

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO THE RECONSTRUCTION AND VOLUNTARY WINDING UP OF PERPETUAL INCOME AND GROWTH INVESTMENT TRUST PLC ON WHICH SHAREHOLDERS ARE BEING ASKED TO VOTE AND IN RELATION TO WHICH SHAREHOLDERS HAVE THE RIGHT TO MAKE AN ELECTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 WITHOUT DELAY.

If you have sold or otherwise transferred all your shares in Perpetual Income and Growth Investment Trust plc (the “**Company**”), please send this document together with the accompanying documents (but not the accompanying personalised Forms of Proxy or Form of Election) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, the accompanying prospectus published by Murray Income Trust plc (the “**MUT Prospectus**”) should not be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (other than the United Kingdom) or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions. Shareholders who are resident in, or citizens of, territories outside the United Kingdom should read the section headed “Overseas Shareholders” in Part 3 of this document.

The definitions used in this document are set out on pages 39 to 43 of this document.

PERPETUAL INCOME AND GROWTH INVESTMENT TRUST PLC

*(Incorporated in England and Wales with registered number 03156676)
(An investment company within the meaning of section 833 of the Companies Act 2006)*

Recommended proposals for the voluntary winding up of the Company and merger with Murray Income Trust plc and Notices of General Meetings

This document should be read in conjunction with the accompanying MUT Prospectus. The Proposals described in this document are conditional, amongst other things, on Shareholder approval. Your attention is drawn to pages 35 and 36 of this document which summarise the risk factors associated with the Proposals. Your attention is further drawn to the letter from the Chairman of the Company set out in Part 1 of this document which contains, among other things, the recommendation of the Directors that Shareholders vote in favour of the Resolutions to be proposed at the general meetings referred to below. However, this document should be read in its entirety before deciding what action you should take.

Notices of two general meetings of the Company to be held on 9 November 2020 and on 17 November 2020 respectively (the “**General Meetings**”) are set out at the end of this document. Both General Meetings will be held at the offices of Dickson Minto W.S., 17 Charlotte Square, Edinburgh EH2 4DF.

On account of the Coronavirus pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings, **Shareholders are strongly discouraged from attending the General Meetings and indeed entry will be refused if the law and/or Government guidance so requires.** Arrangements will be made by the Company to ensure that the minimum number of Shareholders required to form a quorum will attend each General Meeting in order that each meeting may proceed.

All Shareholders are encouraged to vote in favour of the Resolutions to be proposed at the General Meetings and if their Shares are not held directly, to arrange for their nominee to vote on their behalf. Forms of Proxy for use in conjunction with the General Meetings are enclosed. **Given they are unlikely to be able to attend the General Meetings in person, Shareholders are strongly encouraged to appoint the Chairman of the relevant General Meeting as their proxy to vote**

on their behalf in respect of each General Meeting. To be valid for use at the General Meetings, the accompanying Forms of Proxy must be completed and returned in accordance with the instructions printed thereon to the Registrars, Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting. Alternatively, Shareholders who hold their Shares in uncertificated form (i.e. in CREST) may vote using the CREST electronic voting service in accordance with the procedure set out in the CREST Manual (please also refer to the accompanying notes to the notices of General Meetings set out at the end of this document).

Shareholders who hold Shares in certificated form will also find enclosed with this document a Form of Election for use in connection with the Proposals. To be valid, Forms of Election must be completed and returned to the Registrars, Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event not later than 11.00 a.m. on 5 November 2020. Shareholders who hold their Shares in uncertificated form will not receive a Form of Election and should make their elections in accordance with the instructions set out in the section entitled "Ordinary Shares held in uncertificated form (that is, in CREST)", which can be found on pages 20 to 22 of this document. All Elections will be irrevocable without the consent of the Directors. Failure to return a Form of Election or to submit a TTE Instruction (as applicable) or the return of a Form of Election which is not validly completed will result in the relevant Shareholder being deemed to have elected for the Rollover Option in respect of their entire holding of Shares. Overseas Shareholders will not be sent a copy of the MUT Prospectus.

Winterflood Securities Limited ("**Winterflood**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and no one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Winterflood or for providing advice in relation to the Proposals, the contents of this document and the accompanying documents, or any other matter referred to herein or therein.

It is important that you complete and return the Forms of Proxy and Form of Election as soon as possible. Your attention is drawn to the section entitled "Action to be Taken" on pages 13 and 14 of this document.

CONTENTS

	Page
ACTION TO BE TAKEN BY SHAREHOLDERS	4
EXPECTED TIMETABLE	6
PART 1 LETTER FROM THE CHAIRMAN	7
PART 2 MURRAY INCOME TRUST PLC	16
PART 3 FURTHER DETAILS OF THE PROPOSALS	20
PART 4 THE SCHEME	27
PART 5 RISK FACTORS	35
PART 6 ADDITIONAL INFORMATION	37
DEFINITIONS	39
NOTICE OF THE FIRST GENERAL MEETING	44
NOTICE OF THE SECOND GENERAL MEETING	48

ACTION TO BE TAKEN BY SHAREHOLDERS

Full details of the action to be taken by Shareholders are set out in the section in Part 1 of this document entitled “Action to be taken”, which can be found on pages 13 and 14 of this document, and in the instructions on the Forms of Proxy and the Form of Election. You should read this whole document before deciding what action to take. The attention of Overseas Shareholders is drawn to the section headed “Overseas Shareholders” in Part 3 of this document.

TO VOTE ON THE PROPOSALS

<p>To vote on the Proposals</p>	<p>→</p>	<p>Complete and return the PINK Form of Proxy in respect of the First General Meeting so as to be received as soon as possible, but in any event by no later than 11.00 a.m. on 5 November 2020.</p> <p>AND</p> <p>Complete and return the GREEN Form of Proxy in respect of the Second General Meeting so as to be received as soon as possible, but in any event by no later than 11.00 a.m. on 13 November 2020.</p>
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TO MAKE AN ELECTION

<p>To elect to rollover into MUT (the “Rollover Option”)</p>	<p>→</p>	<p>No action is required.</p>
<p>To elect for the Cash Option (limited in aggregate to 20 per cent. of the issued Shares)</p>	<p>→</p>	<p>If you hold your Shares in certificated form (that is, not in CREST) you MUST complete the Form of Election in accordance with the instructions contained therein so as to be received as soon as possible, but in any event by no later than 11.00 a.m. on 5 November 2020.</p> <p>If you hold your Shares in uncertificated form (that is, in CREST) you MUST send a TTE Instruction in respect of any Shares for which you wish to make an Election for the Cash Option by no later than 11.00 a.m. on 5 November 2020.</p>

If you have any questions relating to the completion and return of your Forms of Proxy and/or the Form of Election, please contact the Registrars, Link Group, on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Only Shareholders who hold Shares as at 6.00 p.m. on 6 November 2020 are able to elect for the Cash Option in respect of those Shares. The extent to which a Shareholder elects for the Cash Option is a matter for that 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.

To the extent that an Overseas Shareholder would otherwise receive New MUT Shares under the Scheme, either because no Election for the Cash Option was made or because an Excess Application for the Cash Option is scaled back in accordance with the Scheme, then such New MUT Shares will be sold by the Liquidators in the market and the net proceeds paid to the relevant Overseas Shareholder.

IF YOU ARE AN OVERSEAS SHAREHOLDER AND YOU WISH TO ELECT FOR THE CASH OPTION, YOU MUST COMPLETE AND RETURN THE FORM OF ELECTION OR SEND A TTE (TRANSFER TO ESCROW) INSTRUCTION.

IF YOU ARE NOT AN OVERSEAS SHAREHOLDER AND YOU WISH TO RECEIVE NEW SHARES IN MURRAY INCOME TRUST PLC IN RESPECT OF YOUR ENTIRE HOLDING OF SHARES, YOU DO NOT NEED TO COMPLETE AND RETURN THE FORM OF ELECTION OR SEND A TTE (TRANSFER TO ESCROW) INSTRUCTION.

EXPECTED TIMETABLE

2020

Ex-dividend date for the final interim dividend to Shareholders	15 October
Record date for the final interim dividend to Shareholders	16 October
Latest time and date for receipt of Forms of Proxy in respect of the First General Meeting	11.00 a.m. on 5 November
Latest time and date for receipt of Forms of Election and TTE Instructions	11.00 a.m. on 5 November
Record Date for entitlements under the Scheme	6.00 p.m. on 6 November
First General Meeting	11.00 a.m. on 9 November
Shares disabled in CREST	6.00 p.m. on 9 November
Calculation Date	5.00 p.m. on 12 November
Payment date for the final interim dividend	13 November
Latest time and date for receipt of Forms of Proxy in respect of the Second General Meeting	11.00 a.m. on 13 November
Reclassification of the Shares (and dealings in Reclassified Shares commence)	8.00 a.m. on 16 November
Suspension of listing of Reclassified Shares and Company's Register closes	7.30 a.m. on 17 November
Second General Meeting	11.00 a.m. on 17 November
Effective Date for implementation of the Scheme	17 November
Announcement of the results of Elections, the PLI FAV per Share, the Cash NAV per Share and the MUT FAV per Share	17 November
CREST accounts credited with, and dealings commence in, New MUT Shares	8.00 a.m. on 18 November
Cheques despatched to Shareholders who elect for the Cash Option in accordance with their entitlements and CREST accounts credited with cash	week commencing 23 November
Share certificates in respect of New MUT Shares despatched (or as soon as practicable thereafter)	week commencing 23 November
Cancellation of listing of Reclassified Shares	as soon as practicable after the Effective Date

Note: All references to time in this document are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the General Meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

PART 1

LETTER FROM THE CHAIRMAN

PERPETUAL INCOME AND GROWTH INVESTMENT TRUST PLC

(Incorporated in England and Wales with registered number 03156676)
(An investment company within the meaning of section 833 of the Companies Act 2006)

Directors

Richard Laing (Chairman)
Michael Balfour
Victoria Cochrane
Georgina Field
Alan Giles
Bob Yerbury

Registered Office
Perpetual Park
Perpetual Park Drive
Henley on Thames
Oxfordshire
RG9 1HH

12 October 2020

Dear Shareholder

**Recommended proposals for the voluntary
winding up of the Company and merger with Murray Income Trust plc**

Introduction

The Board announced on 29 July 2020 that it had concluded its comprehensive search for a new manager with the credentials and capacity to deliver capital growth and real growth in dividends over the medium to longer term mainly from UK equities. Having considered a large number of proposals, the Board agreed heads of terms for a combination of the assets of the Company with Murray Income Trust plc ("**Murray Income**" or "**MUT**") by means of a scheme of reconstruction and winding up of the Company under section 110 of the Insolvency Act (the "**Proposals**").

The Proposals, which are conditional, amongst other things, upon the approval of Shareholders at the General Meetings, novation of the PLI Notes to MUT and the approval of MUT Shareholders to the issue of the New MUT Shares, comprise a members' voluntary liquidation and a scheme of reconstruction of the Company under which Shareholders will be entitled to elect to receive in respect of some or all of their Shares:

- (a) New MUT Shares (the "**Rollover Option**"); and/or
- (b) cash (the "**Cash Option**").

Shareholders can make different Elections in respect of different parts of their holdings. The Cash Option is limited to 20 per cent. of the Shares in issue (excluding Shares held in treasury). Should total Elections for the Cash Option exceed 20 per cent. of the Shares in issue (excluding Shares held in treasury), excess Elections for the Cash Option will be scaled back into New MUT Shares on a *pro rata* basis. To the extent that an Overseas Shareholder would otherwise receive New MUT Shares under the Scheme, either because no Election for the Cash Option was made or because an Excess Application for the Cash Option is scaled back in accordance with the Scheme, then such New MUT Shares will be sold by the Liquidators in the market and the net proceeds paid to the relevant Overseas Shareholder.

The choice between the options available under the Proposals will be a matter for each Shareholder to decide and will be influenced by his or her investment objectives and by his or her personal, financial and tax circumstances. Accordingly, Shareholders should, before making any Election, read carefully all the information in this document and in the accompanying MUT Prospectus.

In order to effect the Scheme and the proposed amendments to the Articles of Association in relation to the Scheme, Shareholder approval is required at the First General Meeting. If the Scheme is approved at the First General Meeting, Shareholder approval is required at the Second General Meeting to wind up the Company voluntarily and to appoint and grant authority to the Liquidators to implement the Scheme and to apply for the cancellation of the listing of the

Reclassified Shares on the Official List pursuant to the Listing Rules. In addition, the Scheme is subject to the conditions to the PLI Note Novation Agreement being satisfied and the approval of the MUT Shareholders.

The purpose of this document is to explain the Proposals and the actions required to be taken in order for them to be implemented and to convene the General Meetings, notices of which are set out at the end of this document. Further details of the Resolutions to be proposed at the General Meetings are set out below. The expected timetable associated with the Proposals is provided on page 6 of this document.

The Board considers the Proposals to be in the best interests of Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions required to implement the Proposals at the General Meetings.

The Proposals

Background to and rationale for the Proposals

As announced in April 2020, the Board served protective notice of termination on Invesco Fund Managers Limited (“**Invesco**”) following an extended period of underperformance relative to the Company’s benchmark. Thereafter, the Board commenced a search for a potential new manager for the Company with the credentials and capacity to deliver capital growth and real growth in dividends over the medium to longer term from UK equities.

Having considered a large number of proposals, the Board agreed, in principle, the heads of terms for a combination of the assets of the Company with Murray Income by means of a section 110 scheme of reconstruction under the Insolvency Act. Murray Income is managed by the UK Equities team at Aberdeen Standard Investments (“**ASI**”).

The Board, which had been focused on finding the best manager for the Company, was impressed by the investment strategy and approach put forward by ASI, as well as the strength of the team and its top quartile performance over the last one, three and five years. Although consolidation rarely results from manager beauty parades, the Board was of the view that a combination of the two companies would bring additional benefits to Shareholders by offering exposure to ASI’s UK Equity strategy in a well-managed, and enlarged, investment trust with a highly competitive management fee.

Upon the Scheme becoming effective, Richard Laing, Alan Giles and Georgina Field, directors of the Company, will join the board of Murray Income as non-executive directors, which is intended to provide continuity of oversight for Shareholders rolling over into Murray Income.

Summary information on Murray Income

Murray Income’s investment objective is to aim for a high and growing income combined with capital growth through investment in a portfolio of principally UK equities, which is very similar to the Company’s current objective.

In pursuit of its investment objective, Murray Income invests principally in UK equities to deliver to investors a high and growing income combined with capital growth. The MUT Investment Manager’s philosophy is that markets are not always efficient. It believes that superior investment returns are therefore attainable by identifying good companies with attractive valuations, defined in terms of the fundamentals that, in the MUT Investment Manager’s opinion, drive share prices over the long term. The MUT Investment Manager undertakes substantial due diligence before initiating any investment, including company visits, in order to be assured of the quality of the prospective investment. Murray Income makes use of borrowing facilities to enhance shareholder returns when appropriate.

Murray Income is an AIC Dividend Hero having grown its dividend for 47 consecutive years. As at 8 October 2020, the dividend yield on MUT’s shares was 4.5 per cent. Over the five years ended 31 August 2020, Murray Income has delivered cumulative NAV growth of 36.3 per cent., against the return of the FTSE All Share of 17.3 per cent., representing outperformance of 19 per cent.

The Proposals, if implemented, will result in Murray Income being one of the largest investment trusts in the UK Equity Income sector, with gross assets expected to be in excess of £1 billion.

Murray Income’s alternative investment fund manager for the purposes of the AIFM Directive is Aberdeen Standard Fund Managers Limited (“**ASFML**”), which has delegated the day-to-day

management of the portfolio to Aberdeen Asset Managers Limited (“**AAML**” or “**MUT Investment Manager**”). In particular, Charles Luke as lead portfolio manager, supported by the ASI UK Equities team, is responsible for the management of MUT’s portfolio. Charles Luke has managed the MUT portfolio since 2006.

Further details on Murray Income, including details of its performance track record, are set out in Part 2 of this document and in the accompanying MUT Prospectus.

Dividends

It is expected that Shareholders will see a reduction in their dividend income given that MUT has a lower, but still attractive, current dividend yield than PLI. Over the five years ending 31 August 2020, MUT’s dividend has grown at a compound annual growth rate of 1.85 per cent. per annum. MUT also has an unbroken record of 47 years of dividend growth. As a condition to the Proposals becoming effective, Murray Income will seek authority from its shareholders to remove the restriction contained in MUT’s existing articles of association that prevent the payment of dividends from capital profits. The MUT Board does not presently intend to change its approach to the payment of dividends by utilising this new power to pay dividends out of capital. However, it may seek to use this power in the future where it considers it is in the best interests of MUT Shareholders to do so.

Partly in recognition of the reduction in absolute dividends that a PLI Shareholder would be expected to receive following the implementation of the Scheme, the Board has declared a pre-liquidation final interim dividend of 13 pence per Share to reflect a distribution of its accumulated revenue reserve (including current year net income to date), which will be paid to PLI Shareholders prior to the Effective Date. Shareholders receiving New MUT shares under the Scheme will rank fully for all dividends declared by MUT with a record date falling after the date of the issue of those New MUT Shares to them.

Benefits of the Proposals

The Board believes that the Proposals will have the following benefits for Shareholders:

- continued investment exposure to UK equities via one of the largest investment trusts in the UK Equity Income sector which, upon completion of the Proposals, is expected to have in excess of £1 billion of gross assets and greater secondary market liquidity;
- integration into a trust with an aligned investment philosophy and a narrower discount than the Company’s over recent years;
- access to the extensive resource and experience within the UK Equities team at ASI, with Charles Luke as lead portfolio manager;
- investment in an AIC Dividend Hero investment trust with both the credentials and capacity to deliver capital growth as well as real growth in dividends, which has a dividend yield (as at 8 October 2020) of 4.5 per cent and a 47 year track record of dividend increase;
- a significant reduction in costs, with Murray Income expecting to have one of the lowest weighted average management fees (estimated at 0.38 per cent. per annum) and ongoing charges ratio (estimated at 0.50 per cent. per annum) in the sector following implementation of the Scheme; and
- the opportunity to exit the Company at close to NAV.

The Proposals are also expected to result in an uplift in the market value of a Shareholders’ investment due to the narrower discount to net asset value at which the MUT Shares have historically traded compared with the PLI Shares. Over the 12 months ended 8 October 2020 (being the latest practicable date prior to publication of this document), the shares of the Company and of Murray Income traded at average discounts to cum-income net asset value of 12.8 per cent. and 4.9 per cent. respectively.

Management of the Company’s portfolio prior to implementation of the Scheme

On 8 October 2020, the Company appointed AAML as an investment adviser (at no cost to the Company) to advise on the realignment of the Company’s investment portfolio under the overall supervision of the Company’s AIFM. The Board has instructed the Company’s AIFM that the Company’s investment portfolio should be realigned to be substantially similar to that of MUT over

the period to the Effective Date and also to ensure that the Company has sufficient cash to meet the amounts expected to be due in respect of Elections for the Cash Option. It is expected that the Company will remain substantially fully invested up to the Calculation Date.

The Company currently holds nine unquoted investments (the “**Unquoted Investments**”) with an aggregate fair value (as at 30 September 2020) of approximately £700,000. The AIFM has been instructed by the Board to dispose of these Unquoted Investments in an orderly manner. In the event that these Unquoted Investments are not sold prior to the Effective Date, they will continue to be held by the Company after the Effective Date and will be valued at nil for the purposes of the Scheme. The AIFM has agreed to assist the Liquidators with the disposal of the Unquoted Investments and any cash proceeds from such disposals will be returned to Shareholders on the register at the Effective Date *pro rata* to the number of Shares held by them on such date. There is no certainty that the AIFM or the Liquidators will be able to sell the Unquoted Investments or as to the realisation value of such investments.

Costs of implementing the Scheme

The Company and Murray Income have agreed to each bear their own costs in relation to the Scheme. The costs of the Scheme payable by the Company are expected to be approximately £1.05 million inclusive of VAT where applicable. This estimate of costs excludes the Liquidators’ retention to cover unknown liabilities (estimated at £100,000), and does not take account of any dealing costs which will be incurred by the Company in disposing of assets in order to meet Elections made and in realigning the portfolio so as to be substantially similar, in respect of the Rollover Pool to be established pursuant to the Scheme, to that of MUT prior to the Effective Date. The costs of the Proposals payable by Murray Income are expected to be £630,000 inclusive of VAT where applicable. Murray Income, as enlarged, will also pay listing fees in relation to the listing of the New MUT Shares and SDRT to the extent applicable on the acquisition of the Rollover Pool which, based on the Company’s portfolio as at 8 October 2020 (being the latest practicable date prior to the publication of this document) and assuming that no Shareholders exercise their right to dissent from participation in the Scheme and the maximum amount is elected for the Cash Option, is expected to be approximately £2.62 million.

In the event that MUT Shareholders resolve not to proceed to implement the Scheme on the terms described in this document (including if MUT Shareholders do not approve any resolution required to implement the Scheme) then Murray Income will bear the abort costs of both parties.

In the event that PLI Shareholders resolve not to proceed to implement the Scheme on the terms described in this document (including if PLI Shareholders do not approve any resolution required to implement the Scheme) then the Company will bear the abort costs of both parties.

In the event that both of the parties resolve not to proceed to implement the Scheme on the terms described in this document (including if both PLI Shareholders and the MUT Shareholders do not approve any resolutions required to implement the Scheme) then each party will bear its own abort costs.

For the avoidance of doubt, if the Scheme is not implemented the SDRT that would have been payable by MUT, as enlarged, will not be payable, but dealing costs (including SDRT) may still have been incurred by the Company in disposing of assets in order to meet Elections made and in realigning the Company’s portfolio in respect of the Rollover Pool to be established pursuant to the Scheme.

The Liquidators’ retention is estimated at £100,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of the Company. To the extent some or all of the Liquidators’ retention remains when the Liquidators decide to close the liquidation, this will be returned to Shareholders on the register at the Effective Date, together with the cash proceeds of any disposal of the Unquoted Investments, *pro rata* to the number of Shares held by them on such date.

ASFML has agreed to waive the management fee payable by MUT in respect of the net assets transferred to MUT under the Scheme for the first 182 days following the completion of the Scheme. The financial value of this amount (which is estimated at £790,000 based on the Company’s NAV as at 8 October 2020 (being the latest practicable date prior to the publication of this document) and assuming that no Shareholders exercise their right to dissent from participation in the Scheme and the maximum amount is elected for the Cash Option) will be for the benefit of the shareholders

of the enlarged MUT, including those Shareholders who elect for the Rollover Option. For the avoidance of doubt, this amount shall not be taken into account in the calculation of either the PLI FAV per Share or the MUT FAV per Share.

Further details of the Scheme

Entitlements under the Scheme

Under the Scheme, each Shareholder on the Register on the Record Date may elect to receive:

- such number of New MUT Shares as have a value (at the MUT FAV per Share) equal to the proportion of the Rollover Pool attributable to the number of Shares so elected, being the Rollover Option; or
- subject to an overall 20 per cent. cap on such Elections, an amount of cash equal to the Cash NAV per Share multiplied by the number of Shares so elected, being the Cash Option.

Shareholders can make different Elections in respect of different parts of their holdings. To the extent that an Overseas Shareholder would otherwise receive New MUT Shares under the Scheme, either because no Election for the Cash Option was made or because an Excess Application for the Cash Option is scaled back in accordance with the Scheme, then such New MUT Shares will be sold by the Liquidators in the market and the net proceeds paid to the relevant Overseas Shareholder.

After allocating cash, the Unquoted Investments and other assets to the Liquidation Pool to meet all known and unknown liabilities of the Company and other contingencies there shall be appropriated to the Cash Pool and the Rollover Pool the remaining assets of the Company in the manner described in paragraph 3.2 in Part 4 of this document. Such appropriation includes the application of a discount of 2 per cent. to the Residual Net Asset Value attributable to Shares which are elected to receive cash (the “**Cash Option Discount**”). The value arising from the application of the Cash Option Discount shall be allocated to the Rollover Pool for the benefit of Shareholders electing, or deemed to have elected for, the Rollover Option.

The issue of New MUT Shares under the Rollover Option will be effected on a formula asset value for formula asset value (“**FAV**”) basis as at the Calculation Date as described in detail in Part 4 of this document. The Calculation Date for determining the value of the Rollover Pool is expected to be 5.00 p.m. on 12 November 2020. The Record Date for the basis of determining Shareholders’ entitlements under the Scheme is 6.00 p.m. on 6 November 2020.

Illustrative entitlements

For illustrative purposes only, had the Calculation Date been 5.00 p.m. on 8 October 2020 (being the latest practicable date prior to the publication of this document) and assuming that no Shareholders exercise their right to dissent from participation in the Scheme, after deduction of the final interim dividend of 13 pence per Share and assuming the maximum amount is elected for the Cash Option, the Cash NAV per Share would have been 236.55 pence and the PLI FAV per Share would have been 242.59 pence. The Cash NAV per Share and the PLI FAV per Share may be compared with the Company’s share price and cum-income NAV per Share as at 8 October 2020 (being the latest practicable date prior to the publication of this document) which, when adjusted on a *pro forma* basis for the deduction of the final interim dividend of 13 pence per Share, were 221.00 pence and 242.24 pence respectively.

The MUT FAV per Share would have been 798.06 pence which, for the Rollover Option, would have produced a conversion ratio of 0.304 and, in aggregate, 52,003,571 New MUT Shares would have been issued to Shareholders under the Scheme, representing approximately 44.0 per cent. of the issued ordinary share capital of the enlarged Murray Income. Murray Income, as enlarged, would also then have paid listing fees in relation to the listing of the New MUT Shares and SDRT on the acquisition of the Rollover Pool equal to 2.2 pence per MUT Share, which would have resulted in a cum-income NAV per MUT Share of 795.85 pence.

Scaling back of Elections for the Cash Option

The maximum number of Shares that can be elected for the Cash Option is 20 per cent. of the total number of Shares in issue (excluding Shares held in treasury). Shareholders are entitled to elect for the Cash Option in respect of more than 20 per cent. of their individual holdings of Shares (the “**Basic Entitlement**”, such excess amount being an “**Excess Application**”). However, if aggregate Elections have been made for the Cash Option which exceed 20 per cent. of the issued Shares (excluding Shares held in treasury), Shareholders who have made an Election for the Cash Option in excess of their Basic Entitlement shall have their Excess Applications scaled back in a manner which is, as near as practicable, *pari passu* and *pro rata* among all Shareholders who have made such Excess Applications.

In the week commencing 23 November 2020, it is expected that the Liquidators shall distribute to Shareholders who have elected, or are deemed to have elected, for the Cash Option their Cash Entitlements being rounded down to the nearest penny.

PLI Notes

On the Effective Date, the PLI Notes will be novated to MUT and MUT will accept the obligations of the Company in respect of the PLI Notes. The Company will bear all interest under the PLI Notes up to the Calculation Date. The PLI Notes will rank equally with the existing secured notes issued by MUT. Further details on the PLI Notes and the MUT Notes are set out in the MUT Prospectus.

Conditions of the Proposals

Implementation of the Proposals is subject to a number of conditions, including:

- the passing of the Resolutions to be proposed at the First General Meeting and the Resolution to be proposed at the Second General Meeting, or any adjournment of those meetings, and any conditions of such Resolutions being fulfilled;
- the MUT Resolutions being passed and becoming unconditional in all respects;
- the approval of the Financial Conduct Authority and the London Stock Exchange to the Admission of the New MUT Shares to the Official List and to trading on the Main Market of the London Stock Exchange, respectively;
- the conditions under the PLI Note Novation Agreement being satisfied, other than any condition relating to the Scheme becoming effective; and
- the Directors resolving to proceed with the Scheme.

If any condition is not satisfied, the Proposals will not become effective, the Company will not proceed with the winding up and instead will continue in existence and continue to be managed under the current investment policy. In these circumstances, the Directors will reassess the options available to the Company at that time.

General Meetings

The Proposals are conditional, *inter alia*, upon Shareholders’ approval of the Resolutions to be proposed at the First General Meeting and the Second General Meeting. Both General Meetings will be held at the offices of Dickson Minto W.S., 17 Charlotte Square, Edinburgh EH2 4DF.

First General Meeting

The First General Meeting will be held on 9 November 2020 at 11.00 a.m.

The Resolutions to be considered at the First General Meeting (which will be proposed as special resolutions) will, if passed, approve the terms of the Scheme set out in Part 4 of this document, amend the Articles to give effect to the Scheme, authorise the Liquidators to enter into and give effect to the Transfer Agreement with MUT to distribute New MUT Shares to Shareholders in accordance with the Scheme, purchase the interests of any dissenters to the Scheme and authorise the Liquidators to apply to cancel the listing of the Shares with effect from such date as the Liquidators may determine. Each Resolution will require at least 75 per cent. of the votes cast in respect of it, whether in person or by proxy, to be voted in favour to be passed at the First General Meeting. The Scheme will not become effective unless and until, *inter alia*, the Resolution to be proposed at the Second General Meeting has also been passed.

Second General Meeting

The Second General Meeting will be held on 17 November 2020 at 11.00 a.m.

At the Second General Meeting, a special resolution will be proposed which, if passed, will place the Company into liquidation, appoint the Liquidators and agree the basis of their remuneration, instruct the Company Secretary to hold the books to the Liquidators' order, and provide the Liquidators with appropriate powers to carry into effect the amendments to the Articles made at the First General Meeting. The resolution to be proposed at the Second General Meeting is conditional upon the passing of the Resolutions at the First General Meeting, the MUT Resolutions being passed and becoming unconditional in all respects, the approval of the Financial Conduct Authority and the London Stock Exchange to the Admission of the New MUT Shares to the Official List and to trading on the Main Market of the London Stock Exchange, respectively, the conditions under the PLI Note Novation Agreement being satisfied, other than any condition relating to the Scheme becoming effective, and the Directors resolving to proceed with the Scheme. The Resolution will require at least 75 per cent. of the votes cast in respect of it, whether in person or by proxy, to be voted in favour to be passed at the Second General Meeting.

Action to be taken

Before taking any action, Shareholders are recommended to read the further information set out in this document and in the accompanying MUT Prospectus.

Elections

The default option under the Scheme is to receive New MUT Shares meaning that Shareholders who, in respect of all or part of their holding of Shares, do not make a valid Election or who do not make an Election under the Scheme will be deemed to have elected for New MUT Shares in respect of such holding. If you wish to receive New MUT Shares in respect of all of your Shares, there is no need to complete and return a Form of Election (which you will receive if you hold your Shares in certificated form) or to submit a TTE Instruction (if you hold your Shares in uncertificated form).

If you wish to receive cash in respect of all or part of your holding of Shares (subject to the potential scaling back of Elections for the Cash Option), you must either complete and return a Form of Election or submit a TTE Instruction (depending on how your Shares are held) in respect of the number of Shares for which you wish to make an Election for the Cash Option. You will be deemed to have elected to receive New MUT Shares in respect of the remainder of your holding, as well as any scaled back Elections for the Cash Option.

Forms of Proxy

Shareholders will find enclosed a PINK Form of Proxy for use in relation to the First General Meeting and a GREEN Form of Proxy for use in relation to the Second General Meeting.

You are requested to complete the Forms of Proxy in accordance with the instructions printed thereon and return them to Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting. Completion and return of Forms of Proxy will not technically prevent you from attending and voting in person at the General Meetings should you wish to do so. However, given the risks posed by the spread of Covid-19 and in accordance with the provisions of the Company's Articles of Association and Government guidance, including the rules on physical distancing and limitations on public gatherings

in place as at the date of this document, attendance at the General Meetings is unlikely to be possible. Arrangements will be made by the Company to ensure that the minimum number of Shareholders required to form a quorum will attend each General Meeting in order that each meeting may proceed.

If any of the Resolutions to be proposed at the General Meetings are not passed, the Proposals will not proceed and the Company will not be wound up. In these circumstances, the Board will reassess the options available to the Company at that time.

Overseas Shareholders

The attention of Overseas Shareholders is drawn to the paragraph headed "Overseas Shareholders" in Part 3 of this document.

Overseas Shareholders will not receive a copy of the MUT Prospectus unless they have satisfied the Directors and the MUT Directors that they are entitled to receive and hold New MUT Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or Murray Income with any overseas laws, regulations, filing requirements or the equivalent.

No action has been taken or will be taken in any jurisdiction other than the UK where action is required to be taken to permit the distribution of this document and/or the MUT Prospectus. Accordingly, such documents may not be used for the purpose of, and do not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

To the extent that an Overseas Shareholder would otherwise receive New MUT Shares under the Scheme, either because no Election for the Cash Option was made or because an Excess Application for the Cash Option is scaled back in accordance with the Scheme, then such New MUT Shares will be sold by the Liquidators in the market and the net proceeds paid to the relevant Overseas Shareholder.

Taxation

Shareholders are advised to read carefully the section headed "Taxation" in Part 3 of this document which sets out a general guide to certain aspects of current UK tax law and HMRC published practice.

Shareholders who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction other than the UK are strongly advised to consult their own professional advisers.

Recommendation

The Board, which has been so advised by Winterflood Securities Limited, considers the Proposals and the Resolutions to be proposed at the General Meetings to be in the best interests of Shareholders as a whole. In providing advice to the Board, Winterflood has relied on the Board's commercial assessment of the Proposals.

Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolutions to be proposed at the General Meetings, as the Directors intend to do in respect of their own beneficial holdings, which in aggregate amount to 60,000 Shares, representing approximately 0.028 per cent. of the Company's issued share capital (excluding Shares held in treasury) as at 8 October 2020. The Directors intend to roll over their entire beneficial holdings of Shares into New MUT Shares.

The Board cannot, and does not, give any advice or recommendation to Shareholders as to whether, or as to what extent, they should elect for any of the options under the Proposals. The choice between the options available under the Proposals will be a matter for each Shareholder to decide and will be influenced by his or her individual investment objectives and by his or her personal, financial and tax circumstances. Accordingly, Shareholders should, before deciding what action to take, read carefully all the information in this document and in the accompanying MUT Prospectus. Shareholders who are in any doubt as to the contents of this document or the MUT Prospectus or as to the action to be taken should seek their own personal financial advice from their financial adviser authorised under FSMA.

Yours sincerely

Richard Laing
Chairman

PART 2

MURRAY INCOME TRUST PLC

Any investment in Murray Income will be subject to the matters disclosed in the MUT Prospectus which accompanies this document. Accordingly, Shareholders should read the MUT Prospectus and in particular the risk factors contained therein. The information in this Part 2 has been extracted from the MUT Prospectus.

Background

Murray Income is an investment trust which was launched in 1923. As at 8 October 2020, its net asset value was approximately £536.5 million.

Murray Income's investment manager

Murray Income's alternative investment fund manager for the purposes of the AIFM Directive is Aberdeen Standard Fund Managers Limited ("**ASFML**"), which has delegated the day-to-day management of the portfolio to Aberdeen Asset Managers Limited ("**AAML**").

Both ASFML and AAML are subsidiaries of Standard Life Aberdeen plc and operate as part of Aberdeen Standard Investments. ASI is the investment arm of Standard Life Aberdeen plc which was formed in August 2017 from the merger of Standard Life plc and Aberdeen Asset Management PLC. Aberdeen Asset Management PLC was formed in 1983 through a management buy-out and grew significantly through a combination of strategic acquisition and organic growth. It was initially listed on the London Stock Exchange in 1991. Standard Life plc can trace its roots back to 1825 and was initially listed on the London Stock Exchange in 2006. ASI manages £455.6 billion of assets (as at 30 June 2020), on behalf of governments, pension funds, insurers, companies, charities, foundations and individuals across 80 countries. ASI is also one of the largest managers of closed-end companies in the UK and has extensive experience, having been operating in the sector since 1983. It currently manages 23 investment companies, listed in London, with gross assets of over £10.025 billion (as at 8 October 2020) across multiple sectors, from offices in, *inter alia*, Edinburgh, London, Philadelphia, Singapore, Tokyo and Bangkok.

Murray Income is managed by ASI's UK Equities team with Charles Luke as lead portfolio manager and Iain Pyle as deputy. Their CVs are set out below.

The ASI 16-strong UK Equities team has continuous research coverage of the constituents of the FTSE 350 ex-Investment Trusts Index supplemented with additional UK listed companies of interest of similar size. On average, the members of the UK Equities team have in excess of 13 years of experience and a tenure of over 10 years at ASI. The ASI group is committed to having sufficient resource in order to maintain full coverage of the index constituents and not to have to risk attractive investment opportunities slipping through the net. Analysts have a sector focus ensuring an in depth expertise in every part of the market. Their Strong Buy, Buy, Sell and Hold recommendations on every stock under coverage are measured and have a strong long-term track record over almost 20 years of generating alpha.

Charles and Iain are also part of ASI's UK Equity Income portfolio construction group "pod" with the purpose of facilitating an additional layer of peer review relating to income investment decision making across the breadth of ASI's UK Equity Income strategies.

Charles Luke

Charles Luke is a Senior Investment Director in ASI's UK Equities team. Charles has over 20 years' experience managing UK income strategies and has managed Murray Income for over 13 years and the ASI UK Equity Income Fund for the last four years. In addition, he is also responsible for analysing the Business Support Services, Gas & Electricity, Health Equipment & Services sectors. Charles originally joined ASI in 2000. He started his career at Framlington Investment Management in 1998, covering UK equities. Charles graduated with a BA in Economics and Japanese Studies and an MSc in Economic History.

Iain Pyle

Iain is an Investment Director in ASI's UK Equities team. Within his role, he supports Charles Luke in managing Murray Income and is lead manager for Shires Income PLC, the UK Equity High Income Fund and the Bothwell UK Equity Income Fund as well as having sector responsibility for Oil & Gas and Banks. Iain joined ASI's UK Larger Companies team in January 2015. Previously Iain managed the Ireland Pension UK Equity Fund from April 2016, the Pan European Trust from April 2017 and the UK Equity Growth Fund from July 2017 and has been covering analyst for the Pharmaceutical and Healthcare sectors. He is also a member of ASI's Pan-European fund management team. Iain previously worked as a management consultant at PwC. He holds an MSc, Masters in Chemical Engineering, ACA, CFA and is a qualified accountant.

Murray Income's investment objective and policy

Investment objective

Murray Income's investment objective is to aim for a high and growing income combined with capital growth through investment in a portfolio of principally UK equities.

Investment policy

In pursuit of this investment objective, Murray Income's investment policy is to invest in the shares of companies that have potential for real earnings and dividend growth, while at the same time providing an above-average portfolio yield.

The emphasis is on the management of risk and on the absolute return and yield from the portfolio as a whole rather than the individual companies which Murray Income invests in, which is achieved by ensuring an appropriate diversification of stocks and sectors within the portfolio, with a high proportion of assets in strong, well-researched companies.

Murray Income makes use of borrowing facilities to seek to enhance shareholder returns when appropriate.

Delivering the investment policy

Murray Income maintains a diversified portfolio of equity securities of UK and overseas companies with an emphasis on investing in quality companies with good management, strong cash flow, a sound balance sheet and which are generating a reliable earnings stream.

The MUT Investment Manager follows a bottom-up investment process based on a disciplined evaluation of companies through direct visits by its fund managers. Stock selection is the major source of added value, concentrating on quality first, then price. Top-down investment factors are secondary in the investment manager's portfolio construction with diversification rather than formal controls guiding stock and sector weights.

Investment limits

The directors of Murray Income have set investment guidelines within which AAML must operate:

- the portfolio typically comprises between 30 and 70 holdings (but without restricting the company from holding a more or less concentrated portfolio from time to time);
- up to 100 per cent. of gross assets may be invested in UK-listed equities and other securities and up to 20 per cent. of gross assets may be invested in other overseas-listed equities and securities;
- MUT may invest in any market sector, however, the top five holdings may not exceed 40 per cent. of the total value of the portfolio and the top three sectors represented in the portfolio may not exceed 50 per cent. of the portfolio; and
- MUT may invest no more than 15 per cent. of its gross assets in other listed investment companies (including investment trusts).

MUT may use derivatives for the purpose of enhancing portfolio returns and for hedging purposes in a manner consistent with MUT's broader investment policy. The MUT Investment Manager is permitted to invest in options and structured products, provided that any structured product issued in the form of a note or bond has a minimum credit rating of "A".

Gearing policy

The MUT Board is responsible for setting the gearing policy of Murray Income and for the limits on gearing. The MUT Investment Manager is responsible for gearing within the limits set by the MUT Board. The MUT Board has set its gearing limit at a maximum of 25 per cent. of net asset value at the time of drawdown. Gearing is used selectively to leverage MUT's portfolio in order to enhance returns where this is considered appropriate. Particular care is taken to ensure that any financial covenants permit maximum flexibility of investment policy. Significant changes to gearing levels are communicated to MUT Shareholders.

Murray Income's investment process

The MUT Investment Manager's philosophy is that markets are not always efficient. It believes that superior investment returns are therefore attainable by identifying good companies with attractive valuations, defined in terms of the fundamentals that, in AAML's opinion, drive share prices over the long term. The MUT Investment Manager undertakes substantial due diligence before initiating any investment, including company visits, in order to be assured of the quality of the prospective investment.

ASI's scale and reputation as responsible long-term investors in the UK Equity market means it has first-rate access to the companies it researches, through structured meetings and regular conversations with both executive management teams and non-executive directors. The MUT Investment Manager is then careful not to pay too high a price when making the investment. Subsequent to that investment, the MUT Investment Manager keeps in close touch with the investee company, aiming to meet management at least twice a year. Given ASI's long-term fundamental investment philosophy, the MUT Investment Manager would not expect much change in the companies in which Murray Income invests over short periods of time. The MUT Investment Manager does, however, take opportunities offered by what it sees as anomalous price movements within stock markets to either top up or top slice positions, which accounts for the bulk of the activity within the portfolio. As a result, average portfolio turnover for Murray Income will be relatively low compared to other companies in the UK Equity Income sector.

In recognition of the importance of environmental, social and governance ("ESG") considerations to the investment process, dedicated ESG analysts are embedded in regional teams, supported by a central cross-asset-class ESG division.

Murray Income's performance track record

Over the five years ended 31 August 2020, Murray Income has delivered cumulative NAV growth of 36.3 per cent., against the return of the FTSE All Share of 17.3 per cent., representing outperformance of 19 per cent.

	As at 31 August 2020 (p)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	10 years (%)
MUT share price	758.0	-6.5	-3.8	10.9	37.9	109.4
PLI share price	232.0	-15.1	-16.0	-29.9	-30.1	57.5
MUT NAV per share	800.5	-3.5	-4.5	6.6	36.3	113.7
PLI NAV per share	254.1	-19.9	-20.5	-30.6	-23.0	60.8
FTSE All-Share Index	—	-7.6	-12.6	-8.2	17.3	77.6

The net asset value per MUT Share as at 8 October 2020 (being the latest practicable date prior to the publication of this document) was 811.57 pence.

Management fees and ongoing expenses

ASFML receives a monthly management fee of one-twelfth of: 0.55 per cent. per annum of the first £350 million of net assets of MUT reducing to 0.45 per cent. per annum on net assets above £350 million and up to and including £450 million, and 0.25 per cent. per annum on net assets in excess of £450 million.

In addition to management, advisory, administration and secretarial fees referred to in the MUT Prospectus, Murray Income pays all other fees and expenses incurred in the operation of its business which include, *inter alia*, directors' fees and expenses, fees and expenses for the registrar, corporate broker, legal, audit and other professional services, and promotional expenses. The operational costs of the enlarged Murray Income following implementation of the Scheme are estimated to be £3.678 million for the financial year ended 30 June 2021 and £5.028 million for the financial year ended 30 June 2022.

Murray Income dividend policy

As the investment objective of Murray Income is to aim for a high and growing income combined with capital growth, MUT does not have any formal policy to achieve any specified level of dividend in any year. As an investment trust, MUT is required to distribute substantially all of the net revenue arising from its portfolio and currently pays four interim dividends in each calendar year in March, June, September and December. Murray Income has increased its dividend in each of the last 47 years.

Murray Income paid total dividends per ordinary share for the financial year ended 30 June 2020 of 34.25p.

PLI Shareholders rolling over into MUT will not be entitled to receive Murray Income's first dividend in relation to the financial year ending 30 June 2021, which will be declared prior to the Effective Date but such rollover Shareholders will participate in any dividends declared by Murray Income with a record date after the date of the issue of New MUT Shares to them.

Murray Income Board

Upon the Scheme becoming effective, Richard Laing, Alan Giles and Georgina Field, directors of the Company, will join the board of Murray Income as non-executive directors. Neil Rogan, chairman of Murray Income, will remain chairman of the enlarged Murray Income. The board of the enlarged Murray Income will therefore comprise nine directors immediately following implementation of the Scheme. For the purposes of good succession planning, it is the intention that the overall size of the MUT Board will revert to six at the close of the MUT annual general meeting in 2021 and that Richard Laing, Donald Cameron and Jean Park (having by then served nine years on the MUT Board and, in the case of Mr Laing, the Board of PLI) will each retire from the MUT Board by that date.

General

Further details of Murray Income and the New MUT Shares are set out in the accompanying MUT Prospectus.

PART 3

FURTHER DETAILS OF THE PROPOSALS

Implementation of the Scheme

Subject to the passing of the Resolutions (and satisfaction of the other conditions of the Scheme, full details of which are set out in paragraph 14 of Part 4 of this document), the Company will be placed into members' voluntary liquidation and the Scheme will take effect from the Effective Date.

On the Calculation Date the Board shall appropriate to the Liquidation Pool such of the cash, undertaking and other assets of the Company estimated by the Board in consultation with the Liquidators to be sufficient to meet the outstanding current and future liabilities, including contingent liabilities, of the Company, including the costs of the Scheme, a retention to meet unknown and unascertained liabilities of the Company and the entitlements of any Dissenting Shareholders. In addition, all Unquoted Investments held by the Company will be allocated to the Liquidation Pool. Further details of the Liquidation Pool are set out in paragraph 3.2 of Part 4 of this document.

The balance of the cash, undertaking and other assets of the Company will be allocated to the Rollover Pool and the Cash Pool, each of which will represent the respective entitlements of Shareholders to either New MUT Shares or cash in accordance with the Elections made, or deemed to have been made, under the Scheme.

On the Effective Date, the cash, undertaking and other assets of the Company comprising the Rollover Pool, together with the obligations under the PLI Note Agreement, shall be transferred to Murray Income. In consideration for the transfer of the Rollover Pool to Murray Income under the Transfer Agreement, the relevant numbers of New MUT Shares will be allotted to the Liquidators who will renounce the New MUT Shares in favour of the Shareholders who elect or are deemed to have elected for the Rollover Option (save for any Overseas Shareholders).

Shortly following the Effective Date, the Liquidators will distribute the cash held in the Cash Pool to the Shareholders who have elected for the Cash Option in accordance with their respective entitlements under the Scheme.

To the extent that any part of the Liquidation Pool, including the Liquidators' retention, is not subsequently required to discharge the Company's liabilities, it will be distributed in cash to the Shareholders on the Register on the Effective Date.

Transfer Agreement

If the Proposals become effective, the Liquidators (in their personal capacity and on behalf of the Company) will enter into the Transfer Agreement on or around the Effective Date pursuant to which the Rollover Pool will be transferred to Murray Income in consideration for the issue of New MUT Shares to the holders of Reclassified Shares with "A" rights on the basis described in Part 4 of this document. Each of the parties to the Transfer Agreement agrees with and undertakes to the others that, so far as may be within its respective power, it will take all such reasonable steps as may be necessary or desirable to implement the Scheme.

Elections

Ordinary Shares held in uncertificated form (that is, in CREST)

If you hold your Shares 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 make an Election for the Cash Option, specifying Link Group 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 TTE Instruction is received no later than 11.00 a.m. on 5 November 2020.

If you hold Shares in CREST but under different member account IDs, you should submit a separate TTE Instruction in respect of each member account ID.

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 your Shares.

To make an Election for cash for UP TO your Basic Entitlement 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 specification and which must contain, the following details:

- the ISIN number for the Shares. This is GB0006798424;
- the number of Shares in relation to the relevant Election;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, Link Group, in its capacity as a CREST receiving agent. This is: RA10;
- the member account ID of the escrow agent, Link Group. This is: 20869PER;
- the Corporate Action Number for the Scheme. 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 after receipt of your Election and in any event by no later than 11.00 a.m. on 5 November 2020;
- the standard delivery instruction with Priority 80; and
- contact name and telephone number inserted in the shared note field.

To make an Election for cash for MORE THAN your Basic Entitlement, 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 specification and which must contain the following details:

- the ISIN number for the Shares. This is GB0006798424;
- the number of Shares in relation to the relevant Election;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, Link Group, in its capacity as a CREST receiving agent. This is: RA10;
- the member account ID of the escrow agent, Link Group. This is: 20869EXC;
- the Corporate Action Number for the Scheme. 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 after receipt of your Election and in any event by no later than 11.00 a.m. on 5 November 2020;
- the standard delivery instruction with Priority 80; and
- contact name and telephone number inserted in the shared note field.

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 Link Group as your escrow agent until completion or lapsing of the Scheme.

You are recommended to 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 11.00 a.m. on 5 November 2020. 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.

Ordinary Shares held in certificated form

Shareholders who hold their Shares in certificated form (i.e. not in CREST) who wish to make an Election for the Cash Option in respect of all or part of their holding of Shares should complete and sign the enclosed personalised Form of Election, inserting a cross in Box 2A if they wish to receive their Basic Entitlement under the Cash Option or, if they wish to elect for the Cash Option in respect of more or less than their Basic Entitlement, inserting in Box 2B the total number of Shares they wish to elect for the Cash Option and return the Form of Election using the relevant enclosed reply-paid envelope (for use within the UK only) to the Receiving Agent by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal business hourly only) to Link Group Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but, in any event, so as to be received by no later than 11.00 a.m. on 5 November 2020. Forms of Election, once submitted, will be irrevocable without the consent of the Directors.

If you hold Shares in certificated form, but under different designations, you should complete a separate Form of Election in respect of each designation. If you hold Shares in both certificated and uncertificated form, you should complete a Form of Election or a TTE Instruction for each holding (as appropriate).

Shareholders who have any queries in relation to making an Election should contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Settlement and dealings in New MUT Shares

Applications will be made by Murray Income to the Financial Conduct Authority for the New MUT Shares to be admitted to a premium listing on the Official List and to the London Stock Exchange for such shares to be admitted to trading on the premium segment of the Main Market. If the Scheme becomes effective, it is expected that the New MUT Shares will be admitted to the Official List and that the first day of dealings in such securities will be 18 November 2020.

New MUT Shares will be issued in registered form and may be held in either certificated or uncertificated form. Shareholders who held their Shares in certificated form at the Record Date and who have elected (or are deemed to have elected) for New MUT Shares will receive their New MUT Shares in certificated form. It is expected that share certificates in respect of such New MUT Shares will be despatched to the Shareholders entitled thereto during the week commencing 23 November 2020 or as soon as practicable thereafter.

Shareholders who held their Shares in uncertificated form at the Record Date and who have elected (or are deemed to have elected) for New MUT Shares will receive their New MUT Shares in uncertificated form on 18 November 2020, although Murray Income reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by Murray Income's registrar in connection with CREST. Murray Income will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New MUT Shares in uncertificated form.

Fractional entitlements to New MUT Shares issued pursuant to the Scheme will not be issued under the Proposals and entitlements will be rounded down to the nearest whole number. No cash payment shall be made or returned in respect of any fractional entitlements which will be retained for the benefit of MUT.

Cheques in respect of the cash amounts due to Shareholders who elect (or are deemed to have elected) for cash are expected to be despatched to them in the week commencing 23 November 2020. It is expected that Shareholders who hold their Shares in CREST will receive their cash entitlements through CREST in the week commencing 23 November 2020.

Share certificates

Existing certificates in respect of Shares will cease to be of tradable value following suspension of dealings in the Shares.

General

All documents and remittances despatched to or from Shareholders or their appointed agents in connection with the Proposals will be despatched at Shareholders' own risk.

Overseas Shareholders

The issue of New MUT Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders should inform themselves about and observe any legal requirements. In particular:

- the New MUT Shares have not been and will not be registered under the United States Securities Act 1933, as amended, or qualify under applicable United States' state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan or the Republic of South Africa;
- the New MUT Shares have not been and will not be registered under the United States Investment Company Act of 1940, as amended, and investors are not entitled to the benefits of that Act; and
- no offer is being made, directly or indirectly, under the Scheme, in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, or transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States, Canada, Australia, Japan or the Republic of South Africa.

It is the responsibility of Shareholders with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New MUT Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction. Shareholders who are subject to taxation outside the UK should consult their independent financial adviser as soon as possible.

Overseas Shareholders who wish to participate in the Scheme should contact the Company directly if they are able to demonstrate, to the satisfaction of the Directors and the MUT Directors, that they can be issued New MUT Shares without breaching any relevant securities laws. Unless the Directors and the MUT Directors are so satisfied (in their respective absolute discretions), to the extent that an Overseas Shareholder would otherwise receive New MUT Shares under the Scheme, either because no Election for the Cash Option was made or because an Excess Application for the Cash Option is scaled back in accordance with the Scheme, such New MUT Shares will instead be issued to the Liquidators as nominees on behalf of such Overseas Shareholder who will arrange for such shares to be sold promptly by a market maker. The net proceeds of such sales (after deduction of any costs incurred in effecting such sales) will be paid to the relevant Overseas Shareholders entitled to them within 10 Business Days of the date of sale, save that entitlements of less than £5.00 per Overseas Shareholder will be retained by Murray Income for its own account.

Overseas Shareholders will not receive a MUT Prospectus unless they have satisfied the MUT Directors that they are entitled to receive and hold New MUT Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or Murray Income with any overseas laws, regulations, filing requirements or the equivalent.

Dissenting Shareholders

Provided that a Shareholder does not vote in favour of the Resolutions to be proposed at the First General Meeting, such Shareholder may within seven days following the First General Meeting, express his or her dissent to the Liquidators in writing at the registered office of the Company and require the Liquidators to purchase the Shareholder's interest in the Company. The Liquidators will offer to purchase the interests of the Dissenting Shareholders at the realisation value, this being an estimate of the amount a Shareholder would receive per Share in an ordinary winding up of the Company if all of the assets of the Company had to be realised and distributed to Shareholders

after repayment of the liabilities of the Company, including the PLI Notes and any premium in respect of their early repayment. The realisation value of a Share is expected to be significantly below the unaudited cum-income Net Asset Value per Share, in particular after taking into account the redemption premium that would otherwise be payable on the early repayment of the PLI Notes, and the Liquidators will not purchase the interests of Dissenting Shareholders until all other liabilities of the Company have been settled and HMRC has confirmed that it has no objections to the closure of the liquidation.

In order to purchase the interests of any Dissenting Shareholders, the Board, in consultation with the Liquidators, will appropriate an amount of the cash, undertaking and other assets of the Company to the Liquidation Pool which it believes is sufficient to purchase the interests of such Shareholders.

Common Reporting Standard

Investment trusts are required to report the tax residence of their shareholders. Subject to the Scheme becoming effective, those Shareholders of the Company that are not already on the register of Murray Income and who hold their Shares in certificated form, will be sent a document along with their new share certificate in the enlarged Murray Income, which those Shareholders should complete and return to Murry Income's registrar.

Taxation

The information set out below relates to UK taxation applicable to the Company and its Shareholders who are resident in the UK for tax purposes who hold Shares as an investment (this information may not relate to certain categories of Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment who may be taxed differently). The information is based on existing UK taxation law and HMRC published practice in force as at the date of this document and is, therefore, subject to any subsequent changes (possibly with retrospective effect). The information is given by way of general summary only and does not constitute legal or tax advice to any person.

If you are in any doubt about your tax position or if you may be subject to tax in a jurisdiction other than the UK you should consult your professional advisers.

The Company

The Company has obtained approval from HMRC as satisfying the conditions for approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and Chapter 1 of Part 2 of The Investment Trust (Approved Company) (Tax) Regulations 2011.

The Proposals will not prejudice the ability of the Company to retain its investment trust status in respect of the accounting period that ended on 31 March 2020 and in respect of the current accounting period, which will end on the day immediately preceding the Effective Date if the Company is placed into members' voluntary liquidation. Furthermore, the proposed method of winding up the Company and the scheme of reconstruction is such that the Company should remain eligible to be treated as an investment trust for the accounting period which includes the date on which its assets are sold and/or transferred by the Liquidators pursuant to the Transfer Agreement under sections 15 and 16 of The Investment Trust (Approved Company) (Tax) Regulations 2011. Accordingly, the transfer of the Company's assets in the Rollover Pool and the realisation of the Company's assets in the Cash Pool and the Liquidation Pool under the Scheme should not give rise to a liability to UK taxation of chargeable gains for the Company. However, there can be no absolute assurance that investment trust status will be preserved and the absence of such status in any accounting period would mean the Company would be liable to pay UK taxation on its net capital gains in that period.

Shareholders

Reclassified Shares

For the purposes of UK taxation of chargeable gains, a Shareholder should not be regarded as having disposed of their Shares on their reclassification into Shares with "A" rights and Shares with "B" rights (as relevant). Instead, the Shareholder should be regarded as having acquired the

Reclassified Shares at the same time and for the same aggregate base cost as their original holding of Shares.

Where a Shareholder's Shares are reclassified into both Shares with "A" rights and Shares with "B" rights, the Shareholder's base cost in his original holding of Shares will be apportioned by reference to the respective market values of the Shares with "A" rights and Shares with "B" rights received, as at the time the Reclassified Shares are first listed.

Cash Option

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

Rollover Option

The Company has been advised that the exchange of Shares with "A" rights for New MUT Shares pursuant to the Rollover Option should constitute a scheme of reconstruction for the purposes of the UK taxation of chargeable gains, and that such exchange should not constitute a disposal of the Shares with "A" rights for the purposes of the UK taxation of chargeable gains. Instead, the New MUT Shares issued pursuant to the Rollover Option should be treated as replacing the Shares with "A" rights for which they were exchanged and should be treated as having been acquired at the same time and for the same base cost as those Shares with "A" rights are treated as having been acquired.

Any subsequent disposal of the New MUT Shares may result in the holder of those New MUT Shares realising a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains, depending on the holder's particular circumstances.

Liquidation Pool surplus

As provided for in paragraph 9 of Part 4 of this document, any remaining balance in the Liquidation Pool, including any realisation proceeds resulting from the disposal of the Unquoted Investments, after the discharge of the Company's liabilities will be distributed in cash to the Shareholders on the Register on the Effective Date. The receipt of any such payment by a Shareholder should not be regarded as giving rise to any chargeable disposal for the purposes of UK capital gains tax in respect of a Shareholder who is an individual, or UK corporation tax in respect of a Shareholder who is a corporation, provided that the tax base cost of their Shares is in excess of the distribution and the aggregate amount of any such payments received by the Shareholder does not exceed whichever is the greater of: (i) £3,000; and (ii) five per cent. of the value of their Shares on the date the Company enters members' voluntary liquidation. Instead, the amount of any such payment or payments will be deducted from the base cost of the MUT Shares issued to the Shareholder under the Scheme and should be taken into account in the determination of the extent to which a capital gain or allowable capital loss is realised on any subsequent disposal of those MUT Shares.

HMRC Clearance

Shareholders are advised that a clearance has been obtained from HMRC pursuant to section 138 of TCGA that the treatment described above under "Rollover Option" is not to be prevented, by virtue of section 137(1) of TCGA, from applying to them. HMRC has also confirmed that no counteraction notice under section 698 of the Income Tax Act 2007 or section 746 of the Corporation Tax Act 2010 should be served in respect of the transactions.

Dissenting Shareholders

If the Liquidators exercised their discretion to purchase the Shares of a Dissenting Shareholder, the purchase price paid for their Shares will not exceed that which the Dissenting Shareholder would receive on a straightforward winding up of the Company. A Dissenting Shareholder who receives such a cash payment will be treated as disposing of the relevant Shares and may, depending on that Shareholder's particular circumstances, realise a chargeable gain for the purposes of UK taxation of chargeable gains.

ISAs and SIPPS

New MUT Shares are eligible for inclusion in an ISA or SIPP. Accordingly, where Shares currently held within an ISA or SIPP are exchanged for New MUT Shares pursuant to the Rollover Option, those New MUT Shares can generally be retained within the ISA or SIPP, subject to the specific terms applicable to the ISA or SIPP. Similarly, where cash is received pursuant to the Cash Option in respect of Shares held within an ISA or SIPP, that cash may also generally be retained within the ISA or SIPP.

Stamp Duty and Stamp Duty Reserve Tax

It is not expected that any UK stamp duty or SDRT will be payable by the Company or the Shareholders in relation to the liquidation of the Company or on the receipt by Shareholders of New MUT Shares under the Rollover Option. SDRT will be incurred by the Company in relation to the realignment of the Company's investment portfolio prior to the Effective Date and by MUT in relation to the transfer of chargeable assets within the Rollover Pool.

General

All documents and remittances despatched to or from Shareholders or their appointed agents in connection with the Proposals will be despatched at Shareholders' own risk.

PART 4

THE SCHEME

1. Definitions and interpretation

Words and expressions defined on pages 39 to 43 of this document have the same meanings when used in this Scheme. Save as otherwise provided in this Part 4, any Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act shall be disregarded for the purposes of this Part 4 and shall be treated as if those Shares were not in issue.

2. Elections and entitlements under the Scheme

- 2.1. The maximum number of Shares that can be elected for the Cash Option is 20 per cent. of the total number of Shares in issue (excluding Shares held in treasury) as at the Calculation Date. Shareholders are entitled to elect to receive more than 20 per cent. of their individual holdings of Shares (the “**Basic Entitlement**”), such excess amount being an “**Excess Application**”. However, in the event that aggregate Elections have been made for the Cash Option which exceed 20 per cent. of the issued Shares (excluding Shares held in treasury) as at the Calculation Date, Shareholders who have made an Election in excess of their Basic Entitlement shall have their Excess Applications scaled back in a manner which is, as near as practicable, *pari passu* and *pro rata* among all Shareholders who have made such Excess Applications.
- 2.2. Subject to the first Resolution contained in the notice of the First General Meeting being passed and becoming unconditional:
 - 2.2.1. the Shares in respect of which the holders have made, or are deemed to have made (including as a result of scaling back any Excess Applications in accordance with paragraph 2.1 in this Part 4), valid Elections for the Rollover Option will be reclassified as Shares with “A” rights; and
 - 2.2.2. the Shares in respect of which the holders have made, or are deemed to have made (after scaling back any Excess Applications in accordance with paragraph 2.1 in this Part 4), valid Elections for the Cash Option will be reclassified as Shares with “B” rights.
- 2.3. The rights of the Shares following the passing of such Resolutions will be the rights as set out in Article 5.3 to be inserted in the Articles of the Company pursuant to the first Resolution contained in the notice of the First General Meeting and references to Shareholders will be construed accordingly.
- 2.4. In advance of the Effective Date, the Company and/or the AIFM (or their agents) will have, to the extent practicable, realised or realigned the undertaking and business carried on by the Company in accordance with the Scheme and the Elections made or deemed to have been made thereunder so that, so far as practicable, the Company will hold, in addition to assets destined to become the Cash Pool and the Liquidation Pool, investments suitable for transfer to MUT, by virtue of the Transfer Agreement.
- 2.5. Holders of Reclassified Shares with “B” rights will receive the Cash NAV per Share multiplied by the total number of Reclassified Shares with “B” rights held by them and rounded down to the nearest penny.
- 2.6. Holders of Reclassified Shares with “A” rights will receive such number of New MUT Shares as is calculated pursuant to paragraph 8.1 of this Part 4.

3. Apportionment of the Company’s total assets

- 3.1. Subject to the Resolutions contained in the notice of the First General Meeting being passed at such meeting and becoming unconditional, on the Calculation Date, or as soon as possible thereafter, the Directors, in consultation with the proposed Liquidators, shall calculate the aggregate value of the total assets of the Company, the Residual Net Asset Value, the Residual Net Asset Value per Share, the PLI FAV per Share, the Cash Pool NAV and the Cash NAV per Share in accordance with paragraph 4 below.

3.2. On the Calculation Date, or as soon as practicable thereafter, the AIFM in consultation with the Liquidators shall procure the finalising of the division of the Company's undertaking, cash and other assets into three separate and distinct pools, namely the Liquidation Pool, the Cash Pool and the Rollover Pool, as follows and in the following order:

3.2.1. first, there shall be appropriated to the Liquidation Pool cash and other assets of the Company (including, without limitation, the right to receive any and all interest, but not dividends, due but not paid to the Company by the Effective Date and any unquoted assets in the portfolio of the Company (provided that such assets shall be valued at nil)), which the Liquidators may call in, realise and convert into cash as they consider necessary, of a value calculated in accordance with paragraph 4.1 of this Part 4 and estimated by the Liquidators to be sufficient to meet the current and future, actual and contingent liabilities of the Company, including, without prejudice to the generality of the foregoing (and save to the extent that the same have already been paid or already deducted in calculating the total assets of the Company):

- (a) the costs and expenses incurred and to be incurred by the Company and the Liquidators in formulating, preparing and implementing the Proposals and the Scheme and in preparing this document and all associated documents in each case as not otherwise paid prior to the liquidation;
- (b) the costs and expenses incurred and to be incurred by the Company and the Liquidators in preparing and implementing the Transfer Agreement;
- (c) the costs of purchasing (or making provision for the purchase of) the interests of Shareholders who have validly exercised their rights to dissent from the Scheme under section 111(2) of the Insolvency Act;
- (d) any unclaimed dividends of the Company (so far as not previously paid) and any declared but unpaid dividends of the Company;
- (e) the costs and expenses of winding up the Company, including the fees and expenses of the Liquidators;
- (f) the costs and expenses of liquidating the Company (which includes the costs and expenses in relation to the Liquidators maintaining the Company in liquidation until the date of the final meeting of the Company), including the fees and expenses of the Liquidators and the Registrars;
- (g) any tax liabilities of the Company; and
- (h) an amount considered by the Liquidators to be appropriate to provide for any unascertained, unknown or contingent liabilities of the Company (such amount not expected to exceed £100,000 in aggregate),

in each case including any VAT in respect thereof but excluding the liability in respect of the PLI Notes and accrued interest on the PLI Notes up to the Calculation Date; and

3.2.2. second, there shall be appropriated to the Cash Pool and the Rollover Pool all the undertaking, cash and other assets of the Company remaining after the appropriation referred to in paragraph 3.2.1 above on the following basis:

- (a) there shall be first appropriated to the Cash Pool such proportion of the undertaking, cash and other assets as shall equal the Cash Pool NAV as defined in paragraph 4.5 of this Part 4; and
- (b) there shall be appropriated to the Rollover Pool the balance of the undertaking, cash and other assets of the Company and as the Company, acting by its Liquidators in consultation with the other parties to the Transfer Agreement, shall determine as being suitable for the purpose and taking due account of MUT's investment objective and policy,

provided that the value attributable to the Reclassified Shares with “A” rights shall include assets equal to the fair value of the PLI Notes and accrued interest (up to and including the Calculation Date) on the PLI Notes and that the obligations of the Company in respect of the PLI Notes (including interest accrued up to the Calculation Date) shall be allocated to the Rollover Pool.

- 3.3. Interest, income and other rights or benefits accruing in respect of any of the undertaking, cash or other assets comprised in any of the Liquidation Pool, Cash Pool or Rollover Pool shall form part of that pool, provided that any income, dividend, distribution, interest or other right or benefit on any investment marked “ex” the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Calculation Date shall be deemed to form part of the Liquidation Pool.

Calculations of value

- 4.1. Except as otherwise provided in the Scheme, for the purposes of calculating the value of the Company’s assets at any time and date at which the calculation of value is required by the Scheme, the assets and liabilities of the Company shall be valued on the following basis:

- 4.1.1. investments which are listed, quoted or traded on any recognised stock exchange will be valued by reference to the bid price on the principal stock exchange where the relevant investment is listed, quoted or traded at the Relevant Time and according to the prices shown by the relevant exchange’s method of publication of prices for such investments or, in the absence of such recognised method by the latest price available prior to the Relevant Time. If the relevant exchange is not open for business at the Relevant Time, the investments will be valued as at the latest day prior to the relevant date on which the relevant stock exchange was open for business;
- 4.1.2. quoted investments which are subject to restrictions on transferability or which, in the opinion of the Directors (or a duly constituted committee thereof) are otherwise illiquid shall be valued at their fair value as determined by the Directors and any unquoted assets shall be valued at nil;
- 4.1.3. cash and deposits with, or balances at, a bank together with all bills receivable, money market instruments and other debt securities not included in paragraphs 4.1.1 or 4.1.2 above and held by the Company as at the Relevant Time will be valued at par (together with interest accrued up to the Calculation Date);
- 4.1.4. any sums owing from debtors (including any dividends due but not paid and any accrual of interest on debt-related securities to the extent not already taken into account under paragraphs 4.1.1 and 4.1.2 above) as at the Relevant Time shall be valued at their actual amount less such provision for diminution of value (including provisions for bad or doubtful debts or discount to reflect the time value of money) as may be determined by the Directors;
- 4.1.5. assets denominated in currencies other than sterling will be converted into sterling at the closing mid-point rate of exchange of sterling and such other currencies prevailing as at the Relevant Time as may be determined by the Directors; and
- 4.1.6. liabilities shall be valued in accordance with the Company’s normal accounting policies where, for the avoidance of doubt the PLI Notes shall be valued at fair value.

In this paragraph 4.1, the Relevant Time means the time and date at which any calculation of value is required by the Scheme to be made. The Directors shall consult with the Liquidators in making determinations pursuant to this paragraph 4.1.

- 4.2. Notwithstanding the foregoing, the Directors or a duly authorised committee thereof, may, in their absolute discretion (but in consultation with the Liquidators), permit an alternative method of valuation to be used if, acting in good faith, they consider that such valuation better reflects the fair value of any asset or security.

- 4.3. None of the Directors, the AIFM, the MUT Directors, the MUT Investment Manager nor the Liquidators shall be under any liability by reason of the fact that a price reasonably believed to be the appropriate market price of any listed investment or any valuation reasonably believed to be appropriate may subsequently be found not to have been the appropriate market price or valuation, except in the case of fraud or bad faith.
- 4.4. The Residual Net Asset Value shall be equal to the gross assets of the Company as at the Calculation Date less the fair value of the PLI Notes as at the Calculation Date (including accrued interest on the PLI Notes up to and including the Calculation Date) and less the value of the cash and other assets appropriated to the Liquidation Pool in accordance with paragraph 3.2.1 above. The Residual Net Asset Value per Share shall be equal to the Residual Net Asset Value divided by the number of Shares in issue as at the Calculation Date (excluding any Shares held in treasury) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down).
- 4.5. The Cash NAV per Share shall be equal to the Residual Net Asset Value per Share less a discount of 2 per cent. (the "**Cash Option Discount**") (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down). The Cash Pool NAV shall be equal to the Cash NAV per Share multiplied by the total number of Reclassified Shares with "B" rights.
- 4.6. The PLI FAV per Share shall be equal to the difference between the Residual Net Asset Value and the Cash Pool NAV divided by the total number of Reclassified Shares with "A" rights (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down).

5. Provision of information by the Liquidators

- 5.1 On the Calculation Date, or as soon as practicable thereafter, the Company shall procure that there shall be delivered to MUT (or its nominee) particulars of the undertaking, cash and other assets comprising the Rollover Pool in accordance with the terms of the Transfer Agreement.
- 5.2 On the Effective Date, or as soon as practicable thereafter, the Liquidators shall procure that there shall be delivered to MUT (or its nominee) particulars of the undertaking, cash and other assets comprising the Rollover Pool in accordance with the terms of the Transfer Agreement and a list, certified by the Registrars, of the names and addresses of each holder of Reclassified Shares with "A" rights and the number of Reclassified Shares with "A" rights held by each of them.

6. Transfer of assets and liabilities

- 6.1. On the Effective Date, or as soon as practicable thereafter, the Liquidators (in their personal capacity and on behalf of the Company) shall enter into and implement the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto), whereby the Liquidators shall procure the transfer of the cash, undertaking and other assets (and the obligations under the PLI Note Novation Agreement) of the Company comprising the Rollover Pool to MUT (or its nominee) in consideration for the issue of New MUT Shares to the Liquidators (as nominees for the Shareholders entitled to them), such shares to be renounced by the Liquidators in favour of the holders of Reclassified Shares with "A" rights on the basis referred to in paragraph 8 below.
- 6.2. The Transfer Agreement provides that the assets to be transferred to MUT shall be transferred with such rights and title as the Company may have in respect of the same or any part thereof subject to and with the benefit of all and any rights, restrictions, obligations, conditions and agreements affecting the same or any part thereof, including the right to all income, dividends, distributions, interest and other rights and benefits attaching thereto or accruing therefrom. The Transfer Agreement further provides that the Company, acting by the Liquidators, insofar as they are reasonably able to do so by law or otherwise, shall comply with all reasonable requests made by MUT (or its nominee) in respect of the cash, undertaking and other assets of the Company to be acquired and shall, in particular, account to MUT for all income, dividends, distributions, interest and other rights and benefits in respect of such cash, undertaking and other assets, received after the Effective Date.

7. Distribution of the Cash Pool

Cash entitlements payable to the holders of Reclassified Shares with “B” rights shall be distributed by the Liquidators, through Link Group and pursuant to the Scheme, in cash to each such holder who has elected for the Cash Option in proportion to its respective holding of Reclassified Shares with “B” rights which shall be equal to such Shareholder’s entitlement to the net realisation proceeds of the Cash Pool pursuant to the Scheme (the “**Cash Entitlement**”) and rounded down to the nearest penny.

8. Issue of New MUT Shares

8.1. In consideration for the transfer of the Rollover Pool to MUT in accordance with paragraph 6 above, the New MUT Shares shall be issued to holders of Shares with “A” rights on the basis that the number of such shares to which each such holder is entitled shall be determined in accordance with the following formula (rounded down to the nearest whole number of New MUT Shares):

$$\text{Number of New MUT Shares} = \frac{A}{B} \times C$$

where:

A is the PLI FAV per Share

B is the MUT FAV per Share;

C is the aggregate number of Reclassified Shares with “A” rights held by the relevant Shareholder.

8.2. No value shall be attributable to Shares held in treasury by the Company. Fractions of New MUT Shares will not be issued under the Scheme and entitlements to such New MUT Shares will be rounded down to the nearest whole number. Any assets representing a fraction of the entitlements of holders of Reclassified Shares with “A” rights and whose holding of New MUT Shares is rounded down shall be retained by MUT and represent an accretion to its assets.

8.3. The New MUT Shares to be issued pursuant to paragraph 8.1 will be allotted, credited as fully paid, to the Liquidators (as nominee for the Shareholders entitled thereto) as soon as practicable after the delivery to MUT (or its nominee) of the particulars referred to in paragraph 5.2 above, whereupon the Liquidators will renounce the allotments of New MUT Shares in favour of Shareholders entitled to them under the Scheme. On such renunciation, MUT will issue the New MUT Shares to the Shareholders entitled thereto. MUT shall:

(a) in the case of the New MUT Shares issued in certificated form, arrange for the despatch of certificates for such shares issued under the Scheme to the Shareholders entitled thereto at their respective addresses in the Register (and, in the case of joint holders, to the address of the first-named) or to such other person and address as may be specified by such persons in writing, in each case at the risk of the persons entitled thereto; and

(b) in the case of the New MUT Shares issued in uncertificated form, procure that Euroclear is instructed on the Business Day following the Effective Date (or as soon as practicable thereafter) to credit the appropriate stock accounts in CREST of the Shareholders entitled thereto with their respective entitlements to New MUT Shares issued under the Scheme.

8.4. MUT shall be entitled to assume that all information delivered to it in accordance with paragraph 8.3 above is correct and to utilise the same in procuring registration in the MUT register of members of the holders of the New MUT Shares issued under the Scheme.

9. Application of Liquidation Pool

On or following the Effective Date, the Liquidation Pool shall be applied by the Company (acting by the Liquidators) in discharging the liabilities of the Company and the Liquidators shall seek to realise the Unquoted Investments in an orderly manner. The remaining balance of the Liquidation

Pool, if any, shall be distributed in cash by the Liquidators pursuant to the Scheme, to all Shareholders (excluding Shares held in treasury) (in each case being those Shareholders on the Effective Date in proportion to the respective holdings of Shares on the Effective Date other than those Dissenting Shareholders) provided that if any such amount payable to any Shareholder is less than £5.00, it shall not be paid to Shareholders but instead shall be paid by the Liquidators to the Nominated Charity. The Liquidators will also be entitled to make interim payments to Shareholders in proportion to their holdings of Shares. The Liquidators shall only make such distribution if there is sufficient cash available and if the Liquidators are of the view that it is cost effective to make an interim distribution. For these purposes, any Shares held by Dissenting Shareholders will be ignored.

10. Forms of Election

For the purposes of the Forms of Election, the provisions of which form part of the Scheme:

- 10.1. if, on any Form of Election, the total of a Shareholder's Elections is greater than his/her actual holding as at the Record Date, each Election made by such Shareholder on that Form of Election shall be decreased, *pro rata* where more than one Election is made, in respect of the relevant Election, so that the total of such Election(s) shall equal their total holding and, in any such case, such decreased Election(s) shall be deemed to be the Election(s) made by such Shareholder on the Form of Election for all purposes of this Scheme;
- 10.2. if, on any Form of Election, the total of a Shareholder's Elections is less than their actual holding as at the Record Date, then for the balance of such Shareholder's Shares, that Shareholder will be deemed to have elected for the Rollover Option;
- 10.3. a Shareholder who makes no Election by the due date, or in respect of whom no Form of Election has been duly and validly completed in accordance with the instructions therein, shall be deemed to have made an Election for the Rollover Option in respect of all of the Shares held by him/her for all purposes of the Scheme;
- 10.4. by signing and delivering a Form of Election and in consideration of the Company agreeing to process the Form of Election, a Shareholder agrees that the Election made on the Form of Election will be irrevocable (other than with the consent of the Directors) and, by such signature and delivery, such Shareholder represents and warrants that his Election is valid and binding and is made in accordance with all applicable legal requirements (including the requirements of any applicable jurisdiction outside the UK); and
- 10.5. any questions as to the extent (if any) to which Elections will be met and as to the validity of any Form of Election shall be at the discretion of the Directors, whose determination shall be final.

11. Modifications

The provisions of the Scheme will have effect subject to such non-material modifications or additions as the Directors and the parties to the Transfer Agreement may from time to time approve in writing.

12. Reliance on information

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

13. Liquidators' liability

Nothing in the Scheme or in any document executed under or in connection with the Scheme will impose any personal liability on the Liquidators or either of them save for any liability arising out of

any negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties and this will, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme, the Transfer Agreement or any act which the Liquidators do or omit to do at the request of MUT.

14. Conditions

14.1. The Scheme is conditional upon:

14.1.1. the passing of the Resolutions to be proposed at the First General Meeting and the Resolution to be proposed at the Second General Meeting or any adjournment of those meetings and upon any conditions of such Resolutions being fulfilled;

14.1.2. the MUT Resolutions being passed and becoming unconditional in all respects;

14.1.3. the Financial Conduct Authority, having acknowledged to Murray Income or its agents (and such acknowledgement not having been withdrawn) that the application for the Admission of the New MUT Shares to the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as notice of admission to the Official List has been issued by the Financial Conduct Authority and any listing conditions having been satisfied and the London Stock Exchange having acknowledged to Murray Income or its agents (and such acknowledgement not having been withdrawn) that the New MUT Shares will be admitted to trading on the Main Market, subject only to allotment;

14.1.4. the PLI Note Novation Agreement becoming unconditional in all respects, other than any condition relating to the Scheme becoming effective; and

14.1.5. the Directors resolving to proceed with the Scheme.

14.2. In the event that any of conditions 14.1.1 (other than in respect of the Second General Meeting), 14.1.2, 14.1.3, 14.1.4 or 14.1.5 fails to be satisfied, the Second General Meeting will be adjourned indefinitely and the Scheme will lapse.

14.3. Subject to paragraphs 14.1 and 14.5, the Scheme will become effective on the date on which the special resolution for the winding up of the Company to be proposed at the Second General Meeting (or any adjournment thereof) is passed.

14.4. If it becomes effective, the Scheme will, subject to the rights of any Shareholders who have validly exercised their rights under section 111(2) of the Insolvency Act, be binding on all Shareholders and on all persons claiming through or under them.

14.5. Unless the conditions set out in paragraph 14.1 have been satisfied or, to the extent permitted, waived by both the Company and MUT at or before 31 December 2020, the Scheme shall not become effective.

14.6. An application will be made to the FCA for the listing of the Reclassified Shares to be suspended, subject to paragraphs 14.1.1, 14.1.2, 14.1.4 and 14.1.5 above, at 7.30 a.m. on 17 November 2020 and it is intended that subject to paragraph 14.1, such listing will be cancelled with effect from or as soon as possible after the Effective Date, or such other date as the Liquidators will determine.

15. Overseas Shareholders

15.1. Any New MUT Shares allotted to the Liquidators and which would otherwise be issued to an Overseas Shareholder pursuant to the Scheme will instead be issued to the Liquidators as nominees on behalf of such Overseas Shareholder who will arrange for such shares to be sold promptly by a market maker, in circumstances in which the Liquidators and/or MUT acting reasonably consider that any such issue of New MUT Shares to those Shareholders would or may involve a breach of the securities laws or regulations of any jurisdiction, or if the Liquidators and/or MUT reasonably believes that the same may violate any applicable legal or regulatory requirements or may require MUT to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Liquidators and/or MUT, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Overseas Shareholders are permitted to hold New MUT Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that MUT would

not be subject to any additional regulatory requirements to which it would not be subject but for such issue). The net proceeds of such sales (after deduction of any costs incurred in effecting such sales) will be paid to the relevant Overseas Shareholders entitled to them within 10 Business Days of the date of sale, save that entitlements of less than £5.00 per Overseas Shareholder will be retained by MUT for its own account.

15.2. The provisions of this Scheme relating to Overseas Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Directors and the MUT Directors in their respective absolute discretions.

16. General

16.1. Any instructions for the payment of dividends on Shares in force on the Effective Date and lodged with the Company and/or the Registrars shall, unless and until revoked by notice in writing to the Registrars, continue to apply in respect of distributions or allocations of, or the other application of, monies under the Scheme or in respect of the issue of New MUT Shares under the Scheme.

16.2. If, within seven days after the passing of the Resolutions proposed at the First General Meeting, Shareholders validly exercise their rights under section 111(2) of the Insolvency Act 1986 in respect of more than 10 per cent. in nominal value of the issued Shares, the Directors (or a duly authorised committee thereof) may, but will not be obliged to, resolve not to proceed with the Scheme. Any such resolution by the Directors (or a duly authorised committee thereof) will only be effective if passed prior to the passing of the Resolution for winding-up the Company to be proposed at the Second General Meeting (or any adjournment thereof).

16.3. Shares which are held in treasury by the Company shall not have any entitlements under the Scheme.

16.4. The Scheme shall be governed by, and construed in accordance with, the laws of England.

PART 5

RISK FACTORS

The risks referred to in this Part 5 are the material risks known to the Directors at the date of this document which the Directors believe Shareholders should consider prior to deciding how to cast their votes on the Resolutions at the General Meetings. Any investment in Murray Income (pursuant to the Scheme or otherwise) will be governed by the MUT Prospectus and the MUT Articles. Accordingly, Shareholders are strongly advised to read the MUT Prospectus and, in particular, the risk factors contained therein. Shareholders in any doubt about the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 without delay.

The Scheme

Implementation of the Proposals is conditional, *inter alia*, upon the Resolutions being passed at the General Meetings, the novation of the PLI Notes to MUT and the MUT Resolutions being passed by the shareholders of Murray Income. In the event that any of the Resolutions to be proposed at the General Meetings are not passed, or any other condition of the Proposals is not met, the Proposals will not be implemented. The Board will then consider alternative proposals for the future of the Company, the implementation of which would likely result in additional costs being incurred.

In the event that the Company resolves not to proceed to implement the Scheme on the terms described in this document (including if Shareholders do not approve any resolution required to implement the Scheme) then the Company will bear the abort costs of both parties.

If a Shareholder wishes to elect for more than their Basic Entitlement and total Elections for the Cash Option made by all Shareholders are greater than 20 per cent. of the total issued Shares then such Shareholder's Election will be scaled back resulting in such Shareholder (other than Overseas Shareholders) receiving New MUT Shares instead of cash in respect of part of their holding of Shares.

It is anticipated that equity stock markets will remain volatile over the near term and during the period of the realignment of the Company's portfolio, which could result in the Company's portfolio performing differently from others in its peer group. Over this period there may be less liquidity in stock markets which could adversely affect the performance of the Company during the realignment process and when realising investments to fund the Cash Option.

Dissenting Shareholders

The Liquidators will offer to purchase the holdings of any Dissenting Shareholders at the realisation value, this being an estimate of the amount a Shareholder would receive per Share in an ordinary winding up of the Company if all of the assets of the Company had to be realised and distributed to Shareholders. The realisation value of a Share is expected to be significantly below the latest unaudited cum-income NAV per Share given the anticipated costs that would be incurred in a full realisation process and the redemption of the PLI Notes.

Murray Income

Any investment in New MUT Shares issued by Murray Income will be governed by the MUT Prospectus and the MUT Articles. Shareholders should read the full text of the MUT Prospectus, including the section containing risk factors.

An investment in Murray Income is suitable only for investors who are capable of evaluating the risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment (which may be equal to the whole amount invested).

Shares in Murray Income are designed to be held over the long-term and may not be suitable as short-term investments. The value of an investment in Murray Income and the income derived from it, if any, may go down as well as up. There can be no guarantee that any appreciation in the value of Murray Income's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of Murray Income will be achieved or provide the returns sought by Murray Income.

The past performance of Murray Income is not a guide to its future performance.

Shareholders should be aware that if Murray Income were to be wound up before the PLI Notes (following novation to Murray Income) or MUT Notes mature, a 'make whole' penalty cost materially in excess of the current fair value in respect of each of the PLI Notes and the MUT Notes would be payable.

Murray Income has a board of non-executive directors and has no employees. Murray Income is dependent on the skills and experience of the MUT Investment Manager to manage its investments, in particular MUT is reliant on Charles Luke, the lead portfolio manager. If the MUT Investment Manager ceases to act as Murray Income's investment manager or if key personnel cease to remain with the MUT Investment Manager or be involved in the management of Murray Income's portfolio, there is no assurance that suitable replacements will be found. If this occurs there may be an adverse effect on the performance of Murray Income and the value of the MUT Shares.

The price of shares in an investment trust is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount or premium to the net asset value per MUT Share. This discount or premium is itself variable as conditions for supply and demand for MUT Shares change. This can mean that the price of a MUT Share can fall when the net asset value per share rises, or vice versa.

Murray Income is a closed-ended vehicle. Accordingly, Shareholders will have no right to have their New MUT Shares repurchased at any time. Shareholders wishing to realise their investment in Murray Income may therefore be required to dispose of their New MUT Shares in the market. Although the MUT Shares are listed on the Official List and admitted to trading on the Main Market, there can be no guarantee that a liquid market in the MUT Shares will exist or be maintained. Accordingly, Shareholders may be unable to realise their New MUT Shares at the quoted market price (or at the prevailing net asset value per New MUT Share).

Taxation

Representations in this document concerning the taxation of Shareholders are based on current UK taxation law and HMRC published practice, which are subject to change (possibly with retrospective effect). The information in this document relating to UK taxation law and HMRC published practice is given by way of general summary and does not constitute legal or tax advice to Shareholders. The Board has been advised that the Scheme should be treated as a scheme of reconstruction for the purposes of UK taxation of capital gains. Clearance has been granted by HMRC under section 138 of TCGA that section 136 of TCGA will not be prevented from applying to the scheme by virtue of section 137(1) of TCGA. HMRC have also advised that no counteraction notice under section 698 of the Income Tax Act 2007 nor under section 746 of the Corporation Tax Act 2010 (counteraction notices) should be served in respect of the transactions.

However, a subsequent disposal of MUT Shares will constitute a disposal for UK tax purposes and may, depending on a Shareholder's particular circumstances, give rise to a liability to UK taxation.

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

PART 6

ADDITIONAL INFORMATION

1. Transfer Agreement

Provided that all the conditions to the Scheme are satisfied and the Scheme becomes effective, the Company will enter into the Transfer Agreement with the Liquidators (in their personal capacity) and Murray Income pursuant to the Scheme. The Transfer Agreement is, as at the date of this document, in a form agreed between the Company, the Liquidators and Murray Income. The Transfer Agreement provides, among other things, that the cash, undertaking and other assets of the Company in the Rollover Pool are to be transferred to Murray Income in consideration for the allotment by Murray Income of New MUT Shares to the Liquidators, as nominees for Shareholders entitled to them in accordance with the Scheme. Thereafter, the Liquidators will renounce the allotments of the New MUT Shares in favour of such Shareholders and such New MUT Shares will be issued by Murray Income to such Shareholders pursuant to the Scheme. The Transfer Agreement excludes any liability on the part of the Liquidators for entering into and carrying into effect the Transfer Agreement, save for any liability arising out of negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties.

The Transfer Agreement will be available for inspection as stated in paragraph 4 below.

2. Dissenting Shareholders

The Scheme is a reconstruction to which section 111(2) of the Insolvency Act applies. Under section 111(2) of the Insolvency Act, any Shareholder who does not vote in favour of the Resolutions to approve the Scheme to be proposed at the First General Meeting may, within seven days of the passing of the Resolutions at the First General Meeting, express their dissent in writing to the proposed Liquidators at the registered office of the Company for the attention of the proposed Liquidators (such Shareholder being a "**Dissenting Shareholder**"). If Dissenting Shareholders validly exercise their rights under section 111 in respect of more than ten per cent. of, in aggregate, the issued Share capital of the Company, the Directors have discretion under the Scheme to decide that the Scheme should not proceed. The purchase price for such Dissenting Shareholders' Shares will not exceed that which the Dissenting Shareholder(s) would receive on a straightforward winding up of the Company and will be paid once all liabilities have been settled in the liquidation.

3. Miscellaneous

- 3.1 Winterflood has given and not withdrawn its written consent to the inclusion of its name and references to it in this document in the form and context in which they appear.
- 3.2 The Liquidators have given and not withdrawn their written consent to the inclusion of their names and references to them in this document in the form and context in which they appear.
- 3.3 As at close of business on 8 October 2020, the Company held 26,579,019 Shares in treasury (representing approximately 11.06 per cent. of the issued share capital of the Company).

4. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company from the date of this document up to and including the close of business on the Effective Date:

- 4.1 the Articles of Association of the Company (containing the full terms of the amendments proposed to be made at the First General Meeting);
- 4.2 the MUT Prospectus;
- 4.3 the MUT Articles;
- 4.4 letters of undertaking from the Liquidators and MUT to enter into the Transfer Agreement;
- 4.5 the Transfer Agreement, in a form agreed amongst the Company, the Liquidators and MUT as at the date of this document;

- 4.6 the letters of consent from Winterflood and the Liquidators referred to in paragraphs 3.1 and 3.2 of this Part 6 respectively; and
- 4.7 this document, the Form of Election and the Forms of Proxy.

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

12 October 2020

DEFINITIONS

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

AAML or MUT Investment Manager	Aberdeen Asset Managers Limited
Aberdeen Standard Investments or ASI	the brand name for the asset management businesses of Standard Life Aberdeen plc
Admission	the admission of the New MUT Shares to be issued pursuant to the Scheme to listing on the premium segment of the Official List and to trading on the Main Market
AIFM	Invesco Fund Managers Limited, the Company's alternative investment fund manager
AIFM Directive or AIFMD	Directive 2011/61/EU of the European Parliament and of the Council on alternative investment fund managers
"A" rights	the rights attaching to Shares in respect of which the holders have made or are deemed to have made valid Elections for the Rollover Option
Articles or Articles of Association	the articles of association of the Company, as amended from time to time
ASFML	Aberdeen Standard Fund Managers Limited, MUT's alternative investment fund manager
Basic Entitlement	subject to the Scheme becoming effective in accordance with its terms, the entitlement of each Shareholder to elect for, and have accepted in full an Election for, the Cash Option in respect of up to 20 per cent. by number of their holding of Shares as at the Calculation Date
Board or Directors	the directors of the Company
"B" rights	the rights attaching to Shares in respect of which the holders have made or are deemed to have made valid Elections for the Cash Option
Business Day	a day on which the London Stock Exchange is open for business
Calculation Date	the time and date to be determined by the Directors (but expected to be 5.00 p.m. on 12 November 2020), at which the value of the Company's assets and liabilities will be determined for the creation of the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the Residual Net Asset Value, the Residual Net Asset Value per Share, the PLI FAV per Share, the MUT FAV per Share, the Cash Pool NAV and the Cash NAV per Share will be calculated for the purposes of the Scheme
Cash Entitlement	in respect of any Shareholder who elects for the Cash Option and to the extent that Election is accepted, an amount equal to such Shareholder's entitlement to the net realisation proceeds of the Cash Pool pursuant to the Scheme
Cash NAV per Share	the Residual Net Asset Value per Share less the Cash Option Discount (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
Cash Option	the option for Shareholders to receive cash under the terms of the Scheme
Cash Option Discount	a discount of two per cent.
Cash Pool	the fund comprising the pool of assets attributable to the Reclassified Shares with "B" rights

Cash Pool NAV	the Cash NAV per Share multiplied by the total number of Reclassified Shares with “B” rights
certificated or in certificated form	a share or other security which is not in uncertificated form
Companies Act	the Companies Act 2006, as amended from time to time
Company or PLI	Perpetual Income and Growth Investment Trust plc, a public limited company incorporated in England and Wales with registered number 03156676 and whose registered office is at Perpetual Park, Perpetual Park Drive, Henley On Thames, Oxfordshire, RG9 1HH
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
CREST Manual	the compendium of documents entitled the “CREST Manual” issued by Euroclear from time to time
Dissenting Shareholder	a Shareholder who has validly dissented from the Scheme pursuant to section 111(2) of the Insolvency Act
EEA State	a member state of the European Economic Area
Effective Date	the date on which the Scheme becomes effective (which is expected to be 17 November 2020)
Election	the choice made by a Shareholder for the Rollover Option and/or the Cash Option pursuant to the Scheme (including, where the context so permits, a deemed choice for the Rollover Option or the Cash Option) and any reference to “elect” shall, except where the context requires otherwise, mean “elect or is deemed to elect”
Euroclear	Euroclear UK & Ireland Limited in its capacity as the operator of CREST
Excess Applications	that portion of an Election by a Shareholder for the Cash Option that exceeds that Shareholder’s Basic Entitlement
FCA	the United Kingdom Financial Conduct Authority or any successor entity or entities
First General Meeting	the general meeting of the Company convened for 11.00 a.m. on 9 November 2020 or any adjournment of that meeting
Form of Election	the form of election for use by Shareholders holding their Shares in certificated form in relation to the Scheme, which accompanies this document
Form(s) of Proxy	the form(s) of proxy for use by Shareholders at the First General Meeting and/or the Second General Meeting, as the context requires, which accompany this document
FSMA	the Financial Services and Markets Act 2000, as amended from time to time
General Meetings	the First General Meeting and/or the Second General Meeting, as the context requires
HMRC	HM Revenue & Customs
Insolvency Act	the Insolvency Act 1986, as amended
ISA	an individual savings account
Liquidation Pool	the pool of cash and other assets to be retained by the Liquidators to meet all known and unknown liabilities of the Company and

	other contingencies, as provided in paragraph 3.2 of Part 4 of this document
Liquidators	the liquidators of the Company being, initially, the persons appointed jointly and severally upon the resolution to be proposed at the Second General Meeting becoming effective
Listing Rules	the listing rules of the FCA made pursuant to section 73A of FSMA
London Stock Exchange	London Stock Exchange plc
Main Market	the main market for listed securities operated by the London Stock Exchange
Murray Income or MUT	Murray Income Trust plc, a public limited company incorporated in Scotland with registered number SC012725 and whose registered office is at 1 George Street, Edinburgh EH2 2LL
MUT Articles	the articles of association of MUT
MUT Board or MUT Directors	the directors of Murray Income
MUT FAV	the net asset value of MUT calculated as at the Calculation Date in accordance with its normal accounting policies, on a cum income basis adjusted for debt calculated at fair value post the costs of the Proposals (other than listing fees and SDRT) and adjusted to exclude any dividends declared but not paid prior to the Effective Date by MUT to MUT Shareholders
MUT FAV per Share	the MUT FAV divided by the number of MUT Shares in issue (excluding treasury shares) as at the Calculation Date (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
MUT GM	the general meeting of MUT convened for 9 November 2020 at 10.30 a.m. or any adjournment thereof
MUT Notes	£40,000,000 2.51 per cent. senior secured notes due 8 November 2027
MUT Prospectus	the prospectus dated on or around 12 October 2020 relating to the issue of New MUT Shares pursuant to the Scheme
MUT Resolutions	the resolutions to be proposed at the MUT GM to, <i>inter alia</i> , sanction the issue of New MUT Shares by MUT pursuant to the Scheme
MUT Shareholders	holders of MUT Shares, including holders of the New MUT Shares if the context requires
MUT Shares	ordinary shares of 25 pence each in the capital of Murray Income including the New MUT Shares following their issue if the context requires
NAV or net asset value	the gross assets of the Company or MUT, as appropriate, less its liabilities (including provisions for such liabilities) determined by the relevant board of directors in their absolute discretion in accordance with the accounting principles adopted by that company
New MUT Shares	the ordinary shares of 25 pence each in MUT to be issued to Shareholders pursuant to the Scheme
Nominated Charity	Association of NHS Charities, registered charity number 1186569
Official List	the Official List maintained by the FCA
Overseas Shareholder	save as otherwise determined by the Directors pursuant to paragraph 15 of Part 4 of this document, Shareholders who

	have a registered address outside or who are resident in, or citizens, residents or nationals of, jurisdictions outside the United Kingdom, the Channel Islands and the Isle of Man
PLI FAV per Share	the difference between the Residual Net Asset Value and the Cash Pool NAV divided by the total number of Reclassified Shares with “A” rights (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
PLI Note Novation Agreement	the deed of novation and amendment to be entered into amongst the Company, Murray Income, the PLI Noteholders and the Security Trustee in order to effect the novation of the PLI Notes to MUT
PLI Noteholders	the holders of the PLI Notes
PLI Notes	£60,000,000 4.37 per cent. senior secured notes due 8 May 2029
Proposals	the proposals for the members’ voluntary liquidation and scheme of reconstruction of the Company, as set out in this document
Reclassified Shareholders	holders of Reclassified Shares
Reclassified Shares	the Shares reclassified under the Scheme as Shares with “A” rights or “B” rights
Record Date	6.00 p.m. on 6 November 2020 (or such other date as determined at the sole discretion of the Directors), being the record date for determining Shareholders’ entitlements under the Proposals
Register	the register of members of the Company
Registrars or Link Group	Link Market Services Limited trading as Link Group
Regulatory Information Service	the regulatory information service provided by the London Stock Exchange
Residual Net Asset Value	the gross assets of the Company (excluding the Unquoted Investments) as at the Calculation Date less the fair value of the PLI Notes as at the Calculation Date (including accrued interest on the PLI Notes up to and including the Calculation Date) and less the value of the cash and other assets appropriated to the Liquidation Pool
Residual Net Asset Value per Share	the Residual Net Asset Value divided by the number of Shares in issue as at the Calculation Date (excluding any Shares held in treasury) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
Resolution or Resolutions	the special resolutions to be proposed at the General Meetings or either of them as the context may require
Rollover Option	the option for Shareholders under the Scheme to elect to receive New MUT Shares in respect of some or all of their holding of Shares on the winding up of the Company
Rollover Pool	the pool of cash, undertaking and other assets (including assets with a value equal to the fair value of the PLI Notes (and accrued interest on the PLI Notes up to and including the Calculation Date)) to be established under the Scheme to be transferred to Murray Income pursuant to the Transfer Agreement
Scheme	the proposed scheme of reconstruction and voluntary winding up of the Company under section 110 of the Insolvency Act set out in Part 4 of this document
SDRT	stamp duty reserve tax

Second General Meeting	the general meeting of the Company convened for 11.00 a.m. on 17 November 2020 or any adjournment of that meeting
Security Trustee	The Law Debenture Trust Corporation p.l.c.
Shareholders or PLI Shareholders	holders of Shares
Shares or PLI Shares	ordinary shares of 10 pence each in the capital of the Company
TCGA	Taxation of Chargeable Gains Act 1992
Transfer Agreement	the agreement for the transfer of assets from the Company to MUT pursuant to the Scheme, the terms of which are summarised in paragraph 1 of Part 6 of this document
TTE Instruction	a transfer to escrow instruction (as described in the CREST Manual)
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form	a share or other security title to which is recorded in the register of the share or other security concerned as being held in uncertificated form (i.e. in CREST) and title to which may be transferred by using CREST
United States	the United States of America, its territories, possessions, any state of the United States of America, and the District of Columbia
Unquoted Investments	the unquoted investments expected to be held by the Company as at the Effective Date
VAT	value added tax
Winterflood Securities Limited or Winterflood	Winterflood Securities Limited, which is authorised and regulated by the FCA

PERPETUAL INCOME AND GROWTH INVESTMENT TRUST PLC

*(Incorporated in England and Wales with registered number 03156676)
(An investment company within the meaning of section 833 of the Companies Act 2006)*

NOTICE OF FIRST GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Perpetual Income and Growth Investment Trust plc (the “**Company**”) will be held at 11.00 a.m. on 9 November 2020 at the offices of Dickson Minto W.S., 17 Charlotte Square, Edinburgh EH2 4DF for the purpose of considering and, if thought fit, passing the following resolutions, both of which will be proposed as special resolutions:

SPECIAL RESOLUTIONS

1. THAT:

- 1.1. with effect from the date on which the amendment to the Official List of the FCA to reflect the reclassification of the ordinary shares of 10 pence each in the capital of the Company (the “**Shares**”) (the “**Amendment**”) becomes effective but subject always to paragraph 1.5 of this resolution, each of the Shares in issue at the date of the passing of this resolution (other than any Shares held by the Company in treasury) shall be reclassified as shares the holder of which has (or is deemed to have) elected to have reclassified as shares with “A” rights or “B” rights as the case may be (the “**Reclassified Shares**”) in such respective numbers as may be required to give effect to any election validly made (or deemed to have been made) by the holder of the Shares and otherwise in accordance with the terms of the Scheme set out in Part 4 of the circular dated 12 October 2020 to Shareholders of the Company of which this notice forms part (the “**Circular**”), a copy of which has been laid before the meeting and signed for the purpose of identification by the Chairman of the meeting;
- 1.2. for the purposes of this special resolution:
 - 1.2.1. to the extent any holder of Shares shall have validly elected (or shall be deemed to have validly elected) for, and under the terms of the Scheme will become entitled to receive, New MUT Shares, such Shares shall be reclassified as shares with “A” rights; and
 - 1.2.2. to the extent any holder of Shares shall have validly elected (or shall be deemed to have validly elected) for, and under the terms of the Scheme will become entitled to receive, cash pursuant to the Cash Option, such Shares shall be reclassified as shares with “B” rights;
- 1.3. each of the holders of the shares with the rights set out in paragraph 1.2 above shall have the respective rights set out in the Articles of Association of the Company as amended by this special resolution;
- 1.4. with effect from the date on which the Amendment becomes effective, but subject always to paragraph 1.5 of this resolution, the Articles of Association of the Company be and are hereby amended by:
 - 1.4.1. the amendment of Article 4 by the insertion of the following as a new Article 4.2 and the updating of the numbering accordingly:

“Every reference in these articles to Ordinary Shares shall be construed as a reference to the Ordinary Shares of 10 pence each in the capital of the Company which are designated as shares with either “A” rights or “B” rights as set out in article 5.3 below. Notwithstanding anything to the contrary in these articles, each class of ordinary share will have attached to it the respective rights and privileges and be subject to the respective limitations and restrictions set out in article 5.3”;
 - 1.4.2. the insertion of the following as a new article 5.3:

“Words and expressions defined in the Circular to shareholders of the Company dated 12 October 2020 shall bear the same meanings in this article 5.3, save where the context otherwise requires.

The rights attaching to the Shares with “A” rights and the Shares with “B” rights shall be identical to each other save that in a winding up of the Company in the circumstances set out in the Circular (subject to the Scheme becoming unconditional in all respects in accordance with its terms) the Reclassified Shares shall have the following additional rights, notwithstanding anything to the contrary in these Articles:

- (1) the rights of holders of shares with “A” rights in respect of the assets of the Company shall be satisfied by the issue to the holders thereof of the number of New MUT Shares to which they shall be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme;
- (2) the rights of holders of shares with “B” rights in respect of the assets of the Company shall be satisfied by the payment to the holders thereof of the amount of cash to which they shall respectively be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme;
- (3) any cash arising in the Company after the transfer of the Rollover Pool and any surplus remaining in the Liquidation Pool (“**Relevant Cash**”) shall be distributed in accordance with the Scheme”;

1.4.3. such further amendments to the Articles of Association of the Company as may be required to give effect to this resolution;

1.5. if the Scheme does not become unconditional by the end of the Second General Meeting, the amendments to the Articles of Association of the Company effected by paragraph 1.4 of this resolution shall be further amended such that the amendment of Article 4 and the insertion of Article 5.3 shall cease to have effect as from the close of that meeting (or any adjourned meeting), the reclassification of Shares provided for by this resolution shall be reversed and each Reclassified Share shall revert to being a Share ranking *pari passu* in all respects; and

1.6. the terms defined in the Circular have the same meanings in this special resolution.

2. **THAT**, subject to: (i) the passing of resolution 1 above at this meeting (or at any adjournment hereof) and it becoming unconditional; (ii) the Scheme becoming unconditional in accordance with its terms on or prior to 31 December 2020; and (iii) the passing at a general meeting of the Company convened for 17 November 2020 (or any adjournment thereof) of a resolution for the voluntary winding up of the Company and the appointment of the Liquidators:

2.1. the Scheme set out in Part 4 of the circular to Shareholders of the Company dated 12 October 2020 (the “**Circular**”), a copy of which has been laid before this meeting and signed for the purpose of identification by the Chairman of the meeting, be and is hereby approved and the liquidators of the Company when appointed (jointly and severally the “**Liquidators**”) be and hereby are authorised to implement the Scheme and to execute any document and do any thing for the purpose of carrying the Scheme into effect;

2.2. the Liquidators, when appointed, will be and hereby are authorised and directed:

2.2.1. under this special resolution and the Articles of Association of the Company, as amended and as provided in resolution 1 above, and pursuant to section 110 of the Insolvency Act 1986, to enter into and give effect to the Transfer Agreement (in their personal capacity and on behalf of the Company) referred to in the Circular with MUT and in the form of the draft laid before the meeting and signed for the purposes of identification by the Chairman with such amendments as the parties thereto may from time to time agree;

2.2.2. to request MUT to allot and issue MUT Shares in the capital of MUT, credited as fully paid, on the basis described in the Transfer Agreement for distribution among the holders of ordinary shares in the capital of the Company entitled thereto under the Scheme (or to the Liquidators as nominee on their behalf) by way of satisfaction and discharge of their respective interests in so much of the property and assets of the Company as shall be transferred to MUT in accordance with the Transfer Agreement and with the Scheme;

- 2.2.3. to procure that the Rollover Pool be vested in MUT (or its nominees) on and subject to the terms of the Transfer Agreement;
 - 2.2.4. to realise for cash the undertaking, cash and other assets comprising the Cash Pool;
 - 2.2.5. to distribute cash among the holders of Shares with “B” rights by way of satisfaction and discharge of their interests in so much of the Company as shall comprise the Cash Pool in accordance with the Scheme;
 - 2.2.6. to convert into cash any assets in the Liquidation Pool (including any Unquoted Investments) and to raise the money to purchase the interest of any member of the Company who validly dissents from this resolution under section 111(2) of the Insolvency Act 1986 from the Liquidation Pool (as defined in the Scheme);
 - 2.2.7. to transfer any surplus in the Liquidation Pool in accordance with the Scheme; and
 - 2.2.8. to apply for the admission of the ordinary shares of 10p each in the capital of the Company to the premium segment of the Official List and to trading on the Main Market to be cancelled with effect from such date as the Liquidators may determine;
- 2.3. the Articles of Association of the Company be and are hereby amended by inserting the following as a new article 152A:

“Notwithstanding the provisions of these articles, upon the winding-up of the Company in connection with the scheme (the “**Scheme**”) set out in Part 4 of the circular dated 12 October 2020 to members of the Company (the “**Circular**”), the liquidators of the Company will give effect to the Scheme and will enter into and give effect to the transfer agreement with Murray Income Trust plc (as duly amended where relevant), a draft of which was tabled at the general meeting of the Company convened for 9 November 2020 by the notice attached to the Circular, in accordance with the provisions of this article and Article 5.3 and the holders of Shares will be entitled to receive ordinary shares in Murray Income Trust plc on the terms of the Scheme.”; and

- 2.4. the terms defined in the Circular have the same meanings in this special resolution.

Registered office:
 Perpetual Park
 Perpetual Park Drive
 Henley On Thames
 Oxfordshire RG9 1HH

By Order of the Board
 Invesco Asset Management
 Limited
 Company Secretary

12 October 2020

Notes:

1. All Shareholders are entitled to attend and vote at the meeting. A Shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend, speak and vote at the meeting. A proxy need not be a Shareholder. However, please note that, in the light of the Coronavirus pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings, it is unlikely that your vote will be counted where a proxy other than the Chairman of the meeting is appointed as additional third parties are unlikely to be permitted entry to the meeting.
2. A pink Form of Proxy is enclosed with this notice. To be valid, the pink Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or notarially certified copy of such power or authority) must be deposited with Link Group not later than 11.00 a.m. on 5 November 2020. Completion and return of the pink Form of Proxy will not preclude Shareholders from attending and voting at the meeting, if they wish.
3. A Shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. Shareholders may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, please contact our Registrars, Link Group on 0371 664 0300 (from within the UK) and +44 371 664 0300 (from outside the UK).
4. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a “**Nominated Person**”) should note that the provisions in notes 1 to 3 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the General Meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual and by logging on to the website euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with

Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrars, Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
 - 6.30 p.m. on 5 November 2020; or,
 - if this meeting is adjourned, at 6.30 p.m. on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the meeting.
7. 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 relevant resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
8. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:
 - (i) if a corporate member has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
 - (ii) if more than one corporate representative for the same corporate member attends the meeting but the corporate member has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (i) above.
9. As at 6.00 p.m. on 8 October 2020, the Company's issued share capital (excluding treasury shares) comprised 213,853,331 ordinary shares of 10 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 8 October 2020 is 213,853,331.
10. Given the risks posed by the spread of Covid-19 and in accordance with the provisions of the Company's Articles of Association and Government guidance, including the rules on physical distancing and limitations on public gatherings in place as at the date of this Notice, attendance at the General Meeting is unlikely to be possible. If law or Government guidance so requires at the time of the meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the meeting. If the current Government guidance is in place at the time of the meeting, such attendance will be limited to two persons. Should the Government guidance change and the restrictions on public gatherings be relaxed by the time of the meeting, the Company may still impose entry restrictions on certain persons wishing to attend the meeting in order to ensure the safety of those attending the meeting.

PERPETUAL INCOME AND GROWTH INVESTMENT TRUST PLC

*(Incorporated in England and Wales with registered number 03156676)
(An investment company within the meaning of section 833 of the Companies Act 2006)*

NOTICE OF SECOND GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Perpetual Income and Growth Investment Trust plc (the “**Company**”) will be held at 11.00 a.m. on 17 November 2020 at the offices of Dickson Minto W.S., 17 Charlotte Square, Edinburgh EH2 4DF for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT,

- (A) subject always to the fulfilment of the conditions (other than the passing of this special resolution) set out in paragraph 14 of the Scheme (the “**Scheme**”) contained in Part 4 of the circular to the shareholders of the Company dated 12 October 2020, a copy of which has been laid before this meeting and signed for the purpose of identification by the Chairman thereof (the “**Circular**”), and with effect from the conclusion of this meeting:
- (i) the Company be and is hereby wound up voluntarily under the provisions of the Insolvency Act 1986 and Gareth Rutt Morris and Andrew Martin Sheridan, both licensed insolvency practitioners of FRP Advisory Trading Limited, be and they are hereby appointed joint liquidators (the “**Liquidators**”) of the Company for the purposes of such winding up and distributing the assets of the Company in accordance with the Scheme and any power conferred on them by law, the Articles of Association or this resolution may be exercised by them jointly or by each of them alone;
 - (ii) the remuneration (plus VAT) of the Liquidators be determined by reference to the time properly spent by them and their staff in attending to matters arising prior to and during the winding up of the Company (including, without limitation, the implementation of the Scheme and any matters outside the statutory duties of the Liquidators and undertaken at the request of the members or a majority of them) and the Liquidators be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine and to pay any expenses properly incurred by them to give effect to the Scheme;
 - (iii) the Company’s books and records be held by its Company Secretary to the order of the Liquidators until the expiry of 12 months after the date of dissolution of the Company, when they may be disposed of (save for financial and trading records which shall be kept for a minimum of six years following the vacation of the Liquidators from office);
 - (iv) the Liquidators be empowered and directed to carry into effect the provisions of the Articles of Association as amended by the special resolutions set out in the notice of the First General Meeting of the Company contained in the Circular; and
 - (v) the Liquidators be and are hereby authorised pursuant to section 165 of the Insolvency Act 1986 to exercise the powers set out in Part 1 of Schedule 4 to that Act as may be necessary or desirable in their judgment, acting jointly and severally, to give effect to the Scheme and/or to carry out the winding-up of the Company; and
- (B) terms defined in the Circular have the same meanings in this resolution, save where the context otherwise requires.

Registered office:
Perpetual Park
Perpetual Park Drive
Henley On Thames
Oxfordshire RG9 1HH

By Order of the Board
Invesco Asset Management
Limited
Company Secretary

12 October 2020

Notes:

1. All Shareholders are entitled to attend and vote at the meeting. A Shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend, speak and vote at the meeting. A proxy need not be a Shareholder. However, please note that, in the light of the Coronavirus pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings, it is unlikely that your vote will be counted where a proxy other than the Chairman of the meeting is appointed as additional third parties are unlikely to be permitted entry to the meeting.
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