

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO POLAR CAPITAL GLOBAL HEALTHCARE GROWTH AND INCOME TRUST PLC (THE “COMPANY”) ON WHICH YOU ARE BEING ASKED TO VOTE. If you are in any doubt about the contents of this Circular or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom, or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all your holding of Shares in the Company, please send this Circular, together with the accompanying Form of Proxy (but neither the enclosed personalised Tender Form nor the enclosed personalised Application Form), as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, neither this Circular nor any of the accompanying documents should be distributed, forwarded or transmitted in or into any of the Restricted Territories.

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

Apart from the responsibilities and liabilities, if any, which may be imposed on Panmure Gordon (UK) Limited by FSMA or the regulatory regime established thereunder, Panmure Gordon (UK) Limited accepts no responsibility whatsoever for the contents of this Circular nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Offerings or the Tender Offer. Panmure Gordon (UK) Limited accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Circular or any such statement. Panmure Gordon (UK) Limited has given and not withdrawn its written consent to the references to its name in the form and context in which they are included in this Circular.

Polar Capital LLP has given and not withdrawn its written consent to the references to its name in the form and context in which they are included in this Circular.

Panmure Gordon (UK) Limited has given and not withdrawn its written consent to the references to its name in the form and context in which they are included in this Circular.

Capitalised terms contained in this Circular shall have the meanings set out in page 47 (Definitions) of this Circular, save where the context indicates otherwise.

Shareholders should read this entire Circular and, in particular, Section IV of this Circular headed “Risks Associated with the Proposals” beginning on page 36 when considering the Offerings or the Tender Offer.

POLAR CAPITAL GLOBAL HEALTHCARE GROWTH AND INCOME TRUST PLC

(incorporated and registered in England and Wales under number 07251471 and registered as an investment company under Section 833 of the Companies Act 2006)

Proposals to change the Existing Investment Policy and extend the Company’s life

Issue of New Ordinary Shares and ZDP Shares

Tender Offer for Ordinary Shares

and

Notice of General Meeting

The Offerings, the Tender Offer and the other Proposals described in the Circular are conditional on the passing of the Resolutions at the General Meeting, to be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG at 11.00 a.m. on 1 June 2017, as set out in the GM Notice (set out at the end of this Circular). Whether or not you propose to attend the General Meeting and whether or not you wish to subscribe for New Ordinary Shares in the Open Offer or to tender any Shares for purchase under the Tender Offer, you are encouraged to complete and return the accompanying Form of Proxy. To be valid, the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to the Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible and in any event not later than 11.00 a.m. on 30 May 2017.

Your attention is drawn to the section headed “Action to be Taken” on page 20 of this Circular and the letter from the Chairman of the Company, set out on pages 6 to 21 of this Circular, which includes a recommendation from the Board that you vote in favour of the Resolutions to be proposed at the General Meeting.

Any subscriptions for New Ordinary Shares under the Share Issue or for ZDP Shares under the Initial ZDP Placing shall be made solely on the basis of the information contained in or incorporated by reference in the Prospectus. A copy of the Prospectus is enclosed with this Circular. Copies of the Prospectus are also available on the Company’s website at <http://www.polarcapitalhealthcaretrust.com/> and on the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm. Hard copies of the Prospectus can be obtained free of charge from the Company’s registered office, 16 Palace Street, London SW1E 5JD. Subject to certain exceptions, Shareholders in the Restricted Territories will not be permitted access to the Prospectus.

If you wish to take up New Ordinary Shares in the Open Offer

The Open Offer will close at 11.00 a.m. on 15 June 2017 and will only be available to Shareholders on the Register at the close of business on the Open Offer Record Date of 10 May 2017.

The Open Offer is not being made to Restricted Shareholders. In particular, the Open Offer is not being made, directly or indirectly, in or into or by the use of mails by any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange of the United States, nor is it being made directly or indirectly in or into any other Restricted Territory, and the Open Offer cannot be accepted by any such use, means, instrumentality or facility or from within any Restricted Territory.

Enclosed with this Circular is a blue Application Form for use by Shareholders holding Shares in certificated form. Shareholders holding Shares in certificated form and who wish to subscribe for New Ordinary Shares in the Open Offer should ensure that their completed blue Application Forms are returned to the Company's Receiving Agent, by post or by hand during normal business hours to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to arrive by no later than 11.00 a.m. on 15 June 2017.

Shareholders who hold Shares in uncertificated form (that is, in CREST) and who wish to subscribe for New Ordinary Shares in the Open Offer should not return a blue Application Form but should transmit the appropriate USE Instruction in CREST as set out in the Prospectus as soon as possible but in any event so as to be received by no later than 11.00 a.m. on 15 June 2017.

If you do not wish to participate in the Open Offer, do not complete a blue Application Form or submit a USE Instruction.

If you wish to tender Shares under the Tender Offer

The Tender Offer will close at 1.00 p.m. on 31 May 2017 and will only be available to Shareholders on the Register at 6.00 p.m. on the Tender Offer Record Date of 31 May 2017.

The Tender Offer is not being made to Restricted Shareholders. In particular, the Tender Offer is not being made, directly or indirectly, in or into or by the use of mails by any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange of the United States, nor is it being made directly or indirectly in or into any other Restricted Territory, and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within any Restricted Territory.

Enclosed with this Circular is a pink Tender Form for use by Shareholders holding Shares in certificated form. Shareholders holding Shares in certificated form who wish to tender Shares for purchase in the Tender Offer should ensure that their completed pink Tender Forms are returned to the Company's Receiving Agent, by post or by hand during normal business hours to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to arrive by no later than 1.00 p.m. on 31 May 2017. Shareholders who hold their Shares in certificated form should also return their share certificate(s) and/or other documents of title in respect of the Shares tendered.

Shareholders who hold Shares in uncertificated form (that is, in CREST) and who wish to tender Shares for purchase in the Tender Offer should not return a pink Tender Form but should transmit the appropriate TTE Instruction in CREST as set out in Part III of this Circular as soon as possible but in any event so as to be received by no later than 1.00 p.m. on 31 May 2017, and arrange for the Shares tendered to be transferred into escrow as described in Part III of this Circular.

If you do not wish to tender any of your Shares, do not complete a pink Tender Form or submit a TTE Instruction.

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EXPECTED TIMETABLE OF EVENTS

GENERAL MEETING

2017

Latest time and date for receipt of Form of Proxies for the General Meeting	11.00 a.m. on 30 May
General Meeting	11.00 a.m. on 1 June
Announcement of results of the General Meeting	1 June

OPEN OFFER

Open Offer Record Date for entitlements under the Open Offer	6.00 p.m. on 10 May
Ex-Entitlements Date for the Open Offer	8.00 a.m. on 15 May
Open Offer Entitlements credited to stock accounts of Qualifying Shareholders in CREST (as appropriate)	as soon as possible after 8.00 a.m. on 15 May
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST (i.e. if your Open Offer Entitlements are in CREST and you wish to convert them to certificated form)	4.30 p.m. on 9 June
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 12 June
Latest time and date for splitting of Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 13 June
Latest time and date for receipt of blue Application Forms and settlement of the relevant CREST instructions	11.00 a.m. on 15 June
Calculation Date	close of business on 15 June
Announcement of results of the Open Offer	16 June
Admission of New Ordinary Shares issued under the Open Offer and crediting of CREST accounts in respect of the Open Offer	20 June
Where applicable, definitive share certificates despatched by post in the week commencing	26 June

TENDER OFFER

Latest time and date for receipt of pink Tender Forms and TTE Instructions in CREST for the Tender Offer	1.00 p.m. on 31 May
Tender Offer Record Date to participate in the Tender Offer	6.00 p.m. on 31 May
Announcement of results of the Tender Offer	1 June
Calculation Date	close of business on 15 June
Announcement of the Tender Price	on or around 16 June
Repurchase of Shares pursuant to the Tender Offer	by 20 June
CREST accounts credited in respect of Tender Offer proceeds for uncertificated Ordinary Shares	by 22 June
Cheques despatched in respect of Tender Offer proceeds for certificated Ordinary Shares	by 26 June

OFFER FOR SUBSCRIPTION*

Latest time and date for receipt of application under the Offer for Subscription	11.00 a.m. on 15 June
Announcement of results of the Offer for Subscription	16 June
Admission of New Ordinary Shares issued under the Offer for Subscription and crediting of CREST accounts in respect of the Offer for Subscription	20 June
Where applicable, definitive share certificates despatched by post in the week commencing	26 June

Further dates relating to the Offer for Subscription, the Initial Placing and the Initial ZDP Placing are set out in the Prospectus.

Certain of the above times and dates are subject on the passing of the Resolutions at the General Meeting and the satisfaction of the Continuation Conditions.

Each of the times and dates in the expected timetable above may be extended or brought forward without further notice. 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 RIS announcement. All references are to London time unless otherwise stated.

* *For Qualifying Shareholders wishing to subscribe for New Ordinary Shares under the Open Offer, application under the Offer for Subscription will only apply to Qualifying Shareholders holding Shares in uncertificated form (i.e. through CREST) who wish to take up all of their Open Offer Entitlements and also apply for additional New Ordinary Shares in excess of their Open Offer Entitlements. In such case, those Qualifying Shareholders should apply for their Open Offer Entitlement through CREST and complete and return the relevant application form applicable to the Offer for Subscription.*

Qualifying Shareholders holding Shares in certificated form can apply in excess of their Open Offer Entitlements by indicating so in the Application Form.

PART I

LETTER FROM THE CHAIRMAN

POLAR CAPITAL GLOBAL HEALTHCARE GROWTH AND INCOME TRUST PLC

(incorporated and registered in England and Wales under number 07251471 and registered as an investment company under Section 833 of the Companies Act 2006)

Directors:

James Robinson (*Chairman*)
John Aston, OBE
Anthony Brampton
Antony Milford

Registered Office:

16 Palace Street
London
SW1E 5JD
United Kingdom

12 May 2017

Dear Shareholders

**Proposals to change the Existing Investment Policy and extend the Company's life
Issue of New Ordinary Shares and ZDP Shares
Tender Offer for Ordinary Shares
and
Notice of General Meeting**

1. Introduction and Background

1.1. Introduction

Further to the announcements made by the Company on 15 March 2017 and 8 May 2017, the Board is now pleased to set out its detailed Proposals for the future of the Company.

The purpose of this Circular is to explain the rationale, and seek the required Shareholder approval, for the following Proposals:

- to amend the Articles to provide for a winding-up in 2025 in place of the current arrangement;
- to amend the Existing Investment Policy so as to become the New Investment Policy;
- to sanction the related party transaction which arises as a result of proposed changes to the Company's investment management arrangements;
- to raise further capital by way of the Offerings, with the proceeds to be invested in accordance with the New Investment Policy;
- to give authority to the Directors to allot New Ordinary Shares issued under the Share Issue and, after completion of the Offerings, the Placing Programme;
- to disapply the statutory pre-emption rights otherwise applicable to the allotment of New Ordinary Shares issued pursuant to the Share Issue and the Placing Programme;
- to implement the Tender Offer so as to provide Shareholders with the ability to exit the Company, should they wish to do so; and
- to renew the authority granted to the Company to buy back Shares in the market.

The implementation of the Proposals described in this Circular is subject to Shareholder approval and the satisfaction of the Continuation Conditions including, in particular, the Minimum NAV Condition (being that the Net Asset Value immediately following the completion of the Proposals will be at least £200 million (excluding any amount attributable to the ZDP Shares)). Paragraph 13 of this Circular contains further details on the Continuation Conditions.

If the Continuation Conditions are not satisfied and/or Shareholder approval is not obtained, the Proposals will not proceed and the Company is expected to wind up in early 2018 as originally envisaged.

This Circular sets out details of, and seeks your approval for, the Proposals and explains why the Board is recommending that you vote in favour of the Resolutions to be proposed at the General Meeting to be held on 1 June 2017. The GM Notice is set out at the end of this Circular.

1.2. *Background*

The Company was incorporated on 12 May 2010, with a fixed life expiring in January 2018. It was established with a view to generating capital growth and income by investing in a global portfolio of healthcare stocks. The Existing Articles require the Directors to put forward a resolution to place the Company into liquidation at the seventh annual general meeting of the Company to be held in early 2018, at which voting would be enhanced such that the resolution would be passed, provided any single vote is cast in favour.

Following consultation with major Shareholders and the Company's advisers, the Board believes that many current Shareholders would welcome the opportunity to continue their investment beyond 2018. The Board and the Investment Manager further believe that current market conditions are appropriate for a change in the Existing Investment Policy, in particular, that the investment universe no longer supports an income portfolio.

In order to honour the original constitution of the Company and provide a liquidity event for Shareholders in 2018, the Board has arranged to provide Shareholders with the ability, should they so wish, to exit the Company through a Tender Offer at Net Asset Value for up to 100 per cent. of the Shares in issue on the Tender Offer Record Date.

As a result, the Proposals will provide Shareholders with an opportunity to realise their investment in the Company (in whole or in part) whilst also offering Shareholders the option to continue or increase their investment in the Company and to maintain their exposure to the healthcare sector in an investment trust managed by the Investment Manager.

1.3. *New Investment Policy*

The Board has decided, subject to Shareholder approval and the satisfaction of the Continuation Conditions, to amend the Existing Investment Policy so as to become the New Investment Policy. The purpose of this change is to focus investment returns on generating capital growth by investing in a global portfolio of healthcare stocks whilst reducing the focus on income generation. Paragraph 3 of Part I of this Circular contains further details on the proposed New Investment Policy.

The Investment Manager views healthcare as a long-term secular growth sector in a low growth world suffering from persistent deflationary pressures. Moreover, the Investment Manager believes that an ageing population, macroeconomic pressures and rapidly evolving technology will combine to drive significant structural transformation and improve the efficiency of global healthcare systems over, at least, the next decade. The biggest perceived risks for healthcare – that current government spending is unsustainable and healthcare systems are at breaking point – are seen by the Investment Manager as the biggest catalysts for change.

The Investment Manager sees two strategies for healthcare investing in a low growth world: (i) to focus on companies with stable and predictable cash flow growth; and (ii) to identify the innovators and disruptors. Both types of companies can be found in the healthcare sector and can be broadly defined into two categories – large cap consolidators that are adapting to change and small/mid cap innovators that are driving disruptive change giving rise not only to new drugs and surgical treatments but also to a transformation in the management and delivery of healthcare. These two strategies are reflected in the expected split of assets between the growth and innovation portfolios contemplated by the New Investment Policy.

In connection with the implementation of the proposed New Investment Policy, the Board also intends to amend the Company's dividend policy. As a result, while maintaining its ability to pay dividends in the future, the Board expects that the level of dividend will be lower than hitherto.

1.4. *Extension of Life and Change of Name*

The Board is proposing to extend the life of the Company to 1 March 2025 and to change the name of the Company to “Polar Capital Global Healthcare Trust plc”. Please see paragraph 4 of Part I of this Circular for further details on the New Investment Policy and the proposed new dividend policy.

Polar Capital LLP has agreed to continue to act as the Investment Manager on substantially similar terms subject to the basis of the management fee being extended and the Performance Fee Hurdle being rebased. Please see paragraph 6 of Part I of this Circular for further details on the proposed changes to the Company’s existing management arrangements.

1.5. *The Offerings*

Subject to obtaining the requisite Shareholder approval and satisfaction of the Continuation Conditions, the Company intends to issue New Ordinary Shares pursuant to the Share Issue which comprises the Open Offer, the Offer for Subscription and the Initial Placing. The Company also intends to institute the Placing Programme following the completion of the Share Issue.

Qualifying Shareholders will be offered the opportunity to subscribe for New Ordinary Shares under the Open Offer at the Issue Price, on the basis of 1 New Ordinary Share for every 2 Shares held and registered in their name as at the close of business on the Open Offer Record Date, and so on in proportion for any greater or lesser number of Ordinary Shares then held.

In addition to the Open Offer, the Company also proposes to issue New Ordinary Shares pursuant to the Offer for Subscription and the Initial Placing. Qualifying Shareholders who take up their Open Offer Entitlement may subscribe for additional New Ordinary Shares under the Offer for Subscription. Priority will be given to applications made under the Open Offer when determining the basis of allocations under the Share Issue.

Alongside the Share Issue, the ZDP Subsidiary, a wholly owned subsidiary of the Company, also proposes to raise capital and to provide the Group with structural gearing through the Initial ZDP Placing of ZDP Shares and to conduct the ZDP Placing Programme under which the ZDP Subsidiary may issue new ZDP Shares whether or not simultaneously with the issue of the New Ordinary Shares under the Placing Programme.

Further details on the Share Issue and the Initial ZDP Placing are set out in the Prospectus accompanying this Circular. The Prospectus is also available on the Company’s website at <http://www.polarcapitalhealthcaretrust.com> and on the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm. Hard copies of the Prospectus can be obtained free of charge from the Company’s registered office, 16 Palace Street, London SW1E 5JD. Subject to certain exceptions, Shareholders in the Restricted Territories will not be permitted access to the Prospectus.

Qualifying Shareholders wishing to participate in the Open Offer should complete and return their blue Application Form or settle the relevant CREST instructions (as appropriate).

Any subscriptions for New Ordinary Shares under the Share Issue or for ZDP Shares under the Initial ZDP Placing shall be made solely on the basis of the information contained in or incorporated by reference in the Prospectus.

1.6. *Tender Offer*

Under the terms of the Tender Offer, which is being made by Panmure Gordon, Qualifying Shareholders will be entitled to tender some or all of their Shares, as at the Tender Offer Record Date, for purchase by Panmure Gordon at the Tender Price. The Tender Price will be equal to the prevailing Net Asset Value per Share as at the Calculation Date. Following such purchase, the Company will, in turn, in accordance with the terms of the Repurchase Agreement, purchase from Panmure Gordon all Shares which it has purchased under the Tender Offer. Please see paragraph 9 of Part I of this Circular for further details on the Tender Offer.

Shareholders are not required to tender any Shares. If you wish to participate in the Tender Offer, you should complete and return your pink Tender Form or submit a TTE instruction.

The Tender Offer is subject to the terms of the Repurchase Agreement and may be suspended or terminated in certain circumstances as set out in paragraph 7 of Part III of this Circular, including if the Continuation Conditions are not satisfied. The Tender Offer is also subject to certain other conditions as set out in paragraph 2 of Part III of this Circular.

Shareholders' attention is drawn to the letter from Panmure Gordon set out in Part II of this Circular and to Part III of this Circular which, together with the pink Tender Form, constitute the terms and conditions of the Tender Offer. Details of how Qualifying Shareholders may tender Shares can be found in paragraph 3 of Part III of this Circular.

2. Benefits of the Proposals

The Proposals are intended to offer the following benefits to Shareholders:

- the option to continue their investment in the Company and to benefit from the healthcare sector expertise of Polar Capital LLP as the Investment Manager;
- access to a new investment strategy and the New Investment Policy which the Board and Polar Capital believe offers the opportunity for the Company to produce attractive returns over the extended life of the Company;
- the Company will continue to have its Shares listed on the premium segment of the Official List and accordingly Shareholders' ability to trade in the Shares on the premium segment of the Main Market of the London Stock Exchange will be maintained;
- pursuant to the Tender Offer, Shareholders who no longer wish to remain invested in the Company will be given the opportunity to realise their investment, in whole or in part, at the Tender Price; and
- the Open Offer provides Qualifying Shareholders with the right to increase their investment in the Company without incurring stamp duty or dealing costs involved when acquiring Shares on the secondary market.

In light of the above, the Board considers that implementing the Proposals is in the best interests of the Company and the Shareholders as a whole.

3. The Company's Performance and Prospects

Between 30 September 2016 (being the date of the last financial year end) and the date of this Circular, the Company recorded both Net Asset Value and Share price growth and a narrowing of the discount to the Net Asset Value per Share at which the Shares trade.

Over that period, global stock markets were weak ahead of the US Presidential election in November 2016 and then rallied strongly following the election of President Trump and the Republican Party taking control of the US Congress. In the Investment Manager's view, the healthcare sector is well positioned for further outperformance over the remainder of 2017.

4. Changes to the Investment Policy

In connection with the Proposals and in light of the new investment strategy set out below, the Board proposes to amend the Existing Investment Policy so as to become the New Investment Policy set out below, conditional on Shareholder approval and on satisfaction of the Continuation Conditions.

A strike-through comparison of the New Investment Policy against the Existing Investment Policy is set out in paragraph 2 of Part VI of this Circular.

New Investment Strategy

The Investment Manager views healthcare as a long-term secular growth sector in a low growth world suffering from persistent deflationary pressures. Moreover, the Investment Manager believes that an ageing population, macroeconomic pressures and rapidly evolving technology will combine to drive significant structural transformation and to improve the efficiency of global healthcare systems over, at

least, the next decade. The biggest perceived risks for healthcare – that current government spending is unsustainable and healthcare systems are at breaking point – are seen by the Investment Manager as the biggest catalysts for change.

The Investment Manager sees two strategies for healthcare investing in a low growth world: (i) to focus on companies with stable and predictable cash flow growth; and (ii) to identify the innovators and disruptors. Both types of companies can be found in the healthcare sector and can be broadly defined into two categories – large cap consolidators that are adapting to change and small/mid cap innovators that are driving disruptive change that will give rise not only to new drugs and surgical treatments but also to a transformation in the management and delivery of healthcare. These two strategies are reflected in the split of assets between the growth and innovation portfolios, respectively.

The Company's portfolio will be structured to diversify stock-specific risk through the number of securities held and a global investment approach. Each individual holding will be assessed on its own merits in terms of risk/reward.

While the Company ordinarily expects to be fully or substantially invested in accordance with the above strategy, the Company may hold cash or money market instruments pending deployment in the investment portfolio. In addition, it will have the flexibility, when the Investment Manager perceives there to be actual or expected adverse equity market conditions, to maintain cash holdings as it deems appropriate.

The Company will continue to measure the Investment Manager's performance against the MSCI ACWI/Healthcare Index (total return, in Sterling with net dividends reinvested). This Benchmark Index will be used to measure the performance of the Company for the purposes of assessing any performance fee. The Company will not seek to replicate the index in constructing its portfolio and, therefore, the portfolio may diverge substantially from the constituents of this index.

The growth portfolio

The majority of the Company's assets will be allocated to the growth portfolio, expected to comprise 25-30 large cap healthcare stocks with no focus on any particular healthcare sub-sector. All companies in the growth portfolio will have a market capitalisation greater than US\$5 billion at the time of investment. As of 31 March 2017, the potential investment universe comprised 172 companies across all four healthcare sub-sectors – biotechnology, healthcare services, medical technology and pharmaceuticals. The first part of the investment team's process has been to identify companies that they would regard as healthcare bellwethers – those companies that have recognised the ongoing structural change and are beginning to adapt their business models to address the new challenges created by a changing operating environment.

The expectation is that these companies should deliver stable earnings growth in the mid to long-term and, more importantly, navigate through what may be a period of major disruption within healthcare. The team has combined this qualitative screen with quantitative factors, including valuation and mid to long-term growth potential.

The innovation portfolio

The innovation portfolio will provide exposure to healthcare companies with a market capitalisation below US\$5 billion. This exposure may be achieved through direct investment or via investment funds managed by the Investment Manager and/or one of its affiliates.

The Investment Manager's investment process is primarily based on bottom-up fundamental analysis. The global universe of listed healthcare securities is estimated to be approximately 3,321 companies. The Investment Manager uses a qualitative filter consisting of six key criteria to create a watch-list of potential investments. More detailed due diligence is then carried out by the investment team on the individual companies on the watch-list.

Following the amendment of the Existing Investment Policy so as to become the New Investment Policy, it is likely that the initial innovation portfolio will be weighted towards mid and small-cap companies. While the Investment Manager will have a global remit, it is likely that a significant proportion of these investments will be US listed and/or headquartered in the US. The Investment Manager expects to take a more patient approach to investing in more illiquid investments for the portfolio; these investments are likely to be more heavily weighted to companies domiciled in the UK or Europe.

New Investment Objective and Policy

The Company's investment objective is to generate capital growth by investing in a global portfolio of healthcare stocks across all four healthcare sub-sectors.

The Company will seek to achieve its objective by investing in a diversified global portfolio consisting primarily of listed equities. The Investment Manager intends to manage the risk of the portfolio in line with the approach taken since the Company's inception in 2010; the portfolio is expected to be diversified by factors such as geography, industry sub-sector and investment size. The portfolio will comprise a single pool of investments, but for operational purposes, the Investment Manager will maintain a growth portfolio and an innovation portfolio. Innovation companies are broadly defined by the Investment Manager as small/mid cap innovators that are driving disruptive change, giving rise not only to new drugs and surgical treatments but also to a transformation in the management and delivery of healthcare.

The initial allocation of stocks between the growth and innovation portfolios is expected to comprise a 90:10 division of assets. On an ongoing basis, the growth portfolio is expected to comprise a majority of the Company's assets; for this purpose, once an innovation stock's market capitalisation has risen above US\$5 billion, it will ordinarily then be treated as a growth stock.

The relative ratio between the two portfolios may vary over the life of the Company due to factors such as asset growth and the Investment Manager's views as to the risks and opportunities offered by investments in each pool and across the combined portfolio. While there is no restriction on geographical exposure, it is expected that the majority of the companies in the initial growth portfolio will be US listed or traded and/or headquartered in the US, although this may change over the life of the Company.

The combined portfolio will be made up of interests in up to 50 companies, with no single investment accounting for more than 10 per cent. (or 15 per cent. in the case of an investment in another fund managed by the Investment Manager) of the Gross Assets at the time of investment. The innovation portfolio may include stocks which are neither quoted nor listed on any stock exchange but the exposure to such stocks, in aggregate, will not exceed 5 per cent. of Gross Assets at the time of investment.

In the event that the Investment Manager launches a dedicated healthcare innovation fund, the Company's exposure to innovation stocks may be achieved in whole or in part by an investment in that fund. In any event, the Company will not, without the prior consent of the Board, acquire more than 15 per cent. of any such healthcare innovation fund's issued share capital.

Borrowings

Save for structural gearing introduced through the issue of the ZDP Shares, the Company will not utilise borrowings for investment purposes. However, the Company may incur overdrafts or borrowings in an amount up to 10 per cent. of its Net Asset Value for day to day administration, cash management and operational purposes. The Company will not normally hedge currency exposure but may do so exceptionally for the purposes of efficient portfolio management or when it is otherwise perceived to be in Shareholders' interests.

Hedging and use of Derivatives

The Company may invest through equities, index-linked, equity-linked and other debt securities, cash deposits, money market instruments, foreign currency exchange transactions, forward transactions, index options and other instruments including derivatives. Forward transactions and derivatives (including put and call options on individual positions or indices) may be used to gain exposure to the securities of companies falling within the Company's investment policy or to seek to generate income from the Company's position in such securities, as well as for efficient portfolio management. Any use of derivatives for investment purposes is made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as set out above. The Company may hedge exposure to foreign currencies if considered appropriate for efficient portfolio management.

New Dividend Policy

Following implementation of the Proposals, the Company will continue to conduct its affairs as an investment trust for UK tax purposes and, accordingly, will comply with the distribution requirements of the Corporation Tax Act 2010, as amended, and the Investment Trust (Approved Company) (Tax) Regulations 2011, as amended.

It is expected that dividends will be paid bi-annually, in February and August, with the first regular dividend following Admission being paid, including to investors in the New Ordinary Shares, in February 2018. The dividend declared by the Company on 5 May 2017 will be paid on 9 June 2017 to Shareholders on the Register as at the close of business on 19 May 2017. The new dividend policy will result in lower dividends in the future and the initial rate of dividend following Admission is expected to be around 2 pence per Share per annum based on there being 100 million Shares in issue and a portfolio of £225 million¹.

5. Change to the Company's Name

Consistent with the proposed New Investment Policy, the Board will, subject to satisfaction of the Continuation Conditions and subject to obtaining the relevant approval from the Registrar of Companies, change the name of the Company from “Polar Capital Global Healthcare Growth and Income Trust plc” to “Polar Capital Global Healthcare Trust plc”.

6. Amendment to the Investment Management Agreement

In light of the New Investment Policy, the Board has agreed with Polar Capital LLP, subject to obtaining Shareholder approval at the General Meeting, to amend the management arrangements accordingly (the “**IMA Amendment Agreement**”).

Under the existing management arrangements, the Investment Manager is entitled to a management fee at the rate of 0.85 per cent. per annum of the lower of the Company's market capitalisation and Net Asset Value. Although the management fee rate will remain unchanged, under the proposed IMA Amendment Agreement, the management fee will be based on the lower of the Group Market Capitalisation and the Adjusted NAV (which includes all assets referable to the ZDP Shares but, for the avoidance of doubt, no liabilities referable to the ZDP Shares shall be deducted).

In addition, the Investment Manager was also entitled to earn a performance fee, at the end of the Company's life as originally envisaged, equal to 10 per cent. of excess total return over the Benchmark Index plus an additional hurdle of 15 pence per Share. Whilst the Board considers that the Investment Manager has managed the Company's investment portfolio well, generating impressive returns for Shareholders since inception, the returns to date have fallen short of the Performance Fee Hurdle.

In the context of the Proposals, bearing in mind the ability for those who wish to realise their investment in the Company, the proposed New Investment Policy and the intention to introduce new investors, the Board considers it appropriate to rebase the Performance Fee Hurdle and introduce a new basis for the Investment Manager to earn a performance fee.

Under the proposed IMA Amendment Agreement, the Investment Manager will be entitled to a performance fee to be calculated as 10 per cent. of the excess total return over the total return of the Benchmark Index plus 1.5 per cent. per annum. Any performance fee will accrue but only be paid out to the Investment Manager at the end of the Company's seven year life or on earlier termination of the investment management agreement. No performance fee will be paid unless, at such time the Net Asset Value per Share is higher than the Relaunch NAV per Share.

The Investment Manager is considered a “related party” to the Company for the purposes of the Listing Rules. As a consequence, the entry by the Company into the IMA Amendment Agreement constitutes a “related party transaction” under Chapter 11 of the Listing Rules. Resolution 1 will, accordingly, seek the

¹ The expected dividend is an expectation only and not a profit forecast. There can be no assurance that the expectation will be met and it should not be taken as an indication of the Company's expected or actual future results.

specific approval of the Independent Shareholders for the entry into the IMA Amendment Agreement as a “related party transaction”, in accordance with the requirements of the Listing Rules. Please see paragraph 1.2 of Part VI of this Circular for further details of the proposed IMA Amendment Agreement.

7. Composition of the Board

It is intended that the composition of the Board will remain unchanged following the implementation of the Proposals. However, in line with corporate governance best practice, it is proposed that the composition of the Board will be refreshed thereafter from time to time.

8. The Share Issue and the Placing Programme

In order to replace capital depleted by the Tender Offer and to deploy additional capital in pursuance of the New Investment Policy, the Company proposes to issue up to 250 million New Ordinary Shares pursuant to the Offer for Subscription, the Initial Placing and the Placing Programme and up to 60,237,500 New Ordinary Shares pre-emptively to Qualifying Shareholders under the Open Offer.

The Issue Price will be determined as at the Calculation Date, which is expected to be 15 June 2017. On the basis of the Net Asset Value per Share and the estimated Quantified Expenses as at 10 May 2017 (being the latest practicable date before publication of this Circular), the Issue Price would have been 209.88 pence (rounded to two decimal places) as that date.

8.1. Details of the Share Issue

The actual number of New Ordinary Shares to be issued pursuant to the Share Issue is not known as at the date of this Circular and will be determined by the Company, the Investment Manager and Panmure Gordon after taking into account the demand for the New Ordinary Shares and prevailing economic and market conditions. The number of New Ordinary Shares to be issued will, once determined, be announced by the Company by an RIS announcement and on its website, on or around 16 June 2017.

The Share Issue will remain open until 15 June 2017. The Issue Price is expected to be announced on 16 June 2017 following the Calculation Date which is expected to be 15 June 2017. The Issue Price at which New Ordinary Shares will be issued, will be equal to the prevailing Net Asset Value per Share as at the Calculation Date plus the Placing Commission.

Shareholders should note that the following fees and expenses will be paid by the Company following the Admission: (i) any fees payable to the London Stock Exchange in connection with the Share Issue; (ii) the placing commission payable to Panmure Gordon and any fees payable to the London Stock Exchange in connection with the Initial ZDP Placing; and (iii) any stamp duty payable in connection with the Tender Offer. These Other Expenses will not be reflected in the Net Asset Value as at the Calculation Date but will be brought into account in the calculation of the Net Asset Value from the date of Admission.

The Placing Commission payable by the Company to Panmure Gordon in relation to the Share Issue will be, in respect of each New Ordinary Share, a placing commission equal to 1.25 per cent. of the prevailing Net Asset Value per Share as at the Calculation Date. Panmure Gordon may, at its discretion, agree to rebate or share a portion of the Placing Commission with the Investment Manager and/or such intermediaries involved in the Share Issue as it may decide.

New Ordinary Shares issued pursuant to the Share Issue will rank *pari passu* with the existing Shares then in issue (save for any dividends or distributions which are declared, made or paid by reference to a record date prior to the allotment of the relevant New Ordinary Shares).

Priority will be given to applications made under the Open Offer when determining the basis of allocations under the Share Issue.

The Share Issue, which is not underwritten, is conditional upon, *inter alia*:

- the Sponsor and Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission;

- the passing of the Resolutions by Shareholders at the General Meeting;
- the satisfaction of the Continuation Conditions; and
- Admission having become effective on or before 8.00 a.m. on 20 June 2017 or such later time and/or date as the Company and Panmure Gordon may agree.

If these conditions are not satisfied, the Share Issue will not proceed and an RIS announcement will be made to that effect. The maximum number of New Ordinary Shares that can be issued under the Share Issue and the Placing Programme is 310,237,500.

Application will be made to the UKLA for all of the New Ordinary Shares to be issued pursuant to the Share Issue to be admitted to the premium listing segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and dealings will commence on 20 June 2017.

Shares will be issued in registered form and may be held either in certificated or uncertificated form settled through CREST. It is expected that CREST accounts will be credited on 20 June 2017 in respect of New Ordinary Shares issued in uncertificated form, and definitive share certificates in respect of Shares held in certificated form will be despatched by post in the week commencing 26 June 2017 or as soon as possible thereafter. Temporary documents of title will not be issued. Dealings in the New Ordinary Shares are expected to commence on 20 June 2017. Dealing in the New Ordinary Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The Directors intend to invest the proceeds of the Share Issue in accordance with the New Investment Policy.

8.2. *The Open Offer*

As part of the Share Issue, the Company intends to issue up to 60,237,500 New Ordinary Shares pre-emptively to Qualifying Shareholders under the Open Offer. Qualifying Shareholders will be offered the opportunity to subscribe for New Ordinary Shares under the Open Offer at the Issue Price on the basis of an Open Offer Entitlement of:

1 New Ordinary Share for every 2 Shares

held and registered in a Shareholder's name as at the close of business on the Open Offer Record Date, and so on in proportion for any greater or lesser number of Shares then held.

Qualifying Shareholders who take up all of their Open Offer Entitlements may also apply for additional New Ordinary Shares in excess of their Open Offer Entitlements. In order to make such an application: (i) Qualifying Shareholders holding Shares in certificated form should complete the relevant sections on the Open Offer Application Form; and (ii) Qualifying Shareholders holding Shares in uncertificated (i.e. through CREST) form should apply under the Offer for Subscription.

The Open Offer is being made on a pro rata basis to Qualifying Shareholders and is not subject to scaling back in favour of applications under either the Offer for Subscription or the Initial Placing. Any New Ordinary Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements may be made available under the Offer for Subscription.

Shareholders should note that the Issue Price at which New Ordinary Shares will be issued is not known as at the date of this Circular. The Issue Price will be determined by the Company on the Calculation Date and announced on 16 June 2017. On the basis of the Net Asset Value and the Quantified Expenses as at 10 May 2017 (being the latest practicable date before publication of this Circular) the Issue Price would have been 209.88 pence (rounded to two decimal places). Accordingly, Shareholders subscribing for New Ordinary Shares under the Open Offer should pay the Company such amount as they would wish to pay having regard to the indicative Issue Price calculated on the basis of the Net Asset Value as at 10 May 2017.

To the extent that the prevailing Net Asset Value per Share as at the Calculation Date is either:

- i. lower than the Net Asset Value used as the basis for the indicative Issue Price set out above, then any amount paid in excess of what Shareholders would have otherwise paid for their Open Offer Entitlement will be applied to the subscription of New Ordinary Shares under the Offer for Subscription and any minimum subscription amount applicable to the Offer for Subscription will be waived accordingly; or
- ii. higher than the Net Asset Value used as the basis for the indicative Issue Price set out above, then the number of New Ordinary Shares that Shareholders will be entitled to will be adjusted downwards accordingly and Shareholders will receive a lower number of New Ordinary Shares than they would have otherwise expected.

Shareholders should note that, in both cases, no fraction of New Ordinary Shares will be issued and further agree that, if a fractional entitlement to New Ordinary Shares arises, the number of New Ordinary Shares issued will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit.

Only Qualifying Shareholders will be entitled to participate in the Open Offer. Shareholders who are located or resident in Restricted Territories will not qualify to participate in the Open Offer. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Open Offer.

Any subscriptions for New Ordinary Shares under the Open Offer shall be made solely on the basis of the information contained in or incorporated by reference in the Prospectus, including the terms and conditions of the Open Offer set out in Part XI of the Prospectus.

8.3. *The Offer for Subscription and the Initial Placing*

The Board proposes to issue up to 250 million New Ordinary Shares at the Issue Price by way of the Offer for Subscription, the Initial Placing and the Placing Programme. Applications under the Offer for Subscription may be scaled back in favour of applications under the Initial Placing and applications under the Initial Placing may be scaled back in favour of applications under the Offer for Subscription at the Directors' discretion (in consultation with Panmure Gordon).

Any subscriptions for New Ordinary Shares under the Offer for Subscription and the Initial Placing shall be made solely on the basis of the information contained in or incorporated by reference in the Prospectus.

8.4. *The Placing Programme*

Following completion of the Share Issue, the Board also proposes to implement the Placing Programme, which will commence on the date of Admission and will close on 15 June 2018 (or, if earlier, such date as the Company may determine in its absolute discretion).

The Board believes that raising further capital under the Placing Programme will allow for the provision of additional capital on a timely and cost effective basis when the Company, as advised by the Investment Manager, considers that there are suitable investment opportunities available. In addition, the Company will be able to raise capital in a controlled way to coincide with the emergence of investment opportunities.

Under the Placing Programme, the Company will have the ability to issue future tranches of New Ordinary Shares. Future tranches may vary in size and may not be issued at regular intervals. The size and timing of an issue for a given tranche of Shares will be determined at the sole discretion of the Board, following consultation with Panmure Gordon and the Investment Manager, when there is both market demand and capacity to invest funds in accordance with the New Investment Policy.

New Ordinary Shares issued under the Placing Programme will be issued at an issue price (after expenses) equal at least to the prevailing Net Asset Value per Share at the time of such issue. Further details regarding any placings of New Ordinary Shares pursuant to the Placing Programme (including the issue price for any such placing) would be announced to the market by an RIS announcement at the time of such placing. The Company may also procure the issue of further ZDP Shares by the ZDP Subsidiary under the ZDP Placing Programme (described in paragraph 8.6), whether or not simultaneously with the issue of New Ordinary Shares under the Placing Programme.

The maximum number of New Ordinary Shares to be issued pursuant to the Placing Programme is 310,237,500 million less the number of New Ordinary Shares issued pursuant to the Share Issue. As at the date of this Circular, the actual number of New Ordinary Shares that will be issued under the Placing Programme is not known.

Any subscriptions for New Ordinary Shares under the Placing Programme shall be made solely on the basis of the information contained in or incorporated by reference in the Prospectus.

8.5. ***Authority to allot New Ordinary Shares and disapplication of pre-emption rights in connection with the Share Issue and the Placing Programme***

In the event that Resolution 2 is passed at the General Meeting, the Directors will have the authority to allot up to, in aggregate, 310,237,500 New Ordinary Shares pursuant to the Share Issue and the Placing Programme (representing approximately 250 per cent. of the total ordinary share capital of the Company as at 10 May 2017, being the latest practicable date before publication of this Circular). Such authority will expire at the end of the next annual general meeting of the Company to be held in 2018.

In order for the Directors to issue New Ordinary Shares for cash free of statutory pre-emption rights pursuant to the Share Issue and the Placing Programme, such pre-emption rights must be disapplied. Shareholders are therefore being asked to approve as part of Resolution 2, the disapplication of the statutory pre-emption rights in respect of the issue of up to 310,237,500 New Ordinary Shares pursuant to the Share Issue and the Placing Programme (representing approximately 250 per cent. of the total ordinary share capital of the Company as at 10 May 2017, being the latest practicable date before publication of this Circular). Such authority will expire at the end of the next annual general meeting of the Company to be held in 2018.

The Directors recognise, however, the importance of pre-emption rights to Shareholders. Accordingly, a proportion of the Shares available under the Share Issue are being offered pre-emptively to Qualifying Shareholders by way of the Open Offer pursuant to which they will be entitled to apply for 1 New Ordinary Share for every 2 Shares held on the Open Offer Record Date.

8.6. ***New Group Structure***

At the same time as the Share Issue, the ZDP Subsidiary, a wholly owned subsidiary of the Company, will implement the Initial ZDP Placing to provide the Group with structural gearing and will conduct the ZDP Placing Programme under which the ZDP Subsidiary may issue new ZDP Shares whether or not simultaneously with the issue of New Ordinary Shares by the Company under the Placing Programme.

The size of the Initial ZDP Placing has been set such that the ratio of the gross proceeds of the Initial ZDP Placing to the Net Asset Value immediately following completion of the Offerings (excluding any amount attributable to the Initial ZDP Placing) will be 1:8. The ZDP Shares will have a gross redemption yield of 3 per cent. compounded annually over seven years with a final capital entitlement of 122.99 pence per ZDP Share payable on maturity on the final repayment date of 19 June 2024.

Following the completion of the Tender Offer and the Offerings, the ZDP Subsidiary (as lender) and the Company (as borrower) will enter into the Loan Agreement whereby the ZDP Subsidiary will agree to lend to the Company the gross proceeds of the Initial ZDP Placing immediately following the implementation of the Proposals. Such proceeds will be invested by the Company in accordance with the New Investment Policy together with the proceeds of the Share Issue.

In addition, the Company will enter into the Deed of Undertaking pursuant to which it will undertake to the ZDP Subsidiary, among other things, to subscribe as and when required for ordinary shares in the capital of the ZDP Subsidiary and thereby to ensure that the ZDP Subsidiary will have sufficient assets to satisfy the final capital entitlement of the holders of ZDP Shares.

Any subscriptions for ZDP Shares under the Initial ZDP Placing shall be made solely on the basis of the information contained in or incorporated by reference in the Prospectus.

9. The Tender Offer

9.1. General

The Company is proposing a Tender Offer to be made for up to 100 per cent. of the Shares in issue on the Tender Offer Record Date (excluding treasury shares) at the Tender Price to enable those Shareholders who wish to realise their investment in the Company to do so (in whole or in part). The Tender Price will be determined as at the Calculation Date, which is expected to be 15 June 2017. On the basis of the Net Asset Value per Share and the estimated Quantified Expenses as at 10 May 2017 (being the latest practicable date before publication of this Circular), the Tender Price would have been 207.28 pence (rounded to two decimal places) as that date.

As at the close of business on 10 May 2017 (being the latest practicable date before the publication of this Circular), the mid-market price of the Shares on the London Stock Exchange was 203.75 pence and the most recently announced Net Asset Value per Share was 208.15 pence (rounded to two decimal places). Accordingly, the Tender Price would have represented a small premium to the mid-market price on such date.

Qualifying Shareholders on the Register on the Tender Offer Record Date may tender for purchase by Panmure Gordon some or all of their Shares. All successfully tendered Shares will be purchased at the Tender Price. The Company will then, in turn, acquire these Shares from Panmure Gordon at the Tender Price, in accordance with the terms of the Repurchase Agreement, and the relevant Shares will be cancelled. Paragraph 1.1 of Part II of this Circular contains further details on the Repurchase Agreement.

Under current UK taxation law and practice, the sale of Shares pursuant to the Tender Offer should constitute a disposal for Shareholders subject to UK capital gains tax.

All transactions will be carried out on the London Stock Exchange and will be on-market acquisitions in accordance with the Companies Act. The key points of the Tender Offer are as follows:

- the Tender Offer is for up to 100 per cent. of the Shares issued by the Company on the Tender Offer Record Date (excluding treasury shares);
- Qualifying Shareholders will be able to decide whether to tender some or all of their Shares for purchase by Panmure Gordon; and
- the Tender Price will be equal to the prevailing Net Asset Value per Share as at the Calculation Date.

The Tender Offer is conditional upon the terms of the Repurchase Agreement and may be suspended or terminated in certain circumstances as set out in paragraph 7 of Part III of this Circular, including if the Continuation Conditions are not satisfied. The Tender Offer is also subject to certain conditions as set out in paragraph 2 of Part III of this Circular.

9.2. Options for Shareholders

Shareholders can choose to:

- retain their investment in the Company in full; or
- save for Restricted Shareholders, tender some or all of their Shares for purchase and receive the Tender Price in cash in consideration of such purchase.

Qualifying Shareholders will be entitled to have up to 100 per cent. of their respective holdings as at the Tender Offer Record Date purchased under the Tender Offer. Shareholders should note that the holdings of those Shareholders who do not participate in the Tender Offer will increase as a percentage of the total Shares remaining in issue following completion of the Tender Offer. Any such effect may, however, be mitigated by the issue of New Ordinary Shares under the Share Issue.

The Tender Offer is not conditional on the Shares trading at a discount to the Net Asset Value per Share as at the Calculation Date (i.e. the mid-market share price per Share being less than the Net Asset Value per Share). Therefore, in the event that the Shares are trading at a premium to the Net Asset Value per Share as at the Calculation Date (i.e. the mid-market share price per Share is higher than the Net Asset Value per Share), Shareholders who tender Shares may receive less than they could otherwise be able to realise in the market.

Shareholders' attention is drawn to Part III of this Circular which, together with the pink Tender Form, constitute the terms and conditions of the Tender Offer. Details of how Qualifying Shareholders will be able to tender Shares can be found in Part III of this Circular.

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

9.3. *UK Taxation*

Under current UK taxation law and practice, the sale of Shares pursuant to the Tender Offer should constitute a disposal for Shareholders subject to UK capital gains tax. The attention of Shareholders is drawn to Part V of this Circular which sets out a general guide to certain aspects of current UK law and HMRC practice.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser.

10. **Amendments to the Articles of Association**

Subject to obtaining Shareholder approval and to the satisfaction of the Continuation Conditions, the Company proposes to adopt the New Articles in place of the Existing Articles. The only amendment proposed to be made to the New Articles is the extension of the life of the Company until 1 March 2025 in order to enable the Company to implement the New Investment Policy.

The summary of the proposed amendments set out above is non-exhaustive. Shareholders may review the New Articles which are available for inspection in accordance with paragraph 6 of Part VI of this Circular.

These amendments require Shareholder approval at the General Meeting and will be effected by substituting the Existing Articles with the New Articles.

If the Continuation Conditions are not satisfied and/or Shareholder approval is not obtained, the Proposals will not proceed and the Company would wind up in early 2018 as originally envisaged.

11. **Authority to Make Market Purchases of Shares**

The Company was given authority to make market purchases of up to 14.99 per cent. of the Company's ordinary share capital at the annual general meeting held on 31 January 2017. The Board now wishes to renew this authority so that the Company will retain the flexibility to make market purchases of its own Shares where the Board considers it desirable to do so.

Shareholders are therefore being asked to give as part of Resolution 2, authority to the Company to buy back its Shares in the market. If Resolution 2 is passed, it is the Company's current intention to cancel or hold in treasury all of the Ordinary Shares it may purchase pursuant to such authority.

Resolution 2 provides that the number of Ordinary Shares that could be purchased does not exceed a maximum of 65,000,000, provided that the number of Ordinary Shares to be acquired between the date of passing Resolution 2 and the date of the Company's next annual general meeting otherwise than pursuant to a tender offer shall not exceed 14.99 per cent. of the Ordinary Shares in issue upon conclusion

of the Share Issue. Resolution 2 also sets the maximum price that may be paid by the Company at the highest of: (i) an amount equal to 105 per cent. of the average middle market quotations for a Share of the relevant class as derived from and calculated by reference to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Shares are purchased; (ii) the price of the last independent trade; or (iii) the highest current independent bid for a Share on the London Stock Exchange at the time the purchase is carried out. The minimum price to be paid will be 25p per Share (being the nominal value per Share).

The authority under Resolution 2 for the Company to buy back its Shares in the market will last until the end of the next annual general meeting of the Company unless previously renewed, varied or revoked by the Company in general meeting.

12. Expenses of the Proposals

The Quantified Expenses relating to the implementation of the Proposals are expected to be approximately £1,040,000 (including any non-recoverable VAT). The Quantified Expenses will be deducted from the Net Asset Value immediately following publication of the Circular and, accordingly, reflected in the Net Asset Value as at the Calculation Date.

The Placing Commission payable by the Company to Panmure Gordon will be reflected in the Issue Price and, accordingly, will be borne by investors acquiring the New Ordinary Shares pursuant to the Share Issue.

It should be noted that the Other Expenses will be paid by the Company following Admission and, accordingly, will not be reflected in the Net Asset Value as at the Calculation Date but will be brought into account in the calculation of the Net Asset Value with effect from the date of Admission.

13. Continuation Conditions

The Proposals are conditional on satisfaction of the Continuation Conditions, which are intended to ensure that the Company is of a sufficient size to pursue the New Investment Policy and maintains sufficient diversification of ownership to maintain its listing on the premium segment of the Main Market under Chapter 15 of the Listing Rules.

Minimum NAV Condition

The Directors are mindful of the need for the Company to be of a sufficient size following completion of the Tender Offer and the Share Issue, both for liquidity purposes and also to ensure that the ongoing expenses of the Company are not a disproportionate burden on the remaining Shareholders.

Accordingly, the Directors have resolved that completion of the Proposals is conditional on the Company's estimated NAV immediately following the completion of the Tender Offer and the Share Issue being no less than £200 million (excluding any amount attributable to the ZDP Shares) (the "**Minimum NAV Condition**").

Shares in Public Hands Condition

In addition, the Listing Rules require at least 25 per cent. of the Shares of a listed company to be in "public hands" (as defined in the Listing Rules) (the "**Shares in Public Hands Condition**"). In particular, any Shareholders with an interest in 5 per cent. or more of the Shares are excluded from the definition of "public hands" in relation to that class. Similarly, Shares held by Directors are also excluded from the number of Shares held in "public hands".

If a listed company fails, at any time, to comply with the Shares in Public Hands Condition, the UKLA may, in certain circumstances, allow a reasonable time to the company to remedy the non-compliance. However, the Directors consider that this may not be achievable if, following the completion of the Tender Offer and the Share Issue, the Company fails to comply with the Shares in Public Hands Condition.

Accordingly, if either the Minimum NAV Condition or the Shares in Public Hands Condition (each of which, individually, is a “Continuation Condition”) would not be satisfied immediately following the completion of the Proposals, the Proposals will not proceed and the Company is expected to wind up in early 2018 as originally envisaged.

14. Risk Factors

Shareholders’ attention is also drawn to Part IV of this Circular, which sets out certain risks relating to the proposed New Investment Policy, the Share Issue and the Tender Offer which Shareholders should be aware of in considering the Proposals and the actions they should take.

Restricted Shareholders and Other Overseas Shareholders

The Share Issue and the Tender Offer are not being made to Shareholders who are resident in, or citizens of, Restricted Territories. In particular, Restricted Shareholders are being excluded from the Open Offer and the Tender Offer in order to ensure compliance with applicable local laws relating to the implementation of the Open Offer and the Tender Offer. Accordingly, copies of this Circular, or any accompanying documents, are not being and must not be mailed or otherwise distributed in or into Restricted Territories. For more information, please refer to paragraph 9 of Part III of this Circular below.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Open Offer and the Tender Offer.

15. General Meeting

The Proposals are subject to Shareholder approval which will be sought at the General Meeting to be held at 11.00 a.m. on 1 June 2017 at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG. The GM Notice convening of the General Meeting is set out at the end of this Circular and includes the full text of the Resolutions.

Resolution 1 to be tabled at the General Meeting is being proposed as an ordinary resolution. In order to become effective, Resolution 1 must be approved by a simple majority of the votes cast by Shareholders present in person or by proxy at the General Meeting. The Investment Manager and its Associates (as appropriate), as related parties, are not permitted to vote on Resolution 1. The Investment Manager will not, and has undertaken to take all reasonable steps to ensure that its Associates do not, vote on Resolution 1.

Resolution 2 to be tabled at the General Meeting, which is conditional on the passing of Resolution 1, is being proposed as a special resolution. In order to become effective, Resolution 2 must be approved by a majority of not less than seventy five per cent. of the votes cast by Shareholders present in person or by proxy at the General Meeting. For the avoidance of doubt, the Investment Manager and its Associates (as appropriate) are permitted to vote on Resolution 2.

16. Action to be Taken in Connection with the General Meeting

You will find enclosed with this Circular a Form of Proxy for use at the General Meeting.

Whether or not you intend to be present at the General Meeting, you are encouraged to complete the Form of Proxy in accordance with the instructions printed thereon and to return the Form of Proxy to the Company’s Registrar, Equiniti Limited, by post or by hand during normal business hours at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to arrive by no later than 11.00 a.m. on 30 May 2017.

Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so.

Shareholders who are in any doubt as to the contents of this Circular or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under FSMA if they are in the United Kingdom, or another appropriately authorised independent financial adviser if they are in a territory outside the United Kingdom.

17. Recommendation

17.1. *Amendment to the Company's Investment Management Agreement*

The Board considers that the proposed amendment to the management arrangements and the entry into the IMA Amendment Agreement which would, if undertaken, constitute a “related party transaction”, is in the best interests of Shareholders as a whole.

The Board considers that the proposed “related party transaction” is fair and reasonable as far as the Shareholders are concerned and the Directors have been so advised by Panmure Gordon. In providing its advice to the Board, Panmure Gordon has taken into account the Board's commercial assessments.

Accordingly, the Board unanimously recommends that Shareholders entitled to do so vote in favour of Resolution 1 at the General Meeting, as the Directors intend to do in respect of their own holdings of 114,133 Shares, representing approximately 0.1 per cent. of the total number of issued Shares.

17.2. *Remainder of the Proposals*

In the opinion of the Board, undertaking the Offerings and the Tender Offer and passing Resolution 2 to take effect in the event the Continuation Conditions are satisfied, are in the best interests of Shareholders as a whole.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 2 to be proposed at the General Meeting, as the Directors intend to do in respect of their own holdings of 114,133 Shares, representing approximately 0.1 per cent. of the total number of issued Shares.

The extent to which Shareholders participate in the Offerings or the Tender Offer is a matter for each Shareholder to decide and will be influenced by their own individual financial and tax circumstances and investment objectives. Shareholders should seek advice from their own independent financial adviser.

No Director will be tendering any of his Shares under the Tender Offer.

Yours faithfully,

James Robinson
Chairman

PART II
LETTER FROM PANMURE GORDON

Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

12 May 2017

To Shareholders

Dear Sir or Madam

TENDER OFFER

1. Introduction

As explained in the Chairman's letter in Part I of this Circular, Qualifying Shareholders are being given the opportunity to tender some or all of their Shares for purchase pursuant to the Tender Offer on the basis set out below and in Part III of this Circular. The purpose of this letter is to summarise the principal terms and conditions of the Tender Offer.

2. The Tender Offer

Panmure Gordon hereby invites Qualifying Shareholders on the Register at the Tender Offer Record Date to tender all or any number of the Shares held by them for purchase by Panmure Gordon, as principal, for cash at the Tender Price. The Tender Price will be equal to the prevailing Net Asset Value per Share as at the Calculation Date.

Each Qualifying Shareholder will be entitled to have accepted pursuant to the Tender Offer valid tenders to Panmure Gordon in respect of up to 100 per cent. of the Shares registered in their name on the Register at the close of business on the Tender Offer Record Date.

The Tender Offer is conditional, *inter alia*, on the satisfaction of the Continuation Conditions and the Resolutions being passed at the General Meeting and is being made on the terms and subject to the conditions set out in Part III of this Circular and also, in the case of Shareholders holding their Shares in certificated form, in the pink Tender Form, the terms of which are deemed to be incorporated in this Circular and form part of the Tender Offer.

Shareholders should note that under no circumstances will Panmure Gordon be liable to pay the Tender Price to Tendering Shareholders unless and until the Company has repurchased the relevant Shares from Panmure Gordon pursuant to the Repurchase Agreement.

Panmure Gordon is acting for the Company and no one else in connection with the Tender Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Panmure Gordon nor for providing advice in relation to the Tender Offer. Panmure Gordon has given and not withdrawn its written consent to the inclusion of references to its name in the form and context in which they are included in this Circular.

3. Procedure for Tendering Shares

Shareholders are not obliged to tender any Shares. Participation in the Tender Offer is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances, their investment objective and their view of the Company's prospects. Shareholders who do not wish to participate in the Tender Offer need take no action.

The Tender Offer is not conditional on the Shares trading at a discount to the Net Asset Value per Share as at the Calculation Date (i.e. the mid-market share price per Share being less than the Net Asset Value per Share). Therefore, in the event that the Shares are trading at a premium to the Net Asset Value per Share as at the Calculation Date (i.e. the mid-market share price per Share is higher than the Net Asset Value per Share), Shareholders who tender Shares may receive less than they could otherwise be able to realise in the market.

The rights of Shareholders who choose not to tender any of their Shares will be unaffected by the Tender Offer.

Qualifying Shareholders who hold their Shares in certificated form and who wish to tender Shares should complete the pink Tender Form in accordance with the instructions set out in it and in sub-paragraph 3.2.1 of Part III of this Circular and return the completed and signed pink Tender Form to the Receiving Agent, by post or by hand during normal business hours to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to arrive by no later than 1.00 p.m. on 31 May 2017. Such Shareholders should also return with their pink Tender Form the share certificate(s) and/or other documents of title in respect of their Shares tendered which are in certificated form.

Qualifying Shareholders who hold their Shares in uncertificated form (i.e. in CREST) and who wish to tender Shares should not complete a pink Tender Form but should instead arrange for their Shares to be transferred to escrow by sending a TTE Instruction in respect of such Shares, as described in sub-paragraph 3.2.2 of Part III of this Circular, as soon as possible and in any event so as to settle by not later than 1.00 p.m. on 31 May 2017.

Full details of the procedure for tendering Shares are set out in paragraph 3 of Part III of this Circular and, in respect of Shares held in certificated form, in the pink Tender Form. A Shareholder who tenders Shares in the Tender Offer will be deemed to have appointed Equiniti Limited as their agent in respect of the sale of Shares to Panmure Gordon pursuant to the Tender Offer. Accordingly, Panmure Gordon will issue a contract note to Equiniti Limited on behalf of all Shareholders for the sale of Shares pursuant to the Tender Offer.

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

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA immediately or, if you are in a jurisdiction outside the United Kingdom, another appropriately authorised independent financial adviser.

4. Validity of Tenders

The Tender Offer will close at 1.00 p.m. on 31 May 2017. Any pink Tender Forms and TTE Instructions which are received by the Receiving Agent after 1.00 p.m. on 31 May 2017 or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to the relevant Shareholders or their appointed agents, together with any accompanying share certificate(s) and/or other document(s) of title, at Panmure Gordon's absolute discretion.

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

5. Settlement

Subject to the Tender Offer becoming unconditional, payment of the consideration to which Shareholders are entitled pursuant to valid tenders accepted by Panmure Gordon will be made in Sterling, and:

- in the case of Shares held in uncertificated form, will be settled through CREST on 22 June 2017 or as soon as practicable thereafter; or
- in the case of Shares held in certificated form, by cheques despatched on 26 June 2017 or as soon as practicable thereafter,

as described in paragraph 4.4 of Part III of this Circular.

6. Overseas Shareholders

The availability of the Tender Offer to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located and this Circular does not constitute or form part of any offer to purchase, or invitation to sell, Shares in any jurisdiction in which such offer or invitation is unlawful. Without prejudice to the foregoing generality, the Tender Offer is not available to Shareholders with registered or mailing addresses in Restricted Territories or who are citizens or nationals of, or resident in, a Restricted Territory.

Shareholders with registered or mailing addresses outside the United Kingdom and the Restricted Territories who wish to accept the Tender Offer should also read paragraph 9 of Part III of this Circular and should satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.

7. Conditions of the Tender Offer

The Tender Offer is conditional, *inter alia*, on the satisfaction of the Continuation Conditions, the passing of the Resolutions at the General Meeting and on the matters specified in paragraph 2 of Part III of this Circular.

8. Termination of the Tender Offer

The Tender Offer may be terminated in the circumstances described in paragraph 8 of Part III of this Circular. In particular, the Board has reserved the right to require that Panmure Gordon does not proceed with the Tender Offer if the Board concludes, at any time prior to the announcement of the result of the Tender Offer, that the implementation of the Tender Offer or the subsequent purchase by the Company of the Shares purchased by Panmure Gordon pursuant to the Tender Offer is no longer in the best interests of the Company and Shareholders as a whole.

9. The City Code on Takeovers and Mergers

Shareholders should note the important information in paragraph 3 of Part VI of this Circular relating to certain provisions of the Takeover Code.

10. Further Information

Your attention is drawn to the information contained in the rest of this Circular, including, in particular, the terms and conditions of the Tender Offer in Part III of this Circular and the information regarding taxation in Part V of this Circular.

11. General

This letter is not a recommendation to Shareholders to sell or not sell Shares in the Tender Offer.

Yours faithfully

Paul Fincham

For and on behalf of
Panmure Gordon UK Limited

PART III

TERMS AND CONDITIONS OF THE TENDER OFFER

1. The Tender Offer

- 1.1 All Qualifying Shareholders on the Register on the Tender Offer Record Date may tender all or some of their Shares for purchase by Panmure Gordon, as principal, on the terms and subject to the conditions set out in this Circular and (in the case of Shares held in certificated form) in the pink Tender Form. Shareholders are not obliged to tender any Shares and Shareholders who do not wish to participate in the Tender Offer need take no action.
- 1.2 The Company will calculate its Net Asset Value per Share as at the Calculation Date. The Tender Offer is made at the Tender Price (which will be equal to the prevailing Net Asset Value per Share as at the Calculation Date). The calculations approved by the Directors will be conclusive and binding on all Shareholders.
- 1.3 The consideration for each tendered Share acquired by Panmure Gordon pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 4 below.
- 1.4 Upon the Tender Offer becoming unconditional and unless the Tender Offer has lapsed or terminated in accordance with the provisions of paragraph 2 or paragraph 7 below, Panmure Gordon will accept the offers of Shareholders validly made in accordance with this Part III.

2. Conditions

- 2.1 The Tender Offer is conditional on the following (together the “**Conditions**”):
 - 2.1.1 the passing of the Resolutions at the General Meeting;
 - 2.1.2 the satisfaction of the Continuation Conditions;
 - 2.1.3 Panmure Gordon being satisfied that, at all times up to immediately prior to the announcement of the result of the Tender Offer, the Company has complied with its obligations, and is not in breach of any of the representations and warranties given by it, pursuant to the Repurchase Agreement;
 - 2.1.4 the Tender Offer not having been terminated in accordance with paragraphs 2.3 or 7 below prior to the fulfilment of the condition referred to in this paragraph 2.1; and
 - 2.1.5 the Repurchase Agreement otherwise having become unconditional in all respects (save in respect of any condition relating to the Tender Offer becoming unconditional).
- 2.2 Panmure Gordon will not purchase (or enter into any commitment or contract to purchase) any Shares pursuant to the Tender Offer unless all of the Conditions have been satisfied. The purchase by Panmure Gordon of Shares pursuant to the Tender Offer will only occur once all of the Conditions have been satisfied. The Conditions may not be waived by Panmure Gordon or the Company. If any of the Conditions is not satisfied by 6.00 p.m. on 20 June 2017 (or such later time and date as the Company and Panmure Gordon may agree), the Tender Offer will lapse.
- 2.3 The Board reserves the right to compel Panmure Gordon to terminate the Tender Offer at any time prior to announcement of the results of the Tender Offer if it concludes that the implementation of the Tender Offer or the subsequent purchase by the Company of the Shares purchased by Panmure Gordon pursuant to the Tender Offer is no longer in the best interests of the Company and Shareholders as a whole or if the purchase of Shares by Panmure Gordon pursuant to the Tender Offer or the subsequent purchase by the Company of such Shares may have adverse fiscal or other consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company or Shareholders as a whole which were previously unexpected. If the Tender Offer is terminated, the Company will make an announcement by an RIS announcement that such is the case.

3. Procedure for Tendering Shares

3.1 Overview

There are different procedures for tendering Shares depending on whether the Shares are held in certificated or uncertificated form (i.e. in CREST).

Qualifying Shareholders who hold Shares in certificated form and who wish to tender Shares must complete, sign and return the pink Tender Form in accordance with sub-paragraph 3.2.1 below and the instructions printed on the pink Tender Form. Qualifying Shareholders should complete separate pink Tender Forms for Shares held in certificated form but under different designations. The share certificate(s) should be returned with the relevant pink Tender Form.

Additional pink Tender Forms are available from the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or by calling telephone number on 0333 207 6541 or +44 121 415 0824 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

If the Shares are held in uncertificated form (i.e. in CREST), they may be tendered only by sending a TTE Instruction in accordance with the procedure set out in sub-paragraph 3.2.2 below. Shareholders should send separate TTE Instructions for Shares held under different member account IDs.

3.2 Return of pink Tender Forms or TTE Instructions (as applicable)

3.2.1 Shares held in certificated form (that is, not in CREST)

The completed and signed pink Tender Form should be delivered to the Receiving Agent, by post or by hand during normal business hours to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to arrive by no later than 1.00 p.m. on 31 May 2017.

No pink Tender Forms received after this time will be accepted. Reply-paid envelopes are enclosed with the pink Tender Forms. No acknowledgement of receipt of documents will be given. Any pink Tender Form received in an envelope postmarked from a Restricted Territory or otherwise appearing to Panmure Gordon or its agents to have been sent from any Restricted Territory may be rejected as an invalid tender. Further provisions relating to Restricted Shareholders are contained in paragraph 9 below.

The completed and signed pink Tender Form should be accompanied by the relevant Share certificate(s) and/or other document(s) of title. If some or all of your Share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent), or are lost, the pink Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent by not later than 1.00 p.m. on 31 May 2017 together with any Share certificate(s) and/or other document(s) of title you may have available, accompanied by a letter stating that the (remaining) Share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 31 May 2017.

The Receiving Agent, acting as your agent, will effect such procedures as are required to transfer your Shares to Panmure Gordon under the Tender Offer.

If you have lost your Share certificate(s) and/or other document(s) of title, you should either call the Receiving Agent using the telephone number provided in paragraph 3.1 above, or write to the Receiving Agent at the address provided at the beginning of this paragraph 3.2.1, for a letter of indemnity in respect of the lost Share certificate(s) and/or any other

document(s) of title which, when completed in accordance with the instructions given, should be returned to the Receiving Agent at the address referred to at the beginning of this sub-paragraph 3.2.1 so as to be received by no later than 1.00 p.m. on 31 May 2017.

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

If the Shares which you wish to tender are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender in the Tender Offer to an escrow balance, specifying the Receiving Agent in its capacity as a CREST receiving agent under its Participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles by no later than 1.00 p.m. on 31 May 2017.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your Participant ID and the member account ID under which your Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender.

You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's 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 ISIN number for the Shares: GB00B6832P16;
- the number of Shares to be transferred to an escrow balance;
- your member account ID;
- your Participant ID;
- the Participant ID of the escrow agent, Equiniti Limited, in its capacity as a CREST receiving agent. This is: 6RA24;
- the member account ID of the escrow agent, Equiniti Limited. This is: RA257003;
- the Corporate Action Number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event by no later than 1.00 p.m. on 31 May 2017;
- a contact name and telephone number (in the free format shared note field); and
- a priority of at least 80.

After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as your escrow agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for purchase by Panmure Gordon to itself as your agent for onward sale to Panmure Gordon. The input and settlement of a TTE Instruction in accordance with this paragraph 3.2.2 shall constitute an offer to Panmure Gordon to sell to it the number of Shares transferred to the escrow account referred to above.

It is recommended that you refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction

relating to your Shares to settle prior to 1.00 p.m. on 31 May 2017. In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3.2.3 *Deposits of Shares into, and withdrawals of Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of Share certificates and/or other documents of title or transfer to an escrow balance as described above) prior to 1.00 p.m. on 31 May 2017.

3.3 **Validity of Tenders**

3.3.1 *Shares Held in certificated form*

Panmure Gordon reserves the right to treat as valid only pink Tender Forms which are received entirely in order by 1.00 p.m. on 31 May 2017 and which are accompanied by the relevant share certificate(s) and/or other document(s) of title, or an indemnity acceptable to Panmure Gordon in lieu thereof, in respect of the entire number of Shares tendered.

3.3.2 *Shares Held in uncertificated form*

A pink Tender Form which is received in respect of Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Shareholders holding Shares in uncertificated form who wish to tender such Shares should note that a TTE Instruction will be a valid tender as at 31 May 2017 only if it has settled on or before 1.00 p.m. on that date.

The decision of Panmure Gordon as to which Shares have been validly tendered shall be conclusive.

3.4 **General**

Notwithstanding the powers in paragraph 6 below, Panmure Gordon reserves the right to treat as valid only pink Tender Forms or TTE Instructions which are received entirely in order by 1.00 p.m. on 31 May 2017 and which are accompanied (in the case of Shares held in certificated form) by the relevant Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu in respect of the entire number of Shares tendered. The Tender Offer Record Date is 6.00 p.m. on 31 May 2017.

Notwithstanding the completion of a valid pink Tender Form or the sending of a TTE Instruction, the Tender Offer may terminate or lapse in accordance with the terms and conditions set out in this Part III.

The decision of Panmure Gordon as to which Shares have been validly tendered shall be conclusive and binding on Shareholders who participate in the Tender Offer.

If you are in any doubt as to how to complete the pink Tender Form or as to the procedure for tendering Shares and you are a registered Shareholder, please contact Equiniti Limited by telephone on 0333 207 6541 or +44 121 415 0824 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

4. Announcement of the Tender Price and Settlement

- 4.1 Unless terminated in accordance with the provisions of this Part III, the Tender Offer will close for Shareholders at 1.00 p.m. on 31 May 2017. Subject to the Conditions being satisfied, it is expected that on 1 June 2017 the Company will make a public announcement of the total number of Shares tendered. A further announcement will be made of the Tender Price, expected on 16 June 2017. Thereafter, the actual repurchase of Shares pursuant to the Tender Offer is expected to take place on 20 June 2017.
- 4.2 Delivery of cash to Shareholders for the Shares to be purchased pursuant to the Tender Offer will be made by the Receiving Agent. The Receiving Agent will act as agent for Tendering Shareholders for the purpose of receiving the cash and transmitting such cash to Tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company, Panmure Gordon or the Receiving Agent regardless of any delay in making such payment.
- 4.3 If any tendered Shares are not purchased because of an invalid tender, the termination of the Tender Offer or otherwise, relevant certificates evidencing any such Shares and other documents of title, if any, will be returned or sent as promptly as practicable, without expense to, but at the risk of, the Tendering Shareholder, or in the case of Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow balances by TFE Instruction to the original available balances to which those Shares relate.
- 4.4 Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Panmure Gordon is expected to be made by 26 June 2017 as follows:

4.4.1 *Shares held in certificated form (that is, not in CREST)*

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be dispatched by the Receiving Agent by first class post to the person or agent whose name and address is set out in Box 2 (or, if relevant, Box 3 of the pink Tender Form), or if none is set out, to the registered address of the Tendering Shareholder shown above Box 1 or, in the case of joint holders, the address of the first named. All cash payments will be made by cheque drawn on a branch of a UK clearing bank.

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

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

The payment of any consideration to Shareholders for Shares pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of certificates and/or other requisite documents evidencing such Shares, a properly completed and duly executed pink Tender Form and any other documents required by the Tender Offer or this Part III. Payment of the Tender Price due to Shareholders whose tenders under the Tender Offer have been accepted will be made in Sterling.

5. Representations and Warranties

Each Shareholder who executes, or on whose behalf, a pink Tender Form and/or TTE Instruction (as applicable) is executed, irrevocably undertakes, represents, warrants and agrees to and with Panmure Gordon (for itself and as trustee for the Company) and so as to bind him, her or it and his, her or its personal representatives, heirs, successors and assigns, that:

- 5.1.1 the execution of the pink Tender Form or TTE Instruction shall constitute an offer to sell to Panmure Gordon such Shareholder's shareholding as at the Tender Offer Record Date or, if relevant, the number of Shares inserted in Box 1A or Box 1B of the pink Tender Form or submitted in the TTE Instruction (as applicable), in each case, on and subject to the terms and conditions set out or referred to in this Circular and the pink Tender Form or the TTE Instruction (as applicable), and that, once lodged, such offer shall be irrevocable;

- 5.1.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Panmure Gordon, Panmure Gordon will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after 1.00 p.m. on 31 May, including the right to receive all dividends and other distributions declared, paid or made after that date;
- 5.1.3 if such Shareholder holds Shares in certificated form, the execution of the pink Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Panmure Gordon as such Shareholder's attorney and/or agent ("**attorney**"), and an irrevocable instruction to the attorney to:
- (A) complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in sub-paragraph 5.1.1 above in favour of Panmure Gordon or such other person or persons as Panmure Gordon may direct; and
 - (B) deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the Share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Panmure Gordon or its nominee(s) or such other person(s) as Panmure Gordon may direct such Shares;
- 5.1.4 if such Shareholder holds Shares in uncertificated form (that is, in CREST), the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as such Shareholder's escrow agent ("**escrow agent**") and an irrevocable instruction and authority to the escrow agent, to transfer to itself and then to transfer to Panmure Gordon by means of CREST (or to such person or persons as Panmure Gordon may direct) all of the Relevant Shares (as defined below) accepted under the Tender Offer or where there are Shares which have not been successfully tendered under the Tender Offer, to transfer the Relevant Shares to the original available balances from which those Shares came. For the purposes of this paragraph 5.1.4, Relevant Shares means Shares held in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part III;
- 5.1.5 such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Panmure Gordon or any of its directors or any person nominated by Panmure Gordon in the proper exercise of its or his or her powers and/or authorities hereunder;
- 5.1.6 if such Shareholder holds Shares in certificated form, he, she or it will deliver to the Receiving Agent, Equiniti Limited their Share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 5.1.1 above, or an indemnity acceptable to the Company in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 31 May 2017;
- 5.1.7 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Panmure Gordon to be desirable, in each case to ensure compliance with applicable anti-money laundering laws and regulations and/or to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder; and agrees to ratify and confirm each and every act or thing which may be done or effected by Panmure Gordon or the Receiving Agent or any of their respective directors or officers or any person nominated by Panmure Gordon or the Receiving Agent in the proper exercise of its or his or her powers and/or authorities hereunder;

- 5.1.8 such Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation under the Tender Offer may be made to and accepted by him, her or it under the laws of the relevant jurisdiction;
- 5.1.9 such Shareholder has not received or sent copies or originals of this Circular or the pink Tender Form or any related documents to a Restricted Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, that the pink Tender Form has not been mailed or otherwise sent in, into or from any Restricted Territory and that such Shareholder is not accepting the Tender Offer from any Restricted Territory;
- 5.1.10 the provisions of the pink Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- 5.1.11 in the case of Shares held in certificated form, the dispatch of a cheque in respect of the Tender Price to a Shareholder at his, her or its registered address or such other address as is specified in the pink Tender Form will constitute a complete discharge by the Company of its obligations to make such payment to such Shareholder;
- 5.1.12 in the case of Shares held in uncertificated form (that is, in CREST), the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4.4.2 above will, to the extent of the obligations so created, fully discharge any obligation of Panmure Gordon to pay to such Shareholder the cash consideration to which he, she or it is entitled in the Tender Offer;
- 5.1.13 on execution the pink Tender Form takes effect as a deed under English law;
- 5.1.14 the execution of the pink Tender Form or the input of a TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the High Court of Justice in England and Wales in relation to all matters arising out of or in connection with the Tender Offer;
- 5.1.15 if the appointment of the attorney or the escrow agent under sub-paragraphs 5.1.3 or 5.1.4 above shall be unenforceable or invalid or shall not operate so as to afford to Panmure Gordon or the Receiving Agent the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Panmure Gordon and/or the Receiving Agent to secure the full benefits of sub-paragraphs 5.1.3 or 5.1.4 above; and
- 5.1.16 in the case of Shares held in uncertificated form, such Shareholder shall not take any action which would prevent Panmure Gordon or the Receiving Agent from cancelling the Shares to which the TTE Instructions relate.

A reference in this paragraph 5 to a Shareholder includes a reference to the person or persons executing the pink Tender Form or submitting a TTE Instruction and in the event of more than one person executing a pink Tender Form or submitting a TTE Instruction, the provisions of this paragraph 5 will apply to them jointly and to each of them.

6. Additional Provisions

- 6.1 Each Qualifying Shareholder will be entitled to have accepted in the Tender Offer valid tenders to Panmure Gordon up to his, her or its shareholding as at the Tender Offer Record Date. In respect of Shares held in certificated form, if in Panmure Gordon's determination (in its absolute discretion) Box 1 of the pink Tender Form has not been validly completed in respect of the number of Shares to be tendered and provided that the pink Tender Form is otherwise in order and accompanied by all other relevant documents, a Shareholder may be deemed to have accepted the Tender Offer in respect of the whole of the Tendering Shareholder's shareholding as at the Tender Offer Record Date.

- 6.2 Shares acquired by Panmure Gordon under the Tender Offer will be on-market purchases by Panmure Gordon (acting as principal) in accordance with the rules of the FCA, the London Stock Exchange and the UK Listing Authority and market acquisitions in accordance with the Companies Law.
- 6.3 Shares sold by Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after 1.00 p.m. on 31 May 2017, including the right to receive all dividends and other distributions declared, paid or made after that date.
- 6.4 Each Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of Panmure Gordon agreeing to process his, her or its tender, such Shareholder will not revoke his, her or its tender or withdraw his, her or its Shares. Shareholders should note that once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 6.5 Any omission to dispatch this Circular or the pink Tender Form or any notice required to be dispatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 6.6 No acknowledgement of receipt of any pink Tender Form, TTE Instruction, Share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.
- 6.7 All powers of attorney and authorities on the terms conferred by or referred to in this Part III or (in the case of Shares held in certificated form) in the pink Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 6.8 All tenders in respect of Shares held in certificated form subject to paragraph 8 and 9 below, must be made on the relevant prescribed pink Tender Form, fully completed in accordance with the instructions set out thereon which constitute part of the terms of the Tender Offer. A tender in respect of Shares held in certificated form will only be valid when the procedures contained in these terms and conditions and in the pink Tender Form are complied with. The Tender Offer and all other tender offers and any non-contractual obligations arising out of or in connection with the Tender Offer and all such other tender offers (and any dispute, controversy or claim of whatever nature arising out of or in any way relating to the Tender Offer and other such tender offers or any non-contractual obligations arising out of or in connection with the Tender Offer and other such tender offers) will be governed by and construed in accordance with English law. Delivery or posting of a pink Tender Form or the transmission of a TTE Instruction in CREST will constitute submission to the jurisdiction of the High Court of Justice in England and Wales.
- 6.9 If the Tender Offer is terminated or lapses, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 2 or Box 3 of the pink Tender Form or, if none is set out, to the Tendering Shareholder or, in the case of joint holders, the first named at his, her or its registered address as shown above Box 1. In any of these circumstances, pink Tender Forms will cease to have any effect. In the case of Shares held in uncertificated form, Equiniti Limited, in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer lapsing, give instructions to CREST to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances to which those Shares relate. In any of these circumstances, the pink Tender Forms and TTE Instructions will cease to have any effect.

- 6.10 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the pink Tender Form shall constitute part of the terms of the Tender Offer applicable to Shares held in certificated form. The definitions set out in this Circular apply to the terms and conditions set out in this Part III.
- 6.11 Subject to paragraphs 8 and 9 below, the Tender Offer is open to Shareholders on the Register on the Tender Offer Record Date, and will close at 1.00 p.m. on 31 May 2017. No pink Tender Form, Share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after that time will be accepted.
- 6.12 Further copies of this Circular and copies of the pink Tender Form may be obtained on request from the Receiving Agent at the addresses set out on page 1 of the pink Tender Form.

7. Termination of the Tender Offer

If the Company (acting through the Directors) and/or Panmure Gordon shall, at any time prior to the Tender Offer becoming unconditional, determine that: (i) as a result of any change in national or international financial, economic, political or market conditions, the cost of realisation of assets to fund the Tender Offer has become prohibitive; or (ii) in its reasonable opinion the completion of the purchase of Shares in the Tender Offer could have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, Panmure Gordon and/or the Company shall be entitled at their complete discretion, by a public announcement and subsequent written notice to Shareholders, to withdraw the Tender Offer, and in such event the Tender Offer shall cease and determine absolutely.

8. Miscellaneous

- 8.1 Any changes to the terms, or any extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than 11.00 a.m. on the Business Day following the date of such changes. In this case, the definitions, times and dates mentioned throughout this Circular shall be deemed to be adjusted accordingly. Such an announcement will be released to an RIS. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to an RIS.
- 8.2 Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be cancelled.
- 8.3 The Quantified Expenses relating to the implementation of the Proposals will be deducted from the Net Asset Value immediately following publication of the Circular and, accordingly, reflected in the Tender Price.
- 8.4 Except as contained in this Circular, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Panmure Gordon or the Company. Under no circumstances should the delivery of this Circular or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this Circular.
- 8.5 Panmure Gordon reserves the absolute right to inspect (either itself or through its agents) all pink Tender Forms and may consider void and reject any tender that does not in Panmure Gordon's sole judgement (acting reasonably) meet the requirements of the Tender Offer. Panmure Gordon also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any pink Tender Form (in whole or in part) which is not entirely in order or which is not accompanied by (in the case of Shares held in uncertificated form) the relevant TTE Instruction or (in the case of Shares held in certificated form), the related Share certificate(s) and/or other document(s) of title or an indemnity acceptable to Panmure Gordon in lieu thereof. In that event, for Shares held in certificated form, the consideration in the Tender Offer will only be dispatched when the pink Tender Form is entirely in order and the Share certificate(s) and/or other document(s)

of title or indemnities satisfactory to Panmure Gordon has/have been received. None of Panmure Gordon, the Company, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

8.6 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.

9. Restricted Shareholders and Other Overseas Shareholders

9.1 The provisions of this paragraph 9 and any other terms of the Tender Offer relating to Restricted Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Panmure Gordon in consultation with the Company but only if Panmure Gordon and the Company are satisfied that such a waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other laws.

9.2 Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection herewith, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholders will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Panmure Gordon and the Company and any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extension of the Tender Offer or the distribution of the pink Tender Forms in any territory outside the United Kingdom.

9.3 The Tender Offer is not being made to Restricted Shareholders. Restricted Shareholders are being excluded from the Tender Offer in order to avoid offending applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of this Circular or any accompanying documents are not being and must not be mailed or otherwise distributed into a Restricted Territory, including to Shareholders with registered addresses in Restricted Territories. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, as so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing pink Tender Forms should not be postmarked from a Restricted Territory or otherwise dispatched to a Restricted Territory and accepting Shareholders must not provide Restricted Territory addresses for the remittance of cash or return of pink Tender Forms.

9.4 A Shareholder will be deemed not to have made a valid tender if: (i) such Shareholder is unable to make the representations and warranties set out in paragraph 5; or (ii) in the case of Shares held in certificated form, such Shareholder inserts in Box 2 or Box 3 of the pink Tender Form the name and address of a person or agent in a Restricted Territory to whom he wishes the consideration to which such Shareholder is entitled in the Tender Offer to be sent; or (iii) in the case of Shares held in certificated form, the pink Tender Form received from him, her or it is in an envelope postmarked in, or which otherwise appears to Panmure Gordon or its agents to have been sent from, a Restricted Territory. Panmure Gordon reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraph 5 above given by any Shareholder are correct and, if such investigation is undertaken and as a result Panmure Gordon determines (for any reason) that such representations and warranties are not correct, such acceptance shall not be valid.

9.5 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this Circular, the pink Tender Form or any

related offering documents in or into a Restricted Territory or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in, a Restricted Territory in connection with such forwarding, such person should: (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 9.

- 9.6 Overseas Shareholders (who are not Restricted Shareholders) should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

10. Modifications

The terms of the Tender Offer shall have effect subject to such modifications or additions as the Company and Panmure Gordon may from time to time approve in writing, and the times and dates referred to in this Circular may be amended by the Company and Panmure Gordon. In the case of any material amendments to the terms of the Tender Offer or amendments to any of the times and dates set out on pages 4 and 5 of this Circular, such amendments will be notified to Shareholders by an RIS announcement.

PART IV

RISKS ASSOCIATED WITH PROPOSALS

The Directors consider the following risks should be considered by Shareholders prior to deciding how to cast their votes at the General Meeting and whether or not to participate in the Tender Offer, the Open Offer or the Offer for Subscription (where appropriate). Shareholders in any doubt about the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA immediately or, if they are in a jurisdiction outside the United Kingdom, another appropriately authorised independent financial adviser.

The risks and uncertainties described below are not intended to be exhaustive and additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Company and/or be relevant to Shareholders in their consideration of the Proposals.

1. Key risks factors relating to the new investment strategy and policy

There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment

The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of future performance. There is no assurance that any appreciation in the value of the Ordinary Shares will occur or that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

Investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the portfolio. No assurance is given, express or implied, that Ordinary Shareholders will receive back the amount of their original investment in the Ordinary Shares.

The past performance of investments contained within the investment portfolio cannot be relied upon as an indicator of the future performance of the Company. Similarly, the past performance of other investments that are managed or advised by the Investment Manager, but are otherwise unconnected to the Company, cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its New Investment Policy. The success of the Company will depend *inter alia* on the Investment Manager's ability to identify, acquire and realise investments in accordance with the New Investment Policy. This, in turn, will depend on the ability of the Investment Manager to apply its investment processes in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Investment Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

Failure to achieve target returns

The target returns for investments in the portfolio included in the Prospectus are targets only and are based on estimates and performance projections of the Investment Manager. Such estimates and projections have been made on the basis of the New Investment Policy and the Company's new investment strategy, market conditions and economic environment at the time of assessing the proposed targets, and are therefore subject to change.

There is no guarantee that the target returns can be achieved at the levels set out in the Prospectus, or at all. A variety of factors, including changes in financial market conditions, interest rates, government regulations, the worldwide economic environment, or the occurrence of risks described elsewhere in this section of this document could adversely impact the Company's ability to achieve its target returns.

Existing Shareholders and potential investors should not place any reliance on such target returns in deciding whether to invest in the Company or to vote in favour of the Resolutions. A failure to achieve such target returns could adversely impact the value of the Company and thereby the Ordinary Shares.

The due diligence process that the Manager undertakes in connection with the Company's investments may not reveal all facts that may be relevant in connection with an investment

Before making investments, the Investment Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity.

Any failure by the Investment Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions, which could have a material adverse effect on the Company's profitability, Net Asset Value and mid-market share price.

Concentration in the Company's portfolio may affect the Company's ability to achieve its investment objective

The Company's portfolio will be diversified by factors such as geography, industry sub-sector and investment size. The Company may invest in companies in both mature and emerging markets and in a diverse range of healthcare sectors. Although the diversification of the Company's investments is intended to reduce the Company's exposure to adverse events associated with specific investments, the Company's returns as a whole may be adversely affected by the unfavourable performance of healthcare stocks and general market risk.

Concentration in the Company's portfolio may increase certain risks to which the Company is subject, some or all of which may be related to events outside the Company's control. If such risk materialised it may result in greater volatility in the Company's investments and, consequently, its Net Asset Value, and may materially and adversely affect the performance of the Company and the Company's returns to Shareholders.

Such increased concentration of the Company's assets could also result in greater losses to the Company in adverse market conditions than would have been the case with a less concentrated portfolio, and have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Value and/or the market price of the Ordinary Shares.

The Company may experience fluctuations in its operating results

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by companies in the portfolio, changes in the Company's operating expenses and the operating expenses of the Investment Manager, variations in and the timing of the recognition of realised and unrealised gains or losses and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

The Company may be adversely affected by currency movements

The proceeds of the Offerings will be denominated in Sterling and the Directors intend that all monies returned to Shareholders and the reported Net Asset Value will be denominated in Sterling. However, investments in the portfolio will be made in currencies other than Sterling, and in particular in US Dollar, and income or capital distributions from and the proceeds of the disposal of such investments in the portfolio will be realised in currencies other than Sterling. Consequently, the value of investments in the portfolio made in non-Sterling currencies will be affected by currency movements and may fall if Sterling appreciates against the currencies in which such investments are denominated. There can be no assurance that any currency hedging which the Company may undertake will be effective and that the Company's financial condition will not be adversely affected by fluctuations in currency exchange rates. The Board has discretion to hedge exposure to foreign currencies, in accordance with the Company's investment policy, but there is no guarantee that it will do so.

The Company's investment strategy may involve the use of leverage, which exposes the Company to risks associated with borrowings

The Company may utilise leverage in order to increase its investment exposure with a view to achieving its target returns within certain volatility parameters. While leverage presents opportunities for increasing total returns, it can also have the opposite effect of increasing losses. If income and capital appreciation on investments made with borrowed funds are less than the costs of the leverage, the Net Asset Value will decrease. The effect of the use of leverage is to increase the investment exposure, the result of which is that, in a market that moves adversely, the possible resulting loss to investors' capital would be greater than if leverage were not used.

Leverage may be generated through the use of options, futures, options on futures, swaps and other synthetic or derivative financial instruments. Such financial instruments inherently contain much greater leverage than a non-margined purchase of the underlying security or instrument. This is due to the fact that, generally, only a very small portion (and in some cases none) of the value of the underlying security or instrument is required to be paid in order to make such leveraged investments. As a result of any leverage employed by the Company, small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value. Many such financial instruments are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

Investors should also note that, pursuant to the Initial ZDP Placing, it is intended that structural gearing be introduced into the Group structure, with the gross proceeds of the Initial ZDP Placing being advanced by the ZDP Subsidiary to the Company pursuant to the Loan Agreement. In connection with the Loan Agreement, the Company will also provide the Undertaking to the ZDP Subsidiary, pursuant to which the Company will agree, among other things: (i) not to make any distribution out of capital or reserves, other than a distribution which: (a) is required to maintain the Company's status as an investment trust; or (b) has been determined by the Directors to not reduce the Cover below 1.8 times immediately following such distribution; (ii) not to purchase any of its own Ordinary Shares out of capital reserves if such purchase would result in the ZDP Shares having a Cover of less than 1.8 times immediately after the purchase has been made; (iii) not to implement any reduction of capital which would reduce the Cover of the ZDP Shares below 1.8 times immediately following such reduction of capital. These restrictions on the Company could impact the timing and amount of distributions which could otherwise have been made by the Company to Shareholders.

In accordance with its investment policy, save for any structural gearing introduced through the issue of the ZDP Shares in the Group, the Company will not utilise borrowings for investment purposes, but may incur overdrafts or borrowings in an amount equal to up to 10 per cent. of the Net Asset Value (including, for the avoidance of doubt, any assets or liabilities relating to any ZDP Shares in issue) for day to day administration, cash management and operational purposes.

The Company may use derivative instruments

In pursuing the Company's investment objective and policy, the Investment Manager may arrange for the Company to enter into synthetic and derivative contracts including options, swaps, and repurchase agreements. Where the Company does so the Company is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Accordingly, the Company's use of derivative instruments may expose the Company to greater risk and have a materially adverse effect on the Company's performance.

There are significant economic risks that may have an impact on the healthcare industry

The healthcare sector is subject to significant economic factors which have an impact on its profitability. For example, the healthcare sector is dependent on utilisation levels which are, in turn, dependent on economic factors. In particular, in the US, there is a relationship between utilisation rates of healthcare services and products and employment levels, as most people rely on their employer for health insurance

coverage which, in turn, pays for most of their healthcare services and products. Levels of employment, and other economic factors, may be subject to economic policy and economic shocks that fall outside the control of the Investment Manager or the Company. Furthermore, reductions in expenditure on healthcare by government may also have an adverse impact on the healthcare sector and the portfolio.

Similarly, some healthcare products may benefit from bulk sales to local and/or national governmental organisations. Any initiatives to reduce the expenditure on healthcare by governments may adversely reduce the sales of such products such as those which may form part of the Company's portfolio from time to time. Such initiatives and their impact are outside the control of the Investment Manager and the Company.

The occurrence of any of the events described above, amongst other relevant economic events, will likely have an adverse impact on the Company's Net Asset Value and returns to Shareholders.

Regulatory risks associated with the healthcare sector

Regulation by governmental authorities in the US, the UK and elsewhere is a significant factor in the healthcare sector as a whole, and particularly in research and development and marketing activities. Many healthcare products (particularly pharmaceutical products) require regulatory approval by governmental agencies prior to commercialisation. New drugs are generally subject to rigorous preclinical and clinical testing and other premarket approval requirements. Many jurisdictions also make healthcare companies subject to regulations governing manufacturing, safety, labelling, storage, and record keeping. The process of seeking these approvals and the subsequent compliance with applicable acts and regulations, require the expenditure of substantial resources and the extent of governmental regulation that might result from any legislative or administrative action cannot be accurately predicted. Should any of the Company's investee companies become subject to regulation which it is not currently subject to, there is a risk that their performance might be adversely affected and this, in turn, would likely have an adverse impact on returns to Shareholders.

Risks arising from US legislation relating to health care

In March 2010, President Obama signed into law the US Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively "PPACA"), a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against healthcare fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. In 2012, the Supreme Court of the United States upheld the constitutionality of PPACA. Therefore, PPACA's drug-related cost-savings provisions will continue to be implemented.

Although final regulations under PPACA have been issued, it is unclear what effect the new regulations and guidance will have on the life sciences industry as a whole and on the Investment Manager's business.

Proposals have been made in the US Congress to repeal PPACA, including most recently by President Trump, who has stated that the repeal of the PPACA, and reform of the US healthcare system generally, will be a primary goal of his administration's legislative agenda. It is not yet clear whether such repeal will occur and, if it does, what, if any, legislation will replace PPACA. On 4 May 2017, in pursuit of this legislative agenda, the US House of Representatives passed narrowly a Republican PPACA repeal attempt, the American Health Care Act. However, as at the date of this Prospectus, there is no certainty that the US Senate will approve the American Health Care Act into law. It is also not clear what effect such repeal and possible replacement would have on the products and services produced by investee companies. However, pharmaceutical sales have increased following the passage of PPACA and it is possible that such increased sales volume may be adversely affected by any repeal of PPACA.

2. Risks factors relating to the Share Issue

In considering the Proposals to implement the Share Issue, Shareholders should take into consideration the following factors:

- The Issue Price of the New Ordinary Shares issued on a non-pre-emptive basis under the Offer for Subscription and the Initial Placing cannot be lower than the Net Asset Value per Share once related costs have been deducted. The Issue Price of such New Ordinary Shares will be calculated

by reference to the prevailing Net Asset Value per Share as at the Calculation Date, which in turn will reflect the latest published Net Asset Value per Share. Such Net Asset Value per Share is determined on the basis of the information available to the Company at the time and may be subject to subsequent revisions. Accordingly, there is a risk that, had the Issue Price been calculated by reference to information that emerged after the Calculation Date, it could have been greater or lesser than the Issue Price actually paid by the investors. If the Issue Price should have been less than the Issue Price actually paid, investors will have borne a greater premium than intended. If the Issue Price should have been greater than the Issue Price actually paid, investors will have paid less than intended and, in certain circumstances, the Net Asset Value per Shares may have been diluted.

- The Company may issue new equity in the future pursuant to the Placing Programme. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied in certain circumstances, and will be disapplied in relation to the maximum amount of Shares that may be issued pursuant to the Placing Programme.
- Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Shareholders participating in the Open Offer and holding their Shares in certificated form should note that their blue Application Forms are not negotiable documents and cannot be traded. Qualifying Shareholders participating in the Open Offer and holding their Shares in uncertificated form should note that, although the Open Offer Entitlements will be admitted to CREST and enabled for settlement, the Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim. New Ordinary Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those Qualifying Shareholders who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights, and will not receive any benefit, under the Open Offer.

3. Risks factors relating to the Tender Offer

Shareholders should carefully consider all of the information set out in this Circular including, in particular, the risks associated with the Tender Offer described below, as well as their own personal circumstances, prior to making any decisions as to whether or not to vote in favour of the Resolutions and/or tender any Shares in the Tender Offer.

Shareholders should be aware of the following considerations relating to the Resolutions:

- Shareholders tendering Shares for sale under the Tender Offer will receive the Tender Price, which may be less than the price at which they bought their Shares or the price or value at which they might ultimately realise their Shares should they continue to hold them.
- The Tender Offer is not conditional on Shares trading at a discount to NAV as at the Calculation Date (i.e. the mid-market share price per Share being at a discount to the Net Asset Value per Share on the Calculation Date). In the event that Shares are trading at a premium to the Net Asset Value per Share as at the Calculation Date (i.e. the mid-market share price per Share being at a premium to the Net Asset Value per Share on the Calculation Date), Shareholders who tender Shares may receive less than they may otherwise be able to realise in the market.
- pink Tender Forms and TTE Instructions, once submitted, are irrevocable and may only be withdrawn with the consent of the Company. Shareholders should note that all Shares tendered will be held in escrow by the Receiving Agent and may not be switched, sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer. The price of the Shares and the Net Asset Value may rise or fall following submission of a pink Tender Form and/or TTE Instruction. If the Tender Offer lapses or is terminated in accordance with the terms and conditions set out in this Circular, all tendered Shares will be returned to the relevant Shareholders.

- The Tender Price will be dependent on the Net Asset Value as at the Calculation Date and is likely to differ from the illustrative figures provided in this Circular.
- The number of Shares in issue may be reduced as a result of the Tender Offer. Accordingly, the fixed costs of the Company may be spread over fewer Shares, and there may be an increase in the impact of the fixed ongoing charges of the Company on the Net Asset Value per Share.
- Shareholders should be aware that past performance of the Company should not be taken to be a guide to its future performance. In particular, the investment strategy employed depends on the identification of certain market trends which in turn determine the allocation of assets. In markets where trends are not identifiable, past performance of the Company may not be replicated. The price and/or Net Asset Value per Shares may go down as well as up.
- The market price of the Shares may not reflect their underlying Net Asset Value and the discount (or premium) to Net Asset Value at which Shares trade may vary from day to day for a variety of reasons, including due to market or economic conditions. Where the Directors utilise a proactive policy seeking to mitigate any discount to Net Asset Value, there can be no guarantee that this will be successful and the Directors accept no responsibility for any failure of any such strategy to effect a reduction in any discount.

PART V

UK TAXATION

The following comments are intended only as a general guide to certain aspects of current UK law and HMRC published practice, and do not constitute tax advice. They are of a general nature and apply only to Shareholders who are resident in the UK (except where otherwise indicated) and who hold their Ordinary Shares beneficially as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities or Shareholders who have acquired their shares by virtue of an office or employment.

A Shareholder who sells Shares in the Tender Offer should be treated, for the purposes of UK taxation, as though the Shareholder has sold them in the normal way to a third party. Accordingly, and subject to the comments in the next paragraph, any such Shareholder who is UK resident for tax purposes may, depending on that Shareholder's personal circumstances, be subject to capital gains tax (or, in the case of a corporate Shareholder, corporation tax on chargeable gains) in respect of any gain arising on such sale. Shareholders who are not resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from the sale of their Shares unless those Shares are held for the purposes of a UK permanent establishment, branch or agency, although they may be subject to foreign taxation depending on their personal circumstances. Individual Shareholders who are temporarily not resident in the UK for tax purposes may be liable to capital gains tax under tax anti-avoidance legislation.

Shareholders who are subject to tax in a jurisdiction other than the UK or who are in any doubt as to the potential tax consequences of selling their Ordinary Shares are strongly recommended to consult their own professional advisers before making any such sales.

Application has not been made to HMRC for clearance under section 748 of the Corporation Tax Act 2010 ("CTA") or section 701 of the Income Tax Act 2007 ("ITA") that the anti-avoidance provisions of Part 15 of the CTA or Part 13 of the ITA should not apply to the Tender Offer. Part 15 of the CTA and Part 13 of the ITA permit HMRC to counteract tax advantages arising from certain transactions in securities by for example treating some or all of the proceeds of capital disposals as distributions of income. However, these sections do not apply where it can be shown, in the case of any corporation tax advantage, that the transactions in question were entered into for genuine commercial reasons and did not involve as one of their main objects the obtaining of any corporation tax advantage and, in the case of any income tax advantage, that the transactions in question did not involve the receipt of consideration in connection with a distribution by or assets of a close company (as set out in section 685 ITA) or did not involve as one of their main purposes the obtaining of any income tax advantage. Accordingly, these sections are not expected to apply generally in the context of the Tender Offer. In any event, this "income treatment" should not apply to entities which are liable to UK corporation tax, UK individuals who are not liable to income tax at a rate which is greater than the basic rate or who hold their Shares in an ISA, investors who are exempt from UK tax, nor to investors who are not UK resident (and who do not hold their Shares for the purposes of a UK permanent establishment, branch or agency). Shareholders are advised to take independent advice as to the potential application of Part 15 of the CTA and Part 13 of the ITA in the light of their own particular motives and circumstances.

Stamp duty or stamp duty reserve tax at the rate of 0.5 per cent. of the Tender Price (rounded up to the nearest £5 in the case of stamp duty only) will be payable by the Company on Shares repurchased by it pursuant to the Tender Offer. The Tender Price will be equal to the prevailing Net Asset Value per Share as at the Calculation Date. Any stamp duty incurred by the Company will not be reflected in the Net Asset Value as at the Calculation Date but will be brought into account in the calculation of the Net Asset Value from the date of Admission.

If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay.

The information relating to taxation set out above is a general guide and is not exhaustive. It is based on law and practice currently in force in the UK and is subject to changes therein possibly with retrospective effect.

PART VI

ADDITIONAL INFORMATION

1. Material contracts

1.1 *The Repurchase Agreement*

By a Repurchase Agreement between the Company and Panmure Gordon dated 12 May 2017, the Company has agreed to purchase, and Panmure Gordon has agreed to sell to the Company, as an on-market purchase and at a price per Share equal to the Tender Price, all of the Shares purchased by Panmure Gordon pursuant to the Tender Offer, such purchase and sale to be completed immediately following the purchase of those Shares by Panmure Gordon.

Under the Repurchase Agreement, which is conditional on the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms, the Company shall pay an amount equal to the Tender Price multiplied by the number of Shares successfully tendered to a non-interest bearing account with the Receiving Agent in the name of the Company as soon as practicable so as to be received in cleared funds by not later than 6.00 p.m. on 20 June 2017 (or such later date as may be agreed in writing by Panmure Gordon and the Company).

The Repurchase Agreement contains representations and warranties from the Company in favour of Panmure Gordon and incorporates an indemnity in favour of Panmure Gordon in respect of any liability which it may suffer in relation to its performance pursuant to the Tender Offer.

The Repurchase Agreement also contains certain representations, warranties and undertakings from Panmure Gordon in favour of the Company concerning its authority to enter into the agreement and to make the purchase of Shares pursuant to the Tender Offer.

1.2 *The IMA Amendment Agreement*

Under the IMA Amendment Agreement dated 12 May 2017, the Company and the Investment Manager have agreed: (i) to amend the management fee payable by the Company to the Investment Manager to take into account all assets referable to the ZDP Shares; and (ii) to introduce a new basis for the Investment Manager to earn a performance fee in line with the New Investment Policy.

With respect to the management fee, although the rate will remain unchanged, such management fee will now be at a rate of 0.85 per cent. per annum of the lower of (i) the Group Market Capitalisation, and (ii) the Net Asset Value on the relevant day. For such purposes, there shall be added to such Net Asset Value, as though they were assets of the Company, all assets referable to the ZDP Shares but, for the avoidance of doubt, no liabilities referable to the ZDP Shares shall be deducted. For this purpose, there shall be deducted from such Net Asset Value the value of any investment made by the Company in any other investment vehicle managed by the Manager, and a corresponding pro rata reduction will be made to the Group Market Capitalisation.

With respect to the performance fee, at the end of the Company's seven year life or on earlier termination of the investment management agreement between the Investment Manager and the Company, the Investment Manager will be entitled to a performance fee to be calculated as 10 per cent. of the excess total return over the total return of the Benchmark Index plus 1.5 per cent. per annum (as opposed to 15 pence per Share over the Benchmark as currently applicable). No performance fee will be paid unless at such time the Net Asset Value per Share is higher than the Relaunch NAV per Share.

1.3 *The Loan Agreement and the Deed of Undertaking*

Summaries of the Loan Agreement and the Deed of Undertaking are set out in paragraphs 9.1 and 9.2, respectively, of Part IX of the Prospectus.

2. Existing & new investment policy comparison

“New Investment Objective and Policy

The Company’s investment objective is to generate capital growth by investing in a global portfolio of healthcare stocks across all four healthcare sub-sectors.

The Company will seek to achieve its objective by investing in a diversified global portfolio consisting primarily of listed equities. The Investment Manager intends to manage the risk of the portfolio in line with the approach taken since the Company’s inception in 2010; the portfolio is expected to be diversified by factors such as geography, industry sub-sector and investment size. The portfolio will comprise a single pool of investments, but for operational purposes; the Investment Manager will maintain a growth portfolio and an innovation portfolio. Innovation companies are broadly defined by the Investment Manager as small/mid cap innovators that are driving disruptive change, giving rise not only to new drugs and surgical treatments but also to a transformation in the management and delivery of healthcare.

The initial allocation of stocks between the growth and innovation portfolios is expected to comprise a 90:10 division of assets. On an ongoing basis, the growth portfolio is expected to comprise a majority of the Company’s assets; for this purpose, once an innovation stock’s market capitalisation has risen above US\$5 billion, it will ordinarily then be treated as a growth stock.

The relative ratio between the two portfolios may vary over the life of the Company due to factors such as asset growth and the Investment Manager’s views as to the risks and opportunities offered by investments in each pool and across the combined portfolio. While there is no restriction on geographical exposure, it is expected that the majority of the companies in the initial growth portfolio will be US listed or traded and/or headquartered in the US, although this may change over the life of the Company.

The combined portfolio will be made up of interests in up to 50 companies, with no single investment accounting for more than 10 per cent. (or 15 per cent. in the case of an investment in another fund managed by the Investment Manager) of the Gross Assets at the time of investment. The innovation portfolio may include stocks which are neither quoted nor listed on any stock exchange but the exposure to such stocks, in aggregate, will not exceed 5 per cent. of Gross Assets at the time of investment.

In the event that the Investment Manager launches a dedicated healthcare innovation fund, the Company’s exposure to innovation stocks may be achieved in whole or in part by an investment in that fund. In any event, the Company will not, without the prior consent of the Board, acquire more than 15 per cent. of any such healthcare innovation fund’s issued share capital.

Borrowings

Save for structural gearing introduced through the issue of the ZDP Shares, the Company will not utilise borrowings for investment purposes. However, the Company may incur overdrafts or borrowings in an amount up to 10 per cent. of its Net Asset Value for day to day administration, cash management and operational purposes. The Company will not normally hedge currency exposure but may do so exceptionally for the purposes of efficient portfolio management or when it is otherwise perceived to be in Shareholders’ interests.

Hedging and use of Derivatives

The Company may invest through equities, index-linked, equity-linked and other debt securities, cash deposits, money market instruments, foreign currency exchange transactions, forward transactions, index options and other instruments including derivatives. Forward transactions and derivatives (including put and call options on individual positions or indices) may be used to gain exposure to the securities of companies falling within the Company’s investment policy or to seek to generate income from the Company’s position in such securities, as well as for efficient portfolio management. Any use of derivatives for investment purposes is made on the basis of the same principles of risk spreading and diversification that apply to the Company’s direct investments, as set out above. The Company may hedge exposure to foreign currencies if considered appropriate for efficient portfolio management.”

3. City Code

- 3.1 Under Rule 9 of the City Code on Takeovers and Mergers (the “**City Code**”), any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.
- 3.2 Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.
- 3.3 An offer under Rule 9 of the City Code must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.
- 3.4 Under Rule 9.1 of the City Code, except with the consent of the Panel on Takeovers and Mergers (the “**Panel**”), when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company, such person shall extend offers, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.
- 3.5 Panmure Gordon will purchase, as principal, Shares under the Tender Offer which could result in Panmure Gordon owning 30 per cent. or more of the issued share capital of the Company. Panmure Gordon has undertaken that, immediately subsequent to such purchase, it will sell all those Shares to the Company at the Tender Price as provided in the Repurchase Agreement for cancellation. Accordingly, a waiver has been obtained from the Panel in respect of the application of Rule 9 to the purchase by Panmure Gordon of the Shares under the Tender Offer.

4. Directors’ and other interests

- 4.1 As at 10 May 2017 (being the latest practicable date before publication of this Circular), the Directors had a beneficial interest in the following number of Shares:

<i>Name</i>	<i>Number of Shares</i>	<i>% of issued ordinary share capital</i>
James Robinson	66,733	0.05
John Aston, OBE	12,000	0.01
Anthony Brampton	24,000	0.02
Antony Milford	12,000	0.01
Total	114,733	0.1

Save as disclosed above, no Director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

- 4.2 As at 10 May 2017 (being the latest practicable date before publication of this Circular) insofar as is known to the Company, the following parties were known to be interested in over 3 per cent. of the share capital of the Company:

<i>Shareholder</i>	<i>Total Shareholding</i>	<i>% of total voting rights</i>
Rathbone Brothers plc	15,767,449	13.09
Investec Wealth & Investments Limited	15,653,527	12.99
Brewin Dolphin Limited	14,442,569	11.99
Schroders plc	8,933,914	7.42
Charles Stanley	6,151,086	5.11
Cheviot Asset Management Limited	4,805,275	3.99

5. General

- 5.1 Panmure Gordon has given and not withdrawn its written consent to the issue of this Circular with its letter and with the references to its name in the form and context in which they are included.
- 5.2 Polar Capital LLP has given and not withdrawn its written consent to the issue of this Circular with its letter and with the references to its name in the form and context in which they are included.
- 5.3 There has been no significant change in the Company's financial or trading position since 31 March 2017 (being the end of the last financial period of the Company for which unaudited interim financial information has been published).

6. Documents available for inspection

- 6.1 Copies of the following documents will be available will be available for inspection at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG and at the registered office of the Company at 16 Palace Street, London, SW1E 5JD, during normal business hours on any Business Day (Saturdays and public holidays excepted) from the date of this Circular until the conclusion of the General Meeting and at the place of the General Meeting for at least 15 minutes prior to, and during, the relevant meeting. A copy of the following documents will also be available on the Company's website: <http://www.polarcapitalhealthcaretrust.com/>.

A copy of this Circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/uk/NSM. This Circular will also be available on the Company's website: <http://www.polarcapitalhealthcaretrust.com/>.

- (a) this Circular;
- (b) the Prospectus;
- (c) the Repurchase Agreement referred to in paragraph 1.1 above;
- (d) the IMA Amendment Agreement referred to in paragraph 1.2 above;
- (e) the Loan Agreement referred to in paragraph 1.3 above;
- (f) the Deed of Undertaking referred to in paragraph 1.3 above;
- (g) the Memorandum and Articles of Association as at the date of this Circular; and
- (h) the New Articles (including the full terms of the amendments proposed to be made).

12 May 2017

DEFINITIONS

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

“Adjusted NAV”	the Net Asset Value on any relevant day, provided that for these purposes, there shall be added to such Net Asset Value all assets referable to the ZDP Shares, as though they were assets of the Company (but, for the avoidance of doubt, no liabilities referable to the ZDP Shares shall be deducted)
“Admission”	admission of the New Ordinary Shares to the premium listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange becoming effective
“Application Form”	the blue personalised application form accompanying this Circular on which Qualifying Shareholders holding Shares in certificated form may apply for New Ordinary Shares under the Open Offer
“Articles of Association” or “Articles”	the articles of association of the Company, as amended and restated from time to time
“Associates”	has the meaning given in the Listing Rules
“Benchmark Index”	the MSCI ACWI/Healthcare Index (total return, in Sterling, with net dividends reinvested)
“Board” or “Directors”	the directors of the Company or any duly constituted committee thereof
“Business Day”	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
“Calculation Date”	close of business on 15 June 2017, or such other date as may be selected by the Directors, being the date and time at which the Company will calculate the Tender Price and the Issue Price
“certificated” or “in certificated form”	not in uncertificated form
“Chairman’s Letter”	the letter from the Chairman of the Company set out on pages 6 to 21 and forming Part I of this Circular
“Circular”	this document
“City Code”	the City Code on Takeovers and Mergers
“Companies Act”	the Companies Act 2006, as amended
“Company”	Polar Capital Global Healthcare Growth and Income Trust plc
“Continuation Conditions”	together, the Minimum NAV Condition and the Shares in Public Hands Condition
“Cover”	the cover of the ZDP Shares shall represent a fraction where the numerator is equal to the Net Asset Value of the Company and its Group on a consolidated basis adjusted to: (i) add back any liability in respect of ZDP Shares; and (ii) deduct the estimated liquidation costs of the ZDP Subsidiary, and the denominator is equal to the amount which would be paid on the ZDP Shares as a class (and on all ZDP Shares ranking as to capital in priority

	thereto or pari passu therewith, save to the extent already taken into account in the calculation of the Net Asset Value) in a winding up of the ZDP Subsidiary on the final repayment date of the ZDP Shares of 19 June 2024
“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 CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations)
“Deed of Undertaking”	the undertaking to be granted by the Company in favour of the ZDP Subsidiary, to put the ZDP Subsidiary in a position to meet its obligations in respect of the ZDP Shares as described in the Prospectus
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Articles”	the Articles of Association as at the date of this Circular
“Existing Investment Policy”	the investment policy of the Company as at the date of this Circular
“FCA”	the Financial Conduct Authority
“Form of Proxy”	the form of proxy for use by Shareholders at the General Meeting
“FSMA”	the Financial Services and Markets Act 2000, as amended
“General Meeting”	an general meeting of the Company to be held at 11.00 a.m. on 1 June 2017
“GM Notice”	the notice convening the General Meeting set out at the end of this Circular
“Gross Assets”	the total assets of the Company valued in accordance with the accounting policies adopted by the Company from time to time
“Group”	together, the Company and the ZDP Subsidiary
“Group Market Capitalisation”	the market capitalisation of the Group (including for this purposes the Shares and the ZDP Shares)
“HMRC”	HM Revenue & Customs
“IMA Amendment Agreement”	the agreement amending the existing investment management arrangements between the Company and the Investment Manager in the manner described in paragraph 6 of Part I of this Circular and summarised in paragraph 1.2 of Part VI of this Circular and paragraph 9.4 of Part IX of the Prospectus

“Independent Shareholders”	Shareholders other than the Investment Manager and its Associates
“Initial Placing”	the conditional placing by Panmure Gordon on behalf of the Company of New Ordinary Shares at the Issue Price as described in the Prospectus
“Initial ZDP Placing”	the conditional placing by Panmure Gordon on behalf of the ZDP Subsidiary of ZDP Shares at the Initial ZDP Placing Price as described in the Prospectus
“Investment Manager”	Polar Capital LLP
“Issue Price”	the price per Share at which New Ordinary Shares will be issued under the Share Issue, being equal to the prevailing Net Asset Value per Share as at the Calculation Date plus the Placing Commission
“Listing Rules”	the listing rules made by the UKLA under section 74 of FSMA
“Loan Agreement”	the loan agreement to be entered into between the ZDP Subsidiary (as lender) and the Company (as borrower) as described in the Prospectus
“London Stock Exchange”	London Stock Exchange plc
“member account ID”	the identification code or number attached to any member account in CREST
“Minimum NAV Condition”	has the meaning given of Part I of this Circular
“Net Asset Value” or “NAV”	the total assets of the Company less its total liabilities (including accrued but unpaid fees and, where appropriate, the Quantified Expenses) in each case valued in accordance with the accounting policies adopted by the Company from time to time and expressed in Sterling
“Net Asset Value per Share” or “NAV per Share”	the Net Asset Value divided by the number of Shares in issue
“New Articles”	the proposed new Articles of Association to be adopted upon the passing of the Resolutions at the General Meeting
“New Investment Policy”	the new investment policy proposed to be implemented by the Company as set out in paragraph 3 of Part I of this Circular
“New Ordinary Share”	Ordinary Shares to be issued under the Share Issue and/or the Placing Programme
“Offer for Subscription”	the offer for subscription of New Ordinary Shares at the Issue Price as described in the Prospectus
“Offerings”	together, the Share Issue and the Initial ZDP Placing
“Official List”	the Official List maintained by the UKLA
“Open Offer”	the offer to Qualifying Shareholders to apply for New Ordinary Shares, on the terms and subject to the conditions set out in this Circular, the Prospectus and the Application Form

“Open Offer Entitlement”	the entitlements of Qualifying Shareholders to apply for New Ordinary Shares pursuant to the Open Offer, which is set at 1 New Ordinary Share for every 2 Shares held at the Open Offer Record Date
“Open Offer Record Date”	6.00 p.m. on 10 May 2017
“Other Expenses”	the fees and expenses payable by the Company following Admission (and accordingly not reflected in the Net Asset Value as at the Calculation Date but brought into account in the calculation of the Net Asset Value from the date of Admission) comprising: (i) any fees payable to the London Stock Exchange in connection with the Share Issue; (ii) the placing commission and any fees payable to the London Stock Exchange in connection with the Initial ZDP Placing; and (iii) any stamp duty payable by the Company in connection with the Tender Offer
“Overseas Shareholders”	Shareholders who are resident in, or citizens of, territories outside the United Kingdom and not resident in, or citizens of, any of the Restricted Territories
“Panel”	The Panel on Takeovers and Mergers
“Panmure Gordon”	Panmure Gordon (UK) Limited
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Performance Fee Hurdle”	the Benchmark Index plus 15 pence per Share
“Placing Commission”	in respect of each New Ordinary Share, a placing commission of 1.25 per cent. of the prevailing Net Asset Value per Share as at the Calculation Date
“Placing Programme”	the proposed programme of New Ordinary Share issues as described in the Prospectus
“Proposals”	has the meaning as set out in paragraph 1.1 of Part I of this Circular
“Prospectus”	the prospectus accompanying this Circular and published by the Company and the ZDP Subsidiary on 12 May 2017 in connection with the Offerings, together with any supplementary prospectus
“Qualifying Shareholders”	Shareholders on the Register at the Tender Offer Record Date or the Open Offer Record Date (as the context requires) with the exclusion of Restricted Shareholders
“Quantified Expenses”	professional and other fees and expenses incurred by the Company in connection with the implementation of the Proposals (but excluding, for the avoidance of doubt, the Other Expenses and the Placing Commission), which amount (as estimated) will be deducted from the prevailing Net Asset Value of the Company immediately following the publication of this Circular
“Receiving Agent” and “Registrar”	Equiniti Limited
“Register”	the register of Shareholders
“Relaunch NAV per Share”	the Adjusted NAV as at the date of Admission less the Specified Deductions divided by the number of Shares in issue as at the date of Admission

“Repurchase Agreement”	the agreement between the Company and Panmure Gordon whereby the Company has agreed to purchase, and Panmure Gordon has agreed to sell to the Company, as an on-market purchase at the Tender Price, all of the Shares purchased by Panmure Gordon pursuant to the Tender Offer as summarised in paragraph 1.1 of Part VI of this Circular
“Resolution 1”	the ordinary resolution to be proposed at the General Meeting
“Resolution 2”	the special resolution to be proposed at the General Meeting
“Resolutions”	Resolution 1 and Resolution 2
“Restricted Shareholders”	Shareholders who are resident in, or citizens of, a Restricted Territory
“Restricted Territories”	any of the following territories: Australia, Canada, Japan, South Africa and the United States or any other jurisdiction in which the making of the Offerings may result in the contravention of any registration or other legal requirement of such jurisdiction
“RIS”	a regulatory information service approved by the FCA and on the list of regulatory information services maintained by the FCA
“Settlement Date”	the date by which the consideration for Shares purchased in the Tender Offer will be settled by a CREST payment or dispatched by cheque to the Shareholders entitled thereto, which is expected to be no later than 22 June 2017
“Share Issue”	together, the issue of up to 310,237,500 New Ordinary Shares pursuant to the Open Offer, the Offer for Subscription and the Initial Placing
“Shareholders”	holders of Shares
“Shares” or “Ordinary Shares”	ordinary shares of 25 pence each in the capital of the Company
“Shares in Public Hands Condition”	the Listing Rules requirement that at least 25 per cent. of the Shares of a listed company shall be in “public hands” (as defined in the Listing Rules)
“Specified Deductions”	to the extent not already deducted in the calculation of the Adjusted NAV, the aggregate of the Quantified Expenses and the Other Expenses
“Sponsor and Placing Agreement”	the agreement between the Company, the ZDP Subsidiary, the Investment Manager and Panmure Gordon as summarised in paragraph 9.3 of Part IX of the Prospectus
“Sterling” or “£”	the lawful currency of the United Kingdom
“Tender Form”	the pink personalised tender form accompanying this Circular for use in connection with the Tender Offer
“Tender Offer”	the invitation by Panmure Gordon to Qualifying Shareholders to tender Shares for purchase on the terms and subject to the conditions set out in this Circular and the pink Tender Form
“Tender Offer Record Date”	6.00 p.m. on 31 May 2017
“Tender Price”	the price per Share at which Shares will be purchased under the Tender Offer, being equal to the prevailing Net Asset Value per Share as at the Calculation Date

“Tendering Shareholder”	a Shareholder who has tendered Shares pursuant to the Tender Offer
“TFE Instruction”	a transfer from escrow instruction (as defined in the CREST Manual)
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST Manual)
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for listing pursuant to Part VI of FSMA
“uncertificated” or “in uncertificated form”	a Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“USE Instruction”	an Unmatched Stock Event Instruction to Euroclear
“ZDP Placing Programme”	the proposed programme of ZDP Share issues as described in the Prospectus
“ZDP Shares”	zero dividend preference shares of 0.01 pence each in the capital of the ZDP Subsidiary
“ZDP Subsidiary”	PCGH ZDP plc, a wholly-owned newly established subsidiary of the Company, which will issue ZDP Shares under the Initial ZDP Placing and the ZDP Placing Programme

Unless otherwise stated in this Circular, all references to statute or other forms of legislation shall refer to statute or other forms of legislation of the UK.

POLAR CAPITAL GLOBAL HEALTHCARE GROWTH AND INCOME TRUST PLC

(incorporated and registered in England and Wales under number 07251471 and registered as an investment company under Section 833 of the Companies Act 2006)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of **POLAR CAPITAL GLOBAL HEALTHCARE GROWTH AND INCOME TRUST PLC** will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG, at 11.00 a.m. on 1 June 2017 to consider and, if thought fit, to pass the following resolutions:

RESOLUTION 1 – ORDINARY RESOLUTION

IT IS HEREBY RESOLVED THAT the Company's existing management arrangements be modified in the manner described in section 6 of Part I of the Circular by the Company entering into the IMA Amendment Agreement and that these changes be and are hereby approved by Independent Shareholders as a related party transaction as described in section 6 of Part I of the Circular.

RESOLUTION 2 – SPECIAL RESOLUTION

IT IS HEREBY RESOLVED THAT, conditional on the passing of Resolution 1 above and, conditional on the satisfaction of the Continuation Conditions:

- (a) the Company be and is generally and unconditionally authorised, in accordance with section 701 of the Companies Act, to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares pursuant to the Tender Offer, provided that:
 - (i) the maximum number of Ordinary Shares hereby authorised to be acquired shall be 120,475,000, or such number of Ordinary Shares in issue as at the Tender Offer Record Date (excluding for such purposes Ordinary Shares held in treasury);
 - (ii) the price which may be paid for an Ordinary Share shall be the Tender Price (which shall be both the maximum and the minimum price for the purposes of section 701 of the Companies Act); and
 - (iii) unless renewed, the authority hereby conferred shall expire on the first to occur of: (i) the completion of the Tender Offer; (ii) the termination of the Tender Offer; or (iii) the Tender Offer lapsing, in accordance with the terms and conditions set out in the Circular;
- (b) in substitution for all existing authorities:
 - (i) the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot Ordinary Shares in connection with the Share Issue up to a maximum of 310,237,500 Ordinary Shares in aggregate (as set out in the Prospectus) with a maximum aggregate nominal amount of £77,559,375, such authority to expire at the end of the next annual general meeting of the Company (save that the Company may before such expiry make any offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot Ordinary Shares pursuant to any such offer or agreement as if the authority had not expired);
 - (ii) the Directors be and are hereby empowered pursuant to section 571 of the Companies Act to allot equity securities (within the meaning of section 560(1) of the Companies Act) as if section 561(1) of the Companies Act did not apply to any allotment which is the subject of, and provided that this power shall expire upon the expiry of, the authority conferred on the Directors by paragraph (b)(i) of Resolution 2 (save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require

- equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired);
- (iii) in addition to the authority conferred on the Directors by paragraph (b)(i) of Resolution 2, the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot Ordinary Shares pursuant to the Placing Programme up to an aggregate nominal amount equal to the difference between the aggregate nominal amount of Ordinary Shares issued under the Share Issue and £77,559,375, such authority to expire at the end of the next annual general meeting of the Company (save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the authority had not expired); and
 - (iv) the Directors be and are hereby empowered pursuant to section 571 of the Companies Act to allot equity securities (within the meaning of section 560(1) of the Companies Act) as if section 561(1) of the Companies Act did not apply to any allotment which is the subject of, and provided that this power shall expire upon the expiry of, the authority conferred on the Directors by paragraph (b)(iii) of Resolution 2 (save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired);
- (c) in substitution for all existing authorities, and in addition to the authority conferred by paragraph (a) of Resolution 2 in relation to the Tender Offer, the Company be and is generally and unconditionally authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares on such terms and in such manner as the Directors may from time to time determine, provided that:
- (i) the maximum number of Ordinary Shares hereby authorised to be acquired is 65,000,000 provided that the number of Ordinary Shares to be acquired between the date of Resolution 2 and the date of the Company's next annual general meeting otherwise than pursuant to a tender offer shall not exceed 14.99 per cent. of the Ordinary Shares in issue upon conclusion of the Share Issue;
 - (ii) the minimum price which may be paid for any such Ordinary Share is 25 pence;
 - (iii) the maximum price which may be paid for any such Ordinary Share is the higher of (i) an amount equal to 105 per cent. of the average middle market quotations for a Share as derived from and calculated by reference to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Ordinary Shares are purchased; and (ii) the higher of: (A) the price of the last independent trade; and (B) the highest current independent bid for an Ordinary Share on the London Stock Exchange at the time the purchase is carried out;
 - (iv) the authority hereby conferred shall expire at the end of the next annual general meeting of the Company, unless previously renewed, varied or revoked by the Company in general meeting; and
 - (v) the Company may make a contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its Ordinary Shares in pursuance of any such contract;
- (d) the New Investment Policy be and is hereby approved;

- (e) the New Articles produced to the Meeting (which include *inter alia* the change to the Company's life and any incidental and consequential changes as so required) and, for the purposes of identification, initialled by the Chairman, be and are hereby adopted as the new articles of association of the Company with effect from Admission in substitution for and to the exclusion of, in their entirety, the Existing Articles; and
- (f) conditionally upon the issue of New Ordinary Shares by the Company pursuant to the Share Issue and the approval of the courts of England and Wales, the amount standing to the credit of the share premium account of the Company immediately following the Share Issue be cancelled.

Save where the context requires otherwise, capitalised terms used in this notice shall have the same meanings given to them in the Company's Circular dated 12 May 2017 (of which this notice forms part).

By order of the Board

N P Taylor

For and on behalf of

Polar Capital Secretarial Services Limited

Company Secretary

Registered Office:

16 Palace Street

London

SW1E 5JD

United Kingdom

Dated: 12 May 2017

Notes to the GM Notice

1. Resolution 1 is proposed as an ordinary resolution. For an ordinary resolution to be passed, a simple majority of the votes cast by Shareholders being entitled to vote (by proxy or in person) must be in favour of the resolution. Resolution 2 is proposed as a special resolution. For a special resolution to be passed, a majority of no less than seventy five per cent. of the votes cast by Shareholders being entitled to vote (by proxy or in person) must be in favour of the resolution.
2. The Company specifies that only those Shareholders entered on the register of members of the Company as at 6.30 a.m. on 30 May 2017 will be entitled to attend, speak or vote at the General Meeting in respect of the number of Shares registered in their name at that time and such Shareholders shall be entitled on a poll to one vote for each Share held. The register of members of the Company at that time is also used for the purposes of calculating how many votes a holder of each Share may cast. Changes to entries on the register after 6.30 a.m. on 30 May 2017 will be disregarded in determining the rights of any person to attend or vote at the General Meeting.
3. A Shareholder entitled to attend and vote at the General Meeting may appoint one or more proxies (who need not be a member of the Company) to exercise all or any of his or her rights to attend, speak and vote at the General Meeting. A Shareholder can appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to different Shares held by such Shareholder. If two or more valid proxy forms are delivered or received in respect of the same Share for use at the same Meeting, the one which was last sent shall be treated as replacing and revoking the others in their entirety. If the Company is unable to determine the one which was last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is the last sent or which is last received, none of them shall be treated as valid in respect of that share. If a Shareholder wishes to terminate the authority of a person(s) to act as their proxy, they must notify Equiniti Limited in writing at the address provided below in note 6 no later than 48 hours before the General Meeting. Every Shareholder who is present in person at the General Meeting, and every person (not being himself or herself a member entitled to vote) who is present as proxy for a member entitled to vote, shall have one vote on a show of hands. On a poll, every Shareholder who is present in person or by proxy shall have one vote for every share held by him or her.
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, your proxy will vote or abstain from voting at his or her General Meeting. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to every other matter which is put before the General Meeting.
5. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Your proxy could be the Chairman, another Director or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the General Meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the General Meeting and voting in person. If you attend the General Meeting in person, your proxy appointment will automatically be terminated.
6. A form of proxy is enclosed which should be completed in accordance with the instructions. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarised certified copy of such authority) must be deposited with the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA no later than 11.00 a.m. on 30 May 2017. Completion of the form of proxy will not preclude a member from attending and voting in person. A Shareholder may only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. In the case of a corporation, the form of proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised. The return of the form of proxy duly completed will not preclude a member from attending and voting in person at the General Meeting.
7. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same Share.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual which can be viewed at www.euroclear.co.uk. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) 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 Company's agent (ID number RA19) by not later than 48 hours before the time appointed for the holding of the General Meeting (excluding non-working days i.e. by 30 May 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. As at 10 May 2017, the Company's issued ordinary share capital consists of 122,650,000 Shares of 25 pence each of which 2,175,000 Shares are held in treasury. Each Share carries the right to one vote at the General Meeting of the Company and therefore the total voting rights in the Company are 120,475,000.

11. Any Shareholder, proxy or joint Shareholder attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
12. A copy of the notice of the General Meeting, including these explanatory notes, is available to download from the Company's website: <http://www.polarcapitalhealthcaretrust.com>.

