 11 below.

5 DISSENTING SHAREHOLDERS

The Scheme is a reconstruction to which section 111(2) of the Insolvency Act applies. Under section 111(2) of the Insolvency Act, any Shareholder who does not vote in favour of the special resolution to approve the Scheme to be proposed at the First General Meeting may, within seven days of such special resolution being passed at the First General Meeting, express his dissent in writing to the proposed Liquidators at the registered office of the Company at Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB for the attention of the proposed Liquidators (such Shareholder being a “**Dissenting Shareholder**”). The purchase price for such Dissenting Shareholders’ Shares will not exceed that which the Dissenting Shareholder(s) would receive on a straightforward winding-up of the Company and will be paid once all liabilities have been settled or provided for to the Liquidators’ satisfaction.

6 TAXATION IN THE UNITED KINGDOM

The following paragraphs are intended only as a general guide and are based on current legislation and HMRC published practice, which is subject to change at any time (possibly with retrospective effect). They are of a general nature and do not constitute tax advice and apply only to Ordinary Shareholders who are resident in the UK for tax purposes, who are the absolute beneficial owners of their Ordinary Shares and who hold Ordinary Shares as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities, insurance companies, collective investment schemes or Preference Shareholders.

If you are in any doubt about your tax position or if you are subject to tax in a jurisdiction other than the UK you should consult an appropriate professional adviser without delay.

The Company

The Company has obtained approval from HMRC as an investment trust under Chapter 4, Part 24 of the Corporation Tax Act 2010.

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

Ordinary Shareholders

The Company has been advised that, for the purposes of UK taxation of chargeable gains, an Ordinary Shareholder will not be regarded as having disposed of their Ordinary Shares on their reclassification as Reclassified Shares. Instead, such holder will be regarded as having acquired the Reclassified Shares at the same time and for the same aggregate base cost as their Ordinary Shares were originally acquired. Where Ordinary Shares are reclassified, the aggregate base cost of the Ordinary Shares will be allocated on the basis of their respective market values when the Reclassified Shares are listed.

The Company has also been advised that, for the purposes of UK taxation of chargeable gains, the exchange of Reclassified Shares for Practical Income Units constitutes a scheme of reconstruction and that such exchange should not constitute a disposal by the Reclassified Shareholders of their Reclassified Shares for the purposes of UK taxation of chargeable gains.

Practical Income Units issued pursuant to the Scheme should instead be treated for the purposes of the UK taxation of chargeable gains as replacing the Reclassified Shares for which they were exchanged and should be treated as acquired at the same time and for the same base cost as the exchanged Reclassified Shares.

Any subsequent disposal of the Practical Income Units may result in the holder of those Practical Income Units realising a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains, depending on their circumstances.

Shareholders who hold, alone or together with persons connected with them, more than 5 per cent. of the Shares in issue are advised that a clearance has been obtained from HMRC pursuant to section 138 of the TCGA that the treatment described above is not to be prevented, by virtue of section 137 of the TCGA, from applying to them. HMRC has also confirmed that no notice under section 746 Corporation Tax Act 2010 or section 698 Income Tax Act 2007 ought to be given in respect of the Scheme.

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

Where an Ordinary Shareholder elects to receive a combination of both Practical Income Units and cash, it will be necessary, for the purposes of UK taxation of chargeable gains, to effect an apportionment of the base cost of the Ordinary Shareholder's Ordinary Shares between the Practical Income Units received and the cash received. The portion of the base cost that is attributable to the Practical Income Units will be taken into account in determining whether a subsequent sale, redemption or other disposal of those Practical Income Units gives rise to a chargeable gain or allowable loss and such portion of the base cost as is attributable to the cash received will be taken into account in determining whether a chargeable gain or allowable loss has accrued to the Ordinary Shareholder by virtue of that receipt. The apportionment will generally be made by reference to: (i) the market value of the Practical Income Units on the date on which the Ordinary Shareholder receives from the Liquidators the payment of cash; and (ii) the amount of such cash.

Any remaining balance of the Liquidation Fund after the discharge of the Company's liabilities shall be distributed in cash to Ordinary Shareholders on the Register on the Scheme Effective Date.

The amount of any such payment or payments from the Liquidators will be taken into account in calculating the amount of any chargeable gain or allowable loss accruing to the Ordinary Shareholders.

Stamp Duty and Stamp Duty Reserve Tax

It is not expected that any UK stamp duty or UK stamp duty reserve tax (SDRT) will be payable by the Company or the Ordinary Shareholders on the liquidation or otherwise under the Scheme.

The transfer of certain assets within the Rollover Fund pursuant to the Transfer Agreement may give rise to UK stamp duty, SDRT, or other similar duties in jurisdictions outside the UK.

7 MATERIAL CONTRACTS

The following are contracts entered into by the Company which are relevant for the consideration of the Proposals by Shareholders:

7.1 The Share Sale Agreement

A conditional share sale agreement dated 20 March 2017 entered into between the Company and the Ashfield Consortium pursuant to the terms of which the Ashfield Consortium has conditionally agreed to acquire the entire issued share capital of Consistent. Completion of the acquisition by the Ashfield Consortium (or its nominee) is conditional on, (i) the Scheme becoming effective, (ii) the approval of the FCA dated 7 March 2017 to the change of controllers of Consistent arising from completion of the acquisition not being revoked or withdrawn, and (iii) the passing of Resolution 4 at the First General Meeting of the Company approving the sale of Consistent as a related party transaction. The consideration for the acquisition will be calculated shortly after the commencement of the Company's liquidation as 3 per cent. of Consistent's funds under management (including assets rolling over under the Scheme but excluding the value of the Ashfield family holdings) as at the date of completion of the Share Sale Agreement plus the value of Consistent's own tangible net asset value (with the total consideration capped at £26 million (being 23 per cent. of the market capitalisation of the Company as at the Latest Practicable Date). The Share Sale Agreement is governed by English law.

7.2 The Ashfield Family Interests Voting Undertakings

Letter agreements variously dated between 16 and 20 March 2017 entered into between the Company and each of the Ashfield Family Interests pursuant to the terms of which the Ashfield Family Interests have each agreed that they will exercise all of the voting rights attaching to their respective holdings of Ordinary Shares to vote in favour (to the extent permitted by the Listing Rules) of any resolutions of Shareholders as may be necessary to approve and implement the Proposals. The letter agreements are each governed by English law.

7.3 The Aviva Costs Contribution and Voting Agreement

A letter agreement dated 26 January 2017 entered into between the Company and Aviva pursuant to the terms of which Aviva has agreed, subject to all Shareholder resolutions being passed to implement the Proposals by no later than 30 April 2017, that it (or its relevant subsidiary undertakings or funds managed or advised by its group or its subsidiary undertakings) will pay the Company's costs of implementing the Proposals up to a cap of £551,500 (including VAT). In addition, Aviva has agreed that it is its intention to exercise all of the voting rights attaching to its holding of Ordinary Shares to vote in favour (to the extent permitted by the Listing Rules) of any resolutions of Shareholders as may be necessary to approve and implement the Proposals. The letter agreement is governed by English law.

8 SIGNIFICANT CHANGES

As at the date of this document, there has been no significant change in the financial or trading position of the Company since 31 August 2016 being the date to which its last published accounts have been prepared.

9 RELATED PARTY TRANSACTIONS

Save for the fees and salaries payable to the Directors by the Company and Consistent, as set out in paragraph 3.3 above, the Company has not entered into any related party transactions with a Director.

10 MISCELLANEOUS

- 10.1 Cenkos, which is authorised and regulated in the UK by the FCA, has given and not withdrawn its written consent to the inclusion of its name and references to it in this document in the form and context in which they appear.
- 10.2 The Liquidators have given and not withdrawn their written consent to the inclusion of their names and references to them in this document in the form and context in which they appear.
- 10.3 The auditors of the Company for the last three financial years to 31 August 2016 were Shipleys LLP, who have audited the Company's accounts and have given an unqualified report in respect of the accounts for each of those years.

11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London SE1 2AU from the date of this document up to and including the close of business on the Scheme Effective Date:

- (a) the Articles of Association (containing the full terms of the amendments proposed to be made at the First General Meeting);
- (b) the audited report and accounts of the Company for the years ended 31 August 2014, 2015 and 2016;
- (c) the Key Investor Information Document, Supplementary Information Document, Fund Comparison and Prospectus for the Practical Investment Fund;
- (d) letters of undertaking for the Liquidators, the Trustee and Consistent to enter into the Transfer Agreement;
- (e) the Transfer Agreement, in a form agreed between the Company, the Liquidators, Consistent and the Trustee as at the date of this document;

- (f) the letters of consent from Cenkos and the Liquidators referred to in paragraphs 10.1 and 10.2 of this Part 5 respectively;
- (g) the Form of Election and the Forms of Proxy; and
- (h) this document.

The Articles of Association (containing the full terms of the amendments proposed to be made at the First General Meeting) will be available for inspection at each General Meeting for at least 15 minutes prior to, and during, the relevant meeting.

20 March 2017

DEFINITIONS

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

Articles of Association or Articles	the articles of association of the Company;
Ashfield Consortium	together (i) Frobridge Asset Company Ltd; (ii) Jenny Sculley and (iii) Christopher Lloyd;
Ashfield Family Interests	the interests of the various Ashfield family members and connected trusts set out in paragraph 3.5 of Part 5 of this document;
Aviva	Aviva Investors Global Services Limited (acting on behalf of the Ordinary Shares which it is mandated to manage for its clients);
Board or Directors	the directors of the Company;
Business Day	a day on which the London Stock Exchange is open for business;
Calculation Date	12:00 noon on 18 April 2017, being the time and date on which the value of the Company's assets will be determined for the creation of the Liquidation Fund, the Cash Fund and the Rollover Fund and Terminal Asset Value per Share will be calculated;
Capita Asset Services	Capita Registrars Ltd. trading as Capita Asset Services;
Cash Fund	the fund comprising the pool of assets attributable to the Ordinary Shares in respect of which Elections are made or deemed to have been made for the Cash Option;
Cash Option	the Option for Ordinary Shareholders under the Scheme to elect to receive cash in respect of some or all of their holding of Ordinary Shares on the winding-up of the Company;
Cenkos	Cenkos Securities plc;
certificated or in certificated form	not in uncertificated form;
COLL Sourcebook	the Collective Investment Schemes sourcebook, as set out in the handbook of rules and guidance issued by the FCA;
Company	London and St Lawrence Investment Company PLC;
Consistent	Consistent Unit Trust Management Company Limited;
CREST	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations;
CREST Manual	the compendium of documents entitled the "CREST Manual" issued by Euroclear from time to time;
CREST Regulations	The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
Default Option	an Ordinary Shareholder shall be deemed to have elected to receive Practical Income Units in relation to any Ordinary Shares not covered by a validly submitted Form of Election or TTE Instruction;
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules as set out in the handbook of rules and guidance issued by the FCA;
Dissenting Shareholder	a Shareholder who has validly dissented from the Scheme pursuant to section 111(2) of the Insolvency Act;
EEA	the European Economic Area;
EEA State	a member state of the European Economic Area;
Election	as the context requires, the choice made, or deemed to have been made, by an Ordinary Shareholder for the Cash Option or the Default Option;
Euroclear	Euroclear UK & Ireland Limited;

FCA	the Financial Conduct Authority;
First General Meeting	the general meeting of the Company convened for 12:00 noon on 12 April 2017, notice of which is set out at the end of this document;
Form of Election	the form of election for use by Shareholders holding their Ordinary Shares in certificated form in relation to the Scheme which accompanies this document;
Forms of Proxy	the forms of proxy accompanying this document for use by Shareholders in relation to voting at the General Meetings, being (i) the white Form of Proxy relating to the Ordinary Shares and the blue Form of Proxy relating to the Preference Shares for use in relation to the First General Meeting and (ii) the green Form of Proxy relating to the Ordinary Shares and the yellow Form of Proxy relating to the Preference Shares for use in relation to the Second General Meeting;
FSMA	the Financial Services and Markets Act 2000, as amended from time to time;
Fund Comparison	the summary comparison document, comparing the respective features of the Company (including the Ordinary Shares) and the Practical Investment Fund (including the Practical Income Units);
General Meetings	the First General Meeting and/or the Second General Meeting, as the context requires;
HMRC	HM Revenue & Customs;
Independent Directors	together, John Carleton Paget and Alan Maidment;
Insolvency Act	the Insolvency Act 1986, as amended;
Interim Dividend	the interim dividend to be paid by the Company to Ordinary Shareholders prior to the Scheme Effective Date which is expected to be paid on 19 April 2017;
Key Investor Information Document	the key investor information document relating to the Practical Income Units dated 16 September 2016;
Latest Practicable Date	16 March 2017, being the latest practicable date prior to the publication of this document;
Liquidation Fund	the liquidation fund to be retained by the Liquidators to meet all known and unknown liabilities of the Company and other contingencies as provided for in paragraph 3.1 of Part 3 of this document;
Liquidators	the proposed joint liquidators of the Company, being James Eldridge and Jeremy Willmont;
Listing Rules	the Listing Rules made by the FCA under section 73A of FSMA;
London Stock Exchange	London Stock Exchange plc;
Member account ID	the identification code or number attached to any member account in CREST;
Money Market Instruments	instruments normally dealt in on the money market which: (i) are liquid (i.e. capable of being converted to cash within seven Business Days at a price closely approximating their current value); and (ii) have a value which can be accurately determined at any time;
NAV	the net asset value of the Company from time to time;
NAV per Share	NAV divided by the number of Ordinary Shares in issue from time to time (excluding any Ordinary Shares held in treasury);
Notice of the First General Meeting	the notice of the First General Meeting set out on pages 40 to 43 of this document;

Notice of the General Meetings	the Notice of the First General Meeting and/or the Notice of the Second General Meeting, as the context requires;
Notice of the Second General Meeting	the notice of the Second General Meeting set out on pages 44 to 46 of this document;
Official List	the Official List maintained by the FCA;
Ordinary Shareholders	holders of Ordinary Shares;
Ordinary Shares	ordinary shares of 5p each in the Company;
Overseas Shareholder	an Ordinary Shareholder who has a registered address outside the United Kingdom, the Channel Islands and the Isle of Man or who is a citizen of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands and the Isle of Man;
Practical Income Units	income units in the Practical Investment Fund;
Practical Investment Fund	Practical Investment Fund, a unit trust authorised by the FCA and established as a UCITS scheme;
Practical Investor Information Documents	together, the Key Investor Information Document, the Fund Comparison and the Supplementary Information Document;
Preference Shareholders	holders of Preference Shares;
Preference Shares	limited voting cumulative preference shares of £1.00 each in the Company;
Proposals	together, the Scheme, the proposed cost contribution to be made by Aviva and the proposed sale of Consistent to the Ashfield Consortium;
Prospectus	the prospectus for the Practical Investment Fund dated 16 September 2016;
Receiving Agent	Capita Registrars Ltd. trading as Capita Asset Services as the Company's receiving agent;
Reclassified Shares	the A Shares and the B Shares as further described in the Scheme;
Reclassified Shareholders	holders of Reclassified Shares;
Record Date	the record date for making Elections for the Cash Option under the Scheme, being 5:30 p.m. on 11 April 2017;
Register	the register of members of the Company;
Registrars	Capita Registrars Ltd. trading as Capita Asset Services;
Regulatory Information Service or RIS	one of the service providers listed in Appendix 3 of the Listing Rules;
Resolutions	the resolutions set out in the Notices of the General Meetings;
Restricted Shareholder	an Ordinary Shareholder with a registered address in the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa, any EEA State (other than the United Kingdom) or any other jurisdiction where in the view of the Board and the Trustee, the offer or issue of the Practical Income Units pursuant to the Scheme may violate the relevant laws and/or regulations of that jurisdiction;
Rollover Fund	the fund comprising the pool of assets attributable to the Ordinary Shares in respect of which Elections are deemed to have been made for Practical Income Units under the Default Option;
SDRT	stamp duty reserve tax;
Scheme	the proposed scheme of reconstruction under section 110 of the Insolvency Act, as contained in Part 3 of this document;
Scheme Effective Date	the date on which the Scheme becomes effective, which is expected to be 20 April 2017;

Second General Meeting	a general meeting of the Company convened for 10:00 a.m. on 20 April 2017, notice of which is set out at the end of this document;
SETS	the London Stock Exchange Daily Electronic Trading Service;
Shareholders	holders of Shares;
Share Sale Agreement	the conditional share sale agreement dated 20 March 2017 entered into between the Company and the members of the Ashfield Consortium and relating to the sale of the shares of Consistent held by the Company;
Shares	together Ordinary Shares and Preference Shares;
Supplementary Information Document	the supplementary information document of the Practical Investment Fund dated September 2016;
TCGA	Taxation of Chargeable Gains Act 1992;
Terminal Asset Value	has the meaning given to that term in paragraph 4.2(a) of Part 3 of this document;
Terminal Asset Value per Share	has the meaning given to that term in paragraph 4.2(b) of Part 3 of this document;
Transfer Agreement	the agreement to be entered into between the Company (acting through the Liquidators), the Liquidators (in their personal capacity) Consistent and the Trustee (acting for the account of the Practical Investment Fund) providing, <i>inter alia</i> , for the transfer of the Rollover Fund from the Company to the Trustee (acting for the account of the Practical Investment Fund);
Trustee	National Westminster Bank Plc;
TTE Instruction	a transfer to escrow instruction (as described in the CREST Manual);
UCITS	undertaking for collective investment in transferrable securities;
UK	the United Kingdom of Great Britain and Northern Ireland;
UK Listing Authority	the FCA, in its capacity as the United Kingdom Listing Authority;
uncertificated or in uncertificated form	recorded in 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;
United States	the United States of America, its territories, possessions, any state of the United States of America, and the District of Columbia;
VAT	Value Added Tax; and
Winding-up Resolution	the special resolution to place the Company into members' voluntary liquidation and to appoint the Liquidators to be proposed at the Second General Meeting.

NOTICE OF FIRST GENERAL MEETING

London and St Lawrence Investment Company PLC

(Registered in England and Wales with registered number 107908 and registered as an investment company under section 833 of the Companies Act 2006)

NOTICE IS HEREBY GIVEN that a General Meeting of London and St Lawrence Investment Company PLC (the “**Company**”) will be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU on 12 April 2017 at 12:00 noon for the purpose of considering and, if thought fit, passing the following resolutions, with resolutions 1 and 2 proposed as Special Resolutions and resolutions 3 and 4 proposed as Ordinary Resolutions, namely:

SPECIAL RESOLUTIONS

1 THAT:

- 1.1 with effect from the date on which the amendment to the Official List of the UK Listing Authority in respect of the Reclassified Shares (the “**Amendment**”) becomes effective, but subject to paragraph 1.5 of this Resolution, each of the Ordinary Shares in issue on the date of the passing of this Resolution shall be reclassified as shares the holder of which has (or is deemed to have) elected to have reclassified as shares with “A” rights or “B” rights, as the case may be (the “**Reclassified Shares**”) in such respective numbers as may be required to give effect to any election validly made (or deemed to have been made) by the holders of the relevant shares and otherwise in accordance with the terms of the Scheme set out in Part 3 of the circular dated 20 March 2017 to Shareholders of the Company (the “**Circular**”), a copy of which has been laid before the meeting and signed for the purposes of identification by the Chairman;
- 1.2 for the purposes of this Resolution 1:
 - (a) to the extent any holder of Ordinary Shares shall be deemed to have elected, and under the terms of the Scheme will become entitled to receive, Practical Income Units, such Ordinary Shares shall be reclassified as shares with “A” rights; and
 - (b) to the extent any holder of Ordinary Shares shall have validly elected (or shall be deemed to have elected), and under the terms of the Scheme will become entitled to receive cash, such Ordinary Shares shall be reclassified as shares with “B” rights; and
- 1.3 each of the holders of shares with the rights set out in paragraph 1.2 above shall have the respective rights set out in the Articles of Association of the Company as amended by this Resolution 1;
- 1.4 with effect from the date on which the Amendment becomes effective, but subject always to paragraph 1.5 of this Resolution 1, the Articles of Association of the Company be and are hereby amended by:
 - (a) the insertion of the following as a new Article 3(C):
 - 3(C)(i) *“Words and expressions defined in the circular to shareholders of the Company dated 20 March 2017 (the “**Circular**”) shall bear the same meanings in this Article 3(C), save where the context otherwise requires.*
 - 3(C)(ii) *If at any time, the Ordinary Shares in the capital of the Company are reclassified as Ordinary Shares with “A” rights or “B” rights, then the rights attaching to the Ordinary Shares with “A” rights or “B” rights shall be identical, save that on a winding-up of the Company for the purposes of the reorganisation described in the Circular, notwithstanding anything to the contrary in these Articles:*
 - (a) *the rights of holders of Ordinary Shares with “A” rights in respect of the assets of the Company shall be satisfied by the issue to the holders thereof of the number of Practical Income Units to which they shall be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme;*

- (b) *the rights of holders of Ordinary Shares with “B” rights in respect of the assets of the Company shall be satisfied by the payment to holders thereof of the amount of cash to which they shall be respectively entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme; and*
- (c) *any cash arising in the Company after the transfer of the Rollover Fund (“**Relevant Cash**”) and any surplus remaining in the Liquidation Fund shall be distributed in accordance with the Scheme.*

3(C)(iii) *Subject to the special rights set out in this Article 3(C), for all other purposes of these Articles, the Ordinary Shares with “A” rights and “B” rights shall continue to be Ordinary Shares and the Articles shall be construed accordingly.” and;*

- (b) such other amendments to the Articles of Association as may be required to give effect this Resolution 1;

1.5 if the Scheme does not become unconditional by the end of the Second General Meeting the amendments to the Articles of Association of the Company effected by paragraph 1.4 of this Resolution 1 shall be further amended such that the inclusion of Article 3(C) shall cease to have effect as from the close of that meeting (or any adjourned meeting), the reclassification of Ordinary Shares provided for by this Resolution 1 shall be reversed and each Reclassified Share shall revert to being an Ordinary Share ranking *pari passu* in all respects.

Words and expressions defined in the Circular shall, save where the context otherwise requires, have the same meanings in this Resolution 1.

2 THAT:

Subject to the fulfilment of the conditions set out in paragraph 14 of the Scheme and the Directors making no such resolution as is referred to in paragraph 14.2 of the Scheme, the Scheme be and is hereby approved and the liquidators of the Company, when appointed (the “**Liquidators**”) be and hereby are authorised to implement the Scheme and to execute any document and any other thing for the purpose of carrying the Scheme into effect and in particular (but without limitation) the Liquidators, when appointed, be and are hereby authorised and directed pursuant to section 110 of the Insolvency Act 1986 and/or this Resolution 2 and/or the Articles of Association of the Company, as amended by Resolution 1 above:

- 2.1 to enter into and give effect to the Transfer Agreement (in their personal capacity and on behalf of the Company) in the form of the draft laid before this meeting and signed for the purpose of identification by the Chairman thereof with such amendments as the parties thereto may from time to time agree;
- 2.2 to procure that the Rollover Fund be vested in the Trustee (for the account of the Practical Investment Fund) subject to the Transfer Agreement;
- 2.3 to realise and distribute the Cash Fund in accordance with the Scheme; and
- 2.4 to apply for the delisting of the Company’s Ordinary Shares by the UK Listing Authority as soon as practicable after the Scheme Effective Date as the Liquidators shall determine at their discretion.

Words and expressions defined in the Circular shall, save where the context otherwise requires, have the same meanings in this Resolution 2.

ORDINARY RESOLUTIONS

- 3 THAT**, notwithstanding that the agreement between the Company and Aviva in relation to a contribution by Aviva to the costs of the Scheme (as described in the Circular) is a related party transaction of the Company for the purposes of the Listing Rules made by the UK Listing Authority under section 74 of FSMA (a “**Related Party Transaction**”), the entry into of such agreement between the Company and Aviva be and is hereby approved. Words and expressions defined in the Circular shall, save where the context otherwise requires, have the same meanings in this Resolution 3.
- 4 THAT**, notwithstanding that the Share Sale Agreement relating to Consistent entered into between the Company and the members of the Ashfield Consortium is a Related Party Transaction, the entry into, and completion, of the Share Sale Agreement be and is hereby approved. Words and expressions defined in the Circular shall, save where the context otherwise requires, have the same meanings in this Resolution 4.

20 March 2017

Registered office:
Fair Lorna House
Buckingham Road
Singleborough
Milton Keynes
MK17 0RB

By Order of the Board,

Notes:

- (i) A member entitled to attend and vote at the First General Meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company.
- (ii) To appoint a proxy you may use the appropriate Forms of Proxy enclosed with this Notice of First General Meeting (being the white Form of Proxy relating to the Ordinary Shares and the blue Form of Proxy relating to the Preference Shares). To be valid, the appropriate Forms of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to the Company's Registrar, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, or delivered by hand (during office hours only) to the same address as soon as possible and in any event by 12:00 noon on 10 April 2017.
- (iii) Completion of the appropriate Forms of Proxy will not prevent you from attending and voting in person.
- (iv) Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a “**Nominated Person**”) should note that the provisions in Notes (i) to (iii) above concerning the appointment of a proxy or proxies to attend the First General Meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the First General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the First General Meeting.
- (v) Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (vi) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered in the register of members of the Company by not later than close of business 10 April 2017 shall be entitled to attend and vote at the First General Meeting in respect of the number of Shares registered in their name at such time. If the First General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is close of business 48 hours prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the First General Meeting (or any adjournment thereof).
- (vii) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

- (viii) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by following the procedures described in the CREST manual which can be viewed at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA10) by 12:00 noon on 10 April 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (ix) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
- (x) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.
- (xi) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the FCA. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of those voting rights and so would otherwise have notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the FCA.
- (xii) As at 16 March 2017, being the last business day prior to the printing of this document, the Company's issued share capital (excluding any shares held in treasury) consisted of 28,948,944 Ordinary Shares and 280,000 Preference Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 16 March 2017 were 29,228,944.
- (xiii) The proposed new Articles of Association are available for inspection at the registered office of the Company, Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this document until the conclusion of the First General Meeting and will be available for inspection at the place of the First General Meeting for at least 15 minutes prior to and during the First General Meeting.
- (xiv) Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the First General Meeting any question relating to the business being dealt with at the First General Meeting which is put by a member attending the First General Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the First General Meeting or if it would involve the disclosure of confidential information.
- (xv) In accordance with section 311A of the Companies Act 2006, the contents of this Notice of First General Meeting, details of the total number of Shares in respect of which members are entitled to exercise voting rights at the First General Meeting, the total voting rights members are entitled to exercise at the First General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.londonandstlawrence.com.
- (xvi) You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF SECOND GENERAL MEETING

London and St Lawrence Investment Company PLC

(Registered in England and Wales with registered number 107908 and registered as an investment company under section 833 of the Companies Act 2006)

NOTICE IS HEREBY GIVEN that a General Meeting of London and St Lawrence Investment Company PLC (the “**Company**”) will be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU on 20 April 2017 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a Special Resolution, namely:

SPECIAL RESOLUTION

THAT:

- (a) the Company be and is hereby wound up voluntarily under the provisions of the Insolvency Act 1986, as amended, and that James Eldridge and Jeremy Willmont of Moore Stephens LLP be and are hereby appointed as joint liquidators (the “**Liquidators**”) of the Company for the purposes of such winding-up, including realising and distributing the Company’s assets in accordance with the Scheme (subject to the Scheme becoming effective and unconditional in accordance with its terms), and any power conferred on them by law, the Articles of Association of the Company or by this special resolution and any act required or authorised under any enactments may be exercised or undertaken by them jointly or by each of them alone;
- (b) the remuneration of the Liquidators be determined by reference to the time properly given by them and their staff in attending to matters prior to and during the winding-up of the Company (including, without limitation, the implementation of the Scheme and any matters outside the statutory duties of the Liquidators and undertaken at the request of members or a majority of them) and they be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine and to pay any expenses properly incurred by them to give effect to the Scheme;
- (c) the Company’s books and records be held by the Company Secretary to the order of the Liquidators until the expiry of twelve months after the date of dissolution of the Company, when they may be disposed of, save for financial and trading records which shall be kept for a minimum of six years following the vacation of the Liquidators from office;
- (d) the Liquidators be empowered and directed to carry into effect the provisions of the Articles of Association of the Company as amended by the special resolution as set out in the notice convening the First General Meeting of the Company contained in the Circular; and
- (e) the definitions contained in the circular dated 20 March 2017 (the “**Circular**”) to Shareholders of the Company have the same meanings in this special resolution.

20 March 2017

Registered office:
Fair Lorna House
Buckingham Road
Singleborough
Milton Keynes
MK17 0RB

By Order of the Board,

Notes:

- (i) A member entitled to attend and vote at the Second General Meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company.
- (ii) To appoint a proxy you may use the appropriate Forms of Proxy enclosed with this Notice of Second General Meeting (being the green Form of Proxy relating to the Ordinary Shares and the yellow Form of Proxy relating to the Preference Shares). To be valid, the appropriate Forms of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to the Company's Registrar, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU or delivered by hand (during office hours only) to the same address as soon as possible and in any event by 10:00 a.m. on 18 April 2017.
- (iii) Completion of the appropriate Forms of Proxy will not prevent you from attending and voting in person.
- (iv) Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "**Nominated Person**") should note that the provisions in Notes (i) to (iii) above concerning the appointment of a proxy or proxies to attend the Second General Meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the Second General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the Second General Meeting.
- (v) Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (vi) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered in the register of members of the Company by the close of business 48 hours prior to the time fixed for the Second General Meeting shall be entitled to attend and vote at the Second General Meeting in respect of the number of Shares registered in their name at such time. If the Second General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting shall be the close of business 48 hours prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Second General Meeting (or any adjournment thereof).
- (vii) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (viii) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by following the procedures described in the CREST manual which can be viewed at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA10) by 10:00 a.m. on 18 April 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (ix) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
- (x) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.
- (xi) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the FCA. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the FCA.
- (xii) As at 16 March 2017, being the last business day prior to the printing of this document, the Company's issued share capital (excluding any shares held in treasury) consisted of 28,948,944 Ordinary Shares and 280,000 Preference Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 16 March 2017 were 29,228,944.

- (xiii) Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the Second General Meeting any question relating to the business being dealt with at the Second General Meeting which is put by a member attending the Second General Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Second General Meeting or if it would involve the disclosure of confidential information.
- (xiv) In accordance with section 311A of the Companies Act 2006, the contents of this notice of Second General Meeting, details of the total number of Shares in respect of which members are entitled to exercise voting rights at the Second General Meeting, the total voting rights members are entitled to exercise at the Second General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.londonandstlawrence.com.
- (xv) You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated.

