

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document, which comprises a prospectus relating to Rockwood Strategic PLC (the "**Company**"), has been approved by the Financial Conduct Authority (the "**FCA**"), as competent authority under the UK Prospectus Regulation and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Regulation Rules. This document has been made available to the public as required by the Prospectus Regulation Rules. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is, or the quality of the securities that are, the subject of this document.

The Ordinary Shares, as at the date of this document, are admitted to trading on the AIM market of London Stock Exchange plc (the "**London Stock Exchange**"). The Ordinary Shares rank *pari passu* in all respects.

The Company and each of the Directors, whose names appear on page 28 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

The Investment Manager accepts responsibility for the information and opinions related to or attributed to the Investment Manager contained in Part 2 and Part 3 of this document and any other information or opinion in this document related to or attributed to the Investment Manager. Such information or opinions have been included in this document with the consent of the Investment Manager. To the best of the Investment Manager's knowledge, the information and opinions contained in this document related to or attributed to the Investment Manager are in accordance with the facts and this document does not omit anything likely to affect the import of such information or opinions.

Rockwood Strategic PLC

(incorporated and registered in England and Wales with registered number 03813450)

**Admission to the premium segment of the Official List and to trading on
the premium segment of the London Stock Exchange's main market**

Placing Programme of up to 2,500,000 Ordinary Shares

Sponsor and Financial Adviser

Bookrunner

Singer Capital Markets Advisory LLP

Singer Capital Markets Securities Limited

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

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

Apart from the responsibilities and liabilities, if any, which may be imposed on SCM Advisory or SCM Securities (together “**Singer Capital Markets**”) by FSMA or the regulatory regime established thereunder, Singer Capital Markets makes no representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by them or on their behalf in connection with the Company, any Admission, the Ordinary Shares or the Placing Programme. Singer Capital Markets and their affiliates accordingly, to the fullest extent permissible by law, disclaim all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which they might otherwise have in respect of the contents of this document or any other statement made or purported to be made by them or on their behalf in connection with the Company, any Admission, the Ordinary Shares or the Placing Programme.

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for all of the existing Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange’s main market. It is expected that Initial Admission will become effective and that unconditional dealings will commence in the existing Ordinary Shares at 8.00 a.m. on 29 September 2022. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.

Investors should rely only on the information contained in this document and any supplementary prospectus published by the Company prior to Initial Admission or any Admission of Ordinary Shares issued pursuant to the Placing Programme. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this document and any such supplementary prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the Investment Manager or Singer. Without prejudice to the Company’s obligations under the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the UK Prospectus Regulation and MAR, neither the delivery of this document nor any subscription for or purchase of Ordinary Shares pursuant to the Placing Programme, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

This document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Singer Capital Markets or to any person to whom it is unlawful to make such offer or solicitation. The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of Canada, Australia, the Republic of South Africa or Japan. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with the applicable securities laws of any state or other jurisdiction of the United States. Outside the United States, the Ordinary Shares may be sold to persons who are not “US Persons”, as defined in and pursuant to Regulation S under the US Securities Act (“**US Persons**”). The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and investors are not and will not be entitled to the benefits of the US Investment Company Act. No offer, purchase, sale or transfer of the Ordinary Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the US Investment Company Act.

Dated: 6 September 2022

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SUMMARY

1.	Introduction and warnings
(a)	Name and international securities identifier number (ISIN) of the securities
	Ordinary Shares with ISIN GB00BYRH4982 and TIDM RKW.
(b)	Identity and contact details of the issuer, including its Legal Entity Identifier (LEI)
	The issuer's name is Rockwood Strategic PLC (the " Company "). The Company's registered office is at 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR and its telephone number is 020 7264 4444. The Company's Legal Entity Identifier is 213800K6BRTXR7RNG709.
(c)	Identity and contact details of the competent authorities approving the document
	This document has been approved by the FCA with its head office at 12 Endeavour Square, London E20 1JN and telephone number +44 (0) 20 7066 1000, as competent authority under the UK Prospectus Regulation.
(d)	Date of approval of this document
	This document was approved by the FCA on 6 September 2022.
(e)	Warning
	The summary should be read as an introduction to the prospectus, any decision to invest in the Ordinary Shares should be based on a consideration of this document as a whole by the investor. The investor could lose all or part of its invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in the Ordinary Shares.
2.	Key information on the issuer
(a)	Who is the issuer of the securities?
(i)	<i>Domicile, legal form, LEI, jurisdiction of incorporation and country of operation</i> The Company is a public company limited by shares incorporated under the laws of England and Wales with its registered office in England. The Company's Legal Entity Identifier is 213800K6BRTXR7RNG709. The Company was incorporated on 26 July 1999 as Targetwin Public Limited Company with registered number 03813450. The Company has changed its name on five occasions since incorporation: • From Targetwin Public Limited Company to Newmedia Spark PLC on 12 October 1999 • From Newmedia Spark PLC to Spark Ventures PLC on 23 October 2007 • From Spark Ventures PLC to Gresham House Strategic PLC on 27 October 2015 • From Gresham House Strategic PLC to Rockwood Realisation PLC on 20 December 2021 • From Rockwood Realisation PLC to Rockwood Strategic PLC on 29 April 2022 The principal legislation under which the Company operates is the Companies Act, 2006. The Company is not regulated as a collective investment scheme by the FCA.
(ii)	<i>Principal activities</i> The Company is an externally managed closed ended investment company investing in a focused portfolio of smaller UK public companies. As at 31 August 2022, the Company's unaudited basic Net Asset Value (NAV) was calculated as £40.7 million and the Net Asset Value per Ordinary Share (unaudited) was 1,603.2 pence. The Company was admitted to trading on AIM on 28 October 1999 and has applied for admission to the Official List and to trading on the main market of the London Stock Exchange.

	The principal activity of the Company is to invest in accordance with the Company's investment policy with a view to achieving its investment objective. From 1 April 2023, the Company expects to operate as an Investment Trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010 and has made an application to HMRC.														
(iii)	Investment Objective The Company will seek investments in securities that the Investment Manager believes can generate a 15 per cent. IRR¹ over the medium to long-term, principally through capital appreciation, and would typically expect a holding period of at least three to five years. Investments will be sought where the securities are valued at less than the Investment Manager's view of their intrinsic value. The Investment Manager will seek to invest in businesses which it believes offer opportunities for value to be unlocked or created through strategic, management or operational changes, typically leading to improved returns, profits and growth. For larger, 'core' holdings, the Company will seek to acquire influential block stakes (targeting between 5 per cent. and 25 per cent. of the 'core' holdings' issued ordinary share capital) for cash or share consideration and in conjunction with other funds managed or advised by the Investment Manager when additional capital is needed.														
(iv)	Major Shareholders So far as is known to the Company, and as notifiable under the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date, the following persons held, directly or indirectly, 3 per cent. or more of the issued Ordinary Shares or the Company's voting rights: <table> <tr> <th><i>Name</i></th><th><i>Percentage of voting rights</i></th></tr> <tr> <td>Harwood Capital LLP</td><td>28.9%</td></tr> <tr> <td>James Sharp & Co</td><td>7.2%</td></tr> <tr> <td>Unicorn Asset Management</td><td>5.4%</td></tr> <tr> <td>River & Mercantile Asset Management</td><td>4.9%</td></tr> <tr> <td>Smith & Williamson Investment Management</td><td>4.3%</td></tr> <tr> <td>Investec Wealth & Investment</td><td>3.9%</td></tr> </table>	<i>Name</i>	<i>Percentage of voting rights</i>	Harwood Capital LLP	28.9%	James Sharp & Co	7.2%	Unicorn Asset Management	5.4%	River & Mercantile Asset Management	4.9%	Smith & Williamson Investment Management	4.3%	Investec Wealth & Investment	3.9%
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(v)	Directors The Board of the Company comprises Noel Lamb (Independent Non-Executive Chairman), Kenneth Lever (Non-Executive Director, Chairman of the Audit Committee) and Paul Dudley (Independent Non-Executive Director).														
(vi)	Investment Manager The Company is externally managed by the Investment Manager, Harwood Capital LLP ("Harwood"), which is authorised and regulated by the Financial Conduct Authority to act as an alternative investment fund manager. The investment team comprises Richard Staveley, Nicholas Mills and Stavros Jones who manage the assets of the Company on a day-to day basis. Harwood is a significant shareholder of the Company, owning 28.9% of the Company's issued share capital. As a result, the Company and Harwood have entered into a Relationship Agreement dated 7 April 2022 to regulate the relationship between them and to ensure that the Company can continue to operate in compliance with the appropriate Corporate Governance standards. The Company also has an established Investment Advisory Group. This comprises Christopher Mills, Yuri Khodjamirian, Rupert Dyson, Jamie Brooke, Adam Parker and David Potter.														

1 The IRR target above is a target only and not a profit forecast. There can be no assurance that the target will be met. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company.

(vii)

Identity of statutory auditors

The statutory auditors of the Company are BDO LLP of 55 Baker Street, London, W1U 7EU.

(b)

What is the key financial information regarding the issuer?

Table 1: Additional information relevant to closed end funds

Share class	Total NAV*	No. of Ordinary Shares**	NAV per Ordinary Share*	Historical performance of the Company*		
Ordinary	£40,739,000	2,541,046	1,603.2	NAV performance in the three years to 30 June 2022 of 40.3% to 1,512.8p/share which compares to the FTSE Small Cap (ex-ITs) of 15.1%. The Total Shareholder Return in this period was 50.3%		

* Unaudited basic NAV calculated as at 31 August 2022.

** As at the Latest Practicable Date.

Table 2: Income Statement for closed end funds

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000	Year Ended 31 March 2020 £'000
Gains/(losses) on investments	20,007	19,837	(5,728)
Revenue			
Bank interest income	1	2	8
Loan note interest income	563	753	782
Portfolio dividend income	99	–	265
Other income	–	1	–
	663	756	1,055
Administrative expenses			
Directors fees and other staff costs	(173)	(148)	(138)
Performance fee	(2,772)	(2,294)	–
Management fee	(593)	(832)	(858)
Other costs	(1,709)	(707)	(505)
Total administrative expenses	(5,247)	(3,981)	(1,501)
Profit/loss before taxation	15,423	16,612	(6,174)
Taxation	(1,580)	–	–
Profit for the financial year	13,843	16,612	(6,174)
Attributable to:			
Equity shareholders of the Company	13,843	16,612	(6,174)
Basic and Diluted earnings per ordinary share for profit from continuing operations and for profit of the year (pence)	428.76p	477.24p	-174.34p

Table 3: Balance Sheet for closed end funds			
	<i>Year ended</i> <i>31 March</i> <i>2022</i> <i>£'000</i>	<i>Year ended</i> <i>31 March</i> <i>2021</i> <i>£'000</i>	<i>Year Ended</i> <i>31 March</i> <i>2020</i> <i>£'000</i>
Total Net Assets	41,008	52,657	36,912
Leverage Ratio	—	—	—
The auditors' reports on the Company's financial statements for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022 were unqualified.			
(c)	What are the key risks that are specific to the issuer?		
	- A downturn in the performance of UK equity capital markets could adversely affect the Company's performance. - Economic recessions, downturns, and uncertainties can lead to volatility and instability in financial markets which could adversely affect the Company's performance. - The Company will be reliant on maintaining HMRC approval as an Investment Trust in order to continue to gain from the tax benefits for which Admission is sought. - Investing in companies with smaller market capitalisations carries a higher risk profile than larger and more established companies. - The valuation of an individual portfolio company will depend on a number of future factors outside of the control of the Company and could go down as well as up. - Dependence on the Investment Manager in making successful investments and being retained by the Company. The departure of some or all of the Investment Manager's investment professionals could prevent the Company from achieving its investment objective. - There can be no assurance that the Directors will be able to find a replacement manager on acceptable terms if the Investment Manager resigns or if the Directors terminate the Investment Management Agreement.		
3.	Key information on the securities		
(a)	What are the main features of the securities?		
(i)	Type, class and ISIN The Company intends to issue Ordinary Shares of £0.50 each with ISIN GB00BYRH4982 pursuant to the Placing Programme.		
(ii)	Currency, denomination, par value and number of securities issued The currency of the Ordinary Shares is Sterling. The issued share capital of the Company as at the Latest Practicable Date is 2,541,046 Ordinary Shares of £0.50 each and 2,000,000 Deferred Shares of £0.005 each, all of which are fully paid or credited as fully paid.		
(iii)	Rights attached to the Ordinary Shares Voting rights The holders of Ordinary Shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the Company. On a show of hands, every holder of Ordinary Shares present in person or by proxy shall have one vote and, on a poll, every holder of Ordinary Shares present in person or by proxy shall have one vote for each share held by them. Dividend rights Subject to the statutes and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board.		

	<i>Capital Distribution</i> Each Ordinary Share will entitle its holder to participate on a return of assets of the Company on a winding-up. <i>Variation of rights</i> The consent in writing of the holders of at least three quarters in nominal value of the issued Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares or with the sanction of a special resolution passed at a separate meeting of the holders of that class and then only subject to section 633 of the Companies Act.
(iv)	Rank of securities in the issuer's capital structure in the event of insolvency Each Ordinary Share will entitle its holder to participate on a return of assets of the Company on a winding-up.
(v)	Restrictions on the free transferability of Ordinary Shares The Board may not refuse to register a transfer of a certificated share if the transfer is: (i) in respect of only one class of shares; (ii) is in favour of not more than four joint transferees; (iii) is duly stamped; (iv) is not in favour of a minor, infant, bankrupt or person with mental disorder; and (v) is lodged at the registered office of the Company, or such other place as the Board may decide accompanied by the certificate for the shares to which it relates. The Board may refuse to register any transfer of a certificated share which is not fully paid, provided that this discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis. The Board may also, in circumstances permitted by the FCA and the London Stock Exchange, disapprove the transfer of a certificated share, provided that exercise of such powers does not disturb the market in the shares. Further, the Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the FCA, the London Stock Exchange, the Uncertificated Securities Regulations and the rules and practices of the operator of the relevant system provided that the exercise of such powers does not disturb the market in the shares.
(vi)	Dividend policy Subject to the terms of the Articles, the Directors may from time to time, as they see fit, pay such dividends on the Ordinary Shares as appear to the Directors to be justified. The dividend policy of the Company is to pay out at least 85% of portfolio income net of expenses as dividends, retaining capital for re-investment. This is the minimum pay-out ratio to comply with the requirements of the Investment Trust rules.
(b)	Where will the securities be traded? Applications will be made to the Financial Conduct Authority and London Stock Exchange for all of the existing Ordinary Shares and any Ordinary Shares to be issued in connection with the Placing Programme to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.
(c)	What are the key risks specific to the securities? • The value and/or market price of the Ordinary Shares may go down as well as up • There can be no guarantee that an active secondary market in the Shares will develop or be sustained or that the Shares will trade at prices close to their underlying Net Asset Value per Share • If the Directors decide to issue further Ordinary Shares on a non-pre-emptive basis the proportions of the voting rights held by Ordinary Shareholders on Initial Admission will be diluted

4.	Key information on the offer of securities to the public and/or admission to trading on a regulated market
(a)	Under which conditions and timetable can I invest in this security?
	<i>The Placing Programme</i> Subject to shareholder approval at the General Meeting, the Company may issue up to 2,500,000 Ordinary Shares pursuant to the Placing Programme. Any Ordinary Shares issued pursuant to the Placing Programme will be issued at a price calculated by reference to the prevailing Net Asset Value per Ordinary Share at the time of issue together with a premium intended to at least cover the costs and expenses of such issue (including, without limitation, any placing commissions), which are not expected to exceed 2 per cent. of the gross proceeds of such issue. Applications will be made to the Financial Conduct Authority and London Stock Exchange for all of the existing Ordinary Shares and any Ordinary Shares to be issued in connection with the Placing Programme to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. <i>Conditions</i> Each issue of Ordinary Shares pursuant to a Placing under the Placing Programme will be conditional, <i>inter alia</i>, on: (i) the Company having in place sufficient Shareholder authority for the issue of new Ordinary Shares on a non-pre-emptive basis; (ii) Admission of the relevant Ordinary Shares occurring by no later than 8.00 a.m. on such date as the Company, Singer Capital Markets and the Investment Manager may agree from time to time in relation to that Admission, not being later than 5 September 2023; (iii) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules; and (iv) the Placing Agreement being wholly unconditional as regards the relevant Placing (save as to Admission) and not having been terminated in accordance with its terms prior to the relevant Admission. The Company published a circular on 6 September 2022 in advance of the General Meeting to be held on 22 September 2022. <i>Expenses</i> On an ongoing basis the Investors will be charged management and performance fees dependent on the success of the Company and the cost of migration. The costs and expenses of issuing Ordinary Shares pursuant to a Placing are not expected to exceed 2 per cent. of the gross proceeds of such Placing. <i>Dilution</i> If 2,500,000 Ordinary Shares were to be issued pursuant to the Placing Programme and an existing Shareholder did not participate in any Placing under the Placing Programme, there would be a dilution of approximately 49.6 per cent., in such Shareholder's voting control of the Company immediately after completion of the final Placing under the Placing Programme.
(b)	Why is this prospectus being produced?
(i)	<i>Reasons for Admission and the Placing Programme</i> <i>Admission</i> With effect from 1 April 2020, U.K. tax law changed with the regard to the use of historic tax losses in reducing taxable profits, lowering the extent these can be utilised in any one year. The Company previously benefitted from a significant Corporation Tax shield in the form of over £125 million of brought forward tax losses. As a result of taxable gains crystallising in the period to 31 March 2022 being far in excess of £5 million, the Company had a Corporation Tax charge for the financial year to 31 March 2022 of approximately £1.58 million. In addition, the Company is currently liable to be charged for Value Added Tax ("VAT"), which is charged to the Company on all fees and expenses including the investment management and performance

	fees. Consequently the Company paid a further £0.46 million in VAT on the management fees and performance fee which it is unable to reclaim. The Board wishes to improve the tax efficiency of the Company as fast as possible, hence the Directors believe that Initial Admission and the conversion of the Company to an Investment Trust is in the best interests of the Company and Shareholders. Registration as an Investment Trust would mean that the Investment Manager would no longer levy irrecoverable VAT on its management and performance fees to the Company and, subject to continuing to meet the Investment Trust conditions in each subsequent accounting period, the company could mitigate against suffering Corporation Tax on gains in excess of £5m arising in any future accounting period. The cash payback from converting is expected to be swift. The Directors also believe this migration should also widen the audience of potential investors for the Company. <i>Placing Programme</i> The Directors intend to use the net proceeds of any Placings under the Placing Programme to purchase investments in accordance with the Company's investment objective and investment policy. The Placing Programme is not being underwritten. There are no proceeds arising from the Proposed Migration.
(ii)	<i>Estimated net proceeds</i> The net proceeds of any Placing under the Placing Programme are dependent, <i>inter alia</i>, on the level of subscriptions received, the price at which such Ordinary Shares are issued and the costs of the Placing. Assuming that all of the Ordinary available to be issued under the Placing Programme are issued, at an assumed price of £14.00 (being the Company's closing mid price on the Latest Practicable Date) and with expenses capped at 2% of the total proceeds, the maximum gross proceeds could be £35,000,000 and the maximum net proceeds could be £34,300,000.
(iii)	<i>Material conflicts of interest</i> As at the date of this document, there are no interests that are material to the Placing Programme. Each service provider of the Company has an agreed conflict policy to avoid any material conflicts of interest.

RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. Prospective investors should note that the risks relating to the Company, its investment strategy and operations and the Ordinary Shares summarised in the section of this document headed “Summary” are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed “Summary” but prior to making any investment decision, prospective investors should also consider carefully all the information contained in this document, including the following risk factors. This risk factor section is not intended to be exhaustive nor is it an explanation of all of the risk factors involved in investing in the Company. It should be noted that the risks described below are not the only risks faced by the Company and there may be additional risks that the Directors currently consider not to be material or of which they are not currently aware.

An investment in the Ordinary Shares should not be regarded as short-term in nature and involves a high degree of risk, including but not limited to the risks referred to below in relation to the Company and the Ordinary Shares. If any of the risks referred to in this document were to occur this could materially and adversely affect the Company’s business, financial condition and results. If that were to occur, the trading price of the Ordinary Shares and/or the Net Asset Value could decline significantly and investors could lose all or part of their investment. An investment in the Ordinary Shares is only suitable for investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

As required by the UK Prospectus Regulation, the risk that the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, has been set out first.

RISKS ASSOCIATED WITH THE COMPANY AND ITS INVESTMENT OBJECTIVE AND POLICY

The performance of UK equity capital markets

The Company predominantly invests in UK listed equities with a market capitalisation of under £250m. The Company’s performance will be affected by, amongst other things, general conditions affecting the underlying performance of UK equity capital markets, whether as a whole or specific to the Company’s investments. Asset valuations of UK listed or quoted companies can fluctuate sharply as a result of underlying trends and changes in market confidence. The Company’s ability to dispose of its holdings, and the price realised upon any such disposals, will also depend on the general conditions affecting the UK equity capital markets at the time of the disposal. The Company’s business and results of operations may be materially adversely affected by a number of factors outside of its control, including but not limited to a general UK equity capital market contraction. If conditions affecting the UK equity capital market negatively impact the price of the Company holdings, this may have a material adverse effect on the Company’s business and results of operations.

The Company’s investments may be less liquid than larger companies traded on the London Stock Exchange and will be particularly illiquid in the case of unquoted securities. Such illiquidity may affect the Company’s ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, equity market or other conditions. This could have an adverse effect on the Company’s business, prospects, financial condition and results of operations.

The Company may not meet its investment objective

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

The success of the Company will depend on the Investment Manager's ability to identify and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Investment Manager to apply its investment approach in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Investment Manager will be successful in implementing its investment approach or that the Company will generate investment returns for Shareholders or indeed avoid investment losses.

The Company has no employees and is reliant on the performance of third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Company Secretary and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

Investor returns will be dependent upon the Company successfully pursuing its investment policy. The success of the Company will depend *inter alia* on the Investment Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Investment Manager to apply its investment processes in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Investment Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

An investor may not get back the amount originally invested. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

The Company may not be able to pay a dividend

There is no guarantee that a dividend in respect of any period will be paid.

If under the laws applicable to the Company there were to be a change to the basis on which dividends could be paid by it, this could have a negative effect on the Company's ability to pay dividends. Furthermore, if there are changes to the accounting standards or to the interpretation of accounting standards applicable to the Company this could have an adverse effect on the Company's ability to pay dividends.

As at the date of this document, the dividend policy of the Company is to pay out at least 85% of portfolio income net of expenses as dividends, retaining capital for re-investment. This is the minimum payout ratio to comply with the requirements of the Investment Trust rules.

Economic conditions

Economic recessions, downturns, and uncertainties can lead to volatility and instability in financial markets. In addition, the performance of the underlying issuers of the Company's investments, the price and liquidity of its investments and the level of income it receives from its investments may be affected, substantially and either adversely or favourably, by a variety of other factors (many of

which are outside the control of the Company or the Investment Manager), including, but not limited to:

- changes in economic conditions (including, for example, unemployment, recession, inflation, volatile exchange rates, changes in interest rates and low business or consumer confidence);
- changes in industry conditions or the competitive environment;
- restricted availability of financing;
- changes in law, taxation, regulation or government policy;
- foreign currency fluctuations;
- exchange controls or withholding taxes;
- stock market movements and investor perceptions;
- natural disasters, political and diplomatic events, terrorism, social unrest, civil disturbances or the outbreak of war; and
- insofar as they are affected by any of the above, the response of the issuers to the above.

The political climate in the UK

The UK left the EU on 31 January 2020 and the implementation period under the European Union (Withdrawal) Act 2018 expired on 31 December 2020 (commonly known as “Brexit”). The UK and the EU have agreed a Trade and Cooperation Agreement which applies provisionally from 1 January 2021. However, the extent of the impact of Brexit and the Trade and Cooperation Agreement following the end of the implementation period remains difficult to predict. The loss of passporting rights under the EU AIFMD may also make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the Company. This could also restrict the Company’s future activities and thereby negatively affect returns.

Further, any decision by the UK to diverge from the rules and regulations of the EU may lead to greater restrictions on the free movement of goods, services, people and capital between the UK and the EU, and increased regulatory complexities. Any such restrictions could have an adverse impact on the Company’s holdings and on any potential new investments. This could disrupt and adversely impact the Company’s business and the business of the companies in which it invests. The effects of any such decision to diverge could also lead to legal uncertainty and may, directly or indirectly, increase compliance and operating costs for the Company and the investee companies it invests in, and may also have a material adverse effect on the Company’s tax position, financial condition, business, prospects and results of operations.

In addition, the long-term macroeconomic effect of Brexit on the value of the investments in the Company’s investment portfolio and the income that the Company is able to achieve from its portfolio, is unknown. There may be significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the total Shareholder returns, Net Asset Value and the price of the Ordinary Shares. As such, it is not possible to accurately state the impact that the Trade and Cooperation Agreement will have on the Company and its existing and proposed investments at this stage.

Changes in law or regulations, or a failure to comply with any laws or regulations, may adversely affect the business, investments and performance of the Company and the Investment Manager

The Company is subject to the continuing obligations imposed by the FCA and the London Stock Exchange on all investment companies whose shares are respectively admitted to the Official List and to trading on the Main Market.

The Investment Manager is subject to, and will be required to comply with, certain regulatory requirements of the FCA.

Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Any changes in the laws and regulations affecting the Company, the Investment Manager may have an adverse effect on the ability of the Company, the Investment Manager to carry on their respective businesses. Any such changes may also have an adverse effect on the ability of the Company to pursue its investment policy, and may adversely affect the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Ordinary Shares. In such event, the investment returns of the Company may be materially affected.

Investment trust status

It is the intention of the Directors to apply to HMRC for, and to conduct the affairs of the Company so as to satisfy the conditions for, approval as an Investment Trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010 with effect from 1 April 2023. A failure to obtain or maintain HMRC approval as an Investment Trust, including as a result of a change in tax law or practice could result in the Company not being able to benefit from the current exemption for Investment Trusts from UK tax on chargeable gains and could affect the Company's ability to provide returns to Shareholders. It is not possible to guarantee that the Company will remain non-close, which is a requirement to obtain and maintain status as an Investment Trust, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an Investment Trust company, will, as soon as reasonably practicable, notify Shareholders of this fact.

The Company's investment strategy may involve the use of leverage, which will expose the Company to risks associated with borrowing

The Company may use borrowings to seek to enhance investment returns and may have to provide security over a portion of the Company's assets or deliver a portion of the Company's assets as collateral. While the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Share. The use of borrowings also exposes the Company to capital risk and interest costs.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of an Ordinary Share). Any reduction in the number of Ordinary Shares in issue will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

The Company's Investment Policy limits borrowing to no more than 20 per cent. of gross assets, calculated at the time of drawdown of the relevant borrowings.

RISKS RELATING TO THE COMPANY'S PORTFOLIO

Investing in companies with smaller market capitalisations

The Company invests primarily in a focused portfolio of smaller capitalisation UK public companies. Such companies can be expected to have less mature businesses, a more restricted depth of management and a higher risk profile than larger and more established companies. As such smaller capitalisation companies often do not have the financial strength, diversity and resources of larger and more established companies and they may find it more difficult to operate successfully, especially in periods of low economic growth. The risk of insolvency of such companies is generally higher and it can be more challenging to access publicly available information in respect of such companies. Smaller capitalisation companies are more likely to depend on the management talents of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of the relevant company, this could have a material adverse impact on their businesses and prospects and the value of the investments in them made by the Company.

The relatively small market capitalisation of the Company's holdings can make the market in their shares illiquid. Therefore, prices of small market capitalisation securities are often more volatile than prices of larger capitalisation stocks.

The Company may invest in securities that are not readily tradable, which may make it difficult for the Company to sell its investments and may lead to volatility in the market price of Ordinary Shares in the Company. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments and any such realisations that may be achieved may be at a considerably lower price than prevailing indicative market prices. There can therefore be no guarantee that any realisation of an investment will be on a basis which necessarily reflects the valuation of that investment.

The valuation of an individual portfolio company

There can be no assurance that the Company's investments will ultimately be realised for amounts equal to, or greater than, their current valuations, or that the past performance information based on such valuations will accurately reflect the realisation value of such investments. The actual realised returns generated by unrealised investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the current valuations are based. Valuations are subject to determinations, judgments and opinions, and other third parties or investors may disagree with such valuations.

The Investment Manager's due diligence may not identify all risks and liabilities in respect of an investment

To the extent the Investment Manager or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Company may incur, directly or indirectly, unexpected liabilities. In addition, if there is a failure of due diligence, there may be a risk that investments are made which are not consistent with the investment objective and investment policy of the Company, and that investments are made that fail to perform in accordance with projections. This may, in turn, have a material adverse effect on the Company's performance, financial condition and business prospects.

The AIM market

It is expected that the majority of the Company's investible universe will comprise companies whose securities are admitted to trading on AIM. An investment by the Company in securities quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since 1995 but its future success and liquidity in the market for securities admitted to trading on AIM cannot be guaranteed.

Investing in unquoted companies

The Company will retain flexibility to invest in non-listed investments in certain situations that will not cumulatively exceed 15 per cent. of the Company's Net Asset Value (NAV) at the time of any investment. Such investments are considered smaller, more vulnerable to changes in markets and technology, and dependent on the skills of a small management team. Operating results in such companies will be difficult to predict. Such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise. There can therefore be no guarantee of the ability to realise an unquoted investment or that any such realisation will be on a basis which necessarily reflects the Company's valuation of that investment.

Sectoral Diversification

The Company has no limits on the amount it may invest in any sector. This may lead to the Company having significant exposure to portfolio companies from certain business sectors from time to time. Greater concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently its Net Asset Value and may materially and adversely affect the performance of the Company and returns to Shareholders.

Cash and Cash-equivalent Investments

A proportion of the Company's assets may be held in cash or cash-equivalent investments from time to time. When assets are held in cash or cash-equivalent investments, they will be out of the market and will not benefit from positive stock market movements (but may give some protection against negative stock market movements). Although the Company's performance is measured in Sterling, a proportion of the Company's assets may be either denominated in other currencies or be in investments with currency exposure.

RISKS RELATING TO THE INVESTMENT MANAGER

Dependence on Investment Manager in making successful investments and being retained by the Company

The departure of some or all of the Investment Manager's investment professionals could prevent the Company from achieving its investment objective.

The identification and selection of investment opportunities and the management of the day-to-day activities of the Company depends on the diligence, skill, judgement and business contacts of the Investment Manager's investment professionals, in particular Richard Staveley, and the information and deal flow they generate during the normal course of their activities. The Company's future success depends on the continuing ability of these individuals to provide services and the Investment Manager's ability to strategically recruit, retain and motivate new talented personnel. However, the Investment Manager may not be successful in its efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is extremely competitive. This could give rise to a significant public perception risk regarding the potential performance of the Company and such perception could in turn lead to volatile trading and a fall in the Company's share price. Although the Directors will have broad discretion to monitor the performance of the Investment Manager and to appoint a replacement, the performance of the Investment Manager or that of any replacement cannot be guaranteed.

There can be no assurance that the Directors will be able to find a replacement manager on acceptable terms if the Investment Manager resigns or if the Company terminates the Investment Management Agreement

The Investment Manager Agreement is terminable on six months' notice. The Investment Manager would, from the date such notice takes effect, cease to make investment decisions on behalf of the Company. The Company would, in these circumstances, have to find a replacement investment

manager for the Company and there can be no assurance that a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company.

The investment professionals of the Investment Manager will attend to matters unrelated to the investment activities of the Company

The Investment Manager is not required to commit all of its resources to the Company's affairs. Insofar as the Investment Manager devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, Net Asset Value and Ordinary Share price.

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

The Investment Manager and its affiliates are involved in other financial, investment or professional activities which could potentially give rise to conflicts of interest with the Company and could affect the amount of time allocated by such persons to the Company's business. In particular, the Investment Manager manages funds other than the Company and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment policies to that of the Company but will not in any such circumstances be liable to account for any profit earned from any such services.

The Investment Manager and its affiliates may carry on investment activities for their own accounts and for other accounts in which the Company has no interest. The Investment Manager and its affiliates also provide management services to other clients. The Investment Manager and its affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

It is the policy of the Investment Manager to allocate investment opportunities fairly and equitably among the Company and its other clients in accordance with established allocation procedures and protocol, where applicable, to the extent possible over a period of time. The Investment Manager will have no obligation to purchase, sell or exchange any investment for the Company which the Investment Manager may purchase, sell or exchange for one or more of its other clients if the Investment Manager believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company.

No such conflict as described above currently exists and the Investment Manager will be able to manage any perceived conflicts in relation to the above that arise in the future.

Risks of relying on third parties to provide the administrative and management functions

Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Company Secretary and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company. Notwithstanding these factors, nothing in this risk factor should be taken as implying that the Company will be unable to comply with its obligations as a company with securities admitted to the premium segment of the Official List.

The Company's third party service providers are themselves subject to operational risks, which can arise from inadequate or failed processes, systems or resources or from external factors affecting these. The information technology and other systems of such service providers, or their business processes and procedures on which the Company may depend, may not perform as expected,

including recovery from unanticipated disruptions to their business. Any such inadequacies or failures could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on returns to Shareholders.

The termination of the Company's relationship with any third party service provider, or any delay in appointing a replacement for such service provider, could disrupt the Company's business materially and could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on returns to Shareholders.

Risks relating to the Ordinary Shares

The value and/or market price of the Ordinary Shares may go down as well as up

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount originally invested.

The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount or premium control policy will be successful or capable of being implemented. In addition, the issue of new Ordinary Shares, and the purchase of Ordinary Shares, by the Company pursuant to the Company's stated discount management policy is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. The market value of an Ordinary Share may therefore vary considerably from its Net Asset Value.

In addition, stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market price of securities for reasons unrelated to their operating performance and prospects. A number of factors outside the control of the Company may have an impact on its performance and the price of the Ordinary Shares, which may rise or fall rapidly. The factors which may affect the Ordinary Share price include (but are not limited to): (i) the Company's expected and actual performance; (ii) other secondary issues in the market; and (iii) general economic and market conditions.

It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares

The Company will apply for the Ordinary Shares to be admitted to the Official List and to trading on the Main Market. However, there can be no guarantee that an active secondary market in the Ordinary Shares will develop or be sustained or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value per Share. The number of Ordinary Shares to be issued pursuant to the Placing Programme is not yet known and there may be a limited number of holders of Ordinary Shares. Limited numbers and/or holders of Ordinary Shares may mean that there is limited liquidity in such Ordinary Shares which may affect: (i) a Shareholder's ability to realise some or all of their investment; (ii) the price at which a Shareholder can effect such realisation; and/or (iii) the price at which such Ordinary Shares trade in the secondary market.

While the Directors retain the right to effect redemptions and repurchases of Ordinary Shares in the manner described in this Prospectus, this right will only be exercised in specific circumstances and for the purpose of returning capital growth. Shareholders wishing to realise their investment in the Company will normally therefore be required to dispose of their Ordinary Shares through the secondary market. Accordingly, Shareholders' ability to realise their investment at Net Asset Value per Ordinary Share or at all is dependent on the existence of a liquid market for the Ordinary Shares.

The Company may issue new equity, which may dilute Shareholders' equity

Subject to shareholder approval at the General Meeting of the Company, the Directors will be authorised to issue up to 2,500,000 Ordinary Shares in aggregate immediately following Initial Admission pursuant to the Placing Programme without the application of pre-emption rights. If the Directors decide to issue further Ordinary Shares on a non-pre-emptive basis the proportions of the voting rights held by Ordinary Shareholders on Initial Admission will be diluted on the issue of such shares as each Ordinary Share carries the right to one vote.

IMPORTANT INFORMATION

General

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Ordinary Shares other than those contained in this document and any supplementary prospectus published by the Company prior to Initial Admission or the relevant Admission of any Ordinary Shares issued pursuant to a Placing under the Placing Programme and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Investment Manager or Singer Capital Markets. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the UK Prospectus Regulation and MAR, neither the delivery of this document nor any subscription for, or purchase of, Ordinary Shares pursuant to the Placing Programme, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

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

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

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

Apart from the responsibilities and liabilities, if any, which may be imposed on Singer Capital Markets by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regime would be illegal, void or unenforceable, Singer Capital Markets does not accept any responsibility whatsoever or make any representation or warranty, express or implied, as to the contents of this document, including its accuracy or completeness or for any other statement made or purported to be made by Singer Capital Markets or on their behalf in connection with the Company, any Admission, the Placing Programme, the contents of this document, any transaction or arrangement referred to in this document or the Ordinary Shares and nothing contained in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Singer Capital Markets does not assume any responsibility for the accuracy, completeness or verification of this document and accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this document or any such statement.

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

In connection with the Placing Programme, Singer Capital Markets and any of their affiliates acting as an investor for its or their own account(s), may subscribe for the Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Placing Programme or otherwise. Accordingly, references in this document to the Ordinary Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Singer Capital Markets and any of their affiliates acting as an investor for its or their own account(s). Singer Capital Markets does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Notice to prospective investors in the United States

The Company has not been and will not be registered under the US Investment Company Act, and investors are not and will not be entitled to the benefits of the US Investment Company Act. The Ordinary Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. In connection with the Placing Programme, subject to certain exceptions, the Ordinary Shares are being offered and sold outside the United States in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S.

The Company reserves the right, in its absolute discretion, to refuse to permit a transfer of interests in the Company and to require compulsory transfer of interests in the Company and intends to exercise this discretion as the Company determines to be necessary for the purposes of compliance with the US Securities Act, the US Investment Company Act and other US legislation.

Except as otherwise expressly agreed with the Company, Ordinary Shares may not be acquired by investors subject to Title I of ERISA, or to the prohibited transaction provisions of Section 4975 of the US Tax Code, or by others holding the assets of such investors as defined in Section 3(42) of ERISA and applicable regulations.

The Ordinary Shares have not been approved or disapproved by the SEC or any state securities commission, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this document. Any representation to the contrary is unlawful.

For the attention of prospective investors in the European Economic Area

In relation to each member state of the European Economic Area (each a “**Relevant State**”), no Ordinary Shares have been offered or will be offered pursuant to the Placing Programme to the public in that Relevant State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the EU Prospectus Regulation, except that the offers of

Ordinary Shares to the public may be made at any time with the prior consent of Singer Capital Markets under the following exemptions under the EU Prospectus Regulation:

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

provided that no such offer of the Ordinary Shares shall require the Company to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Ordinary Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Ordinary Shares.

In addition, Ordinary Shares will only be offered to the extent that the Ordinary Shares are permitted to be marketed in the Relevant State pursuant to the EU AIFM Directive or can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).

Non-mainstream pooled investments (“NMPI”)

From 1 April 2023, the Company intends to operate as an Investment Trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010 and as such, the Ordinary Shares will be ‘excluded securities’ under the FCA’s rules. Accordingly, upon the Company becoming approved as an Investment Trust], the promotion of the Ordinary Shares will not be subject to the FCA’s restriction on the promotion of non-mainstream pooled investments.

Intermediaries

The Company consents to the use of and accepts responsibility for the content of this document by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries.

The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this Prospectus is given commences on 29 September 2022 and closes at 23:59 on 5 September 2023, unless closed prior to that date.

Any financial intermediary that uses this document must state on its website that it uses this document in accordance with the Company’s consent. Intermediaries are required to provide this document to any prospective investor who has expressed an interest in participating in the financial intermediaries offer, to such financial intermediary. Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.

Information to distributors

Solely for the purposes of the product governance requirements contained within the FCA’s PROD3 Rules on product governance within the FCA Handbook (the “**FCA PROD3 Rules**”) and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the FCA PROD3 Rules) may otherwise have with respect thereto, the Ordinary Shares the subject of the Placing Programme have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end

target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in FCA Glossary; and (ii) eligible for distribution through all distribution channels as are permitted by PROD3 (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the FCA Glossary) should note that: the market price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing Programme.

Furthermore, it is noted that, notwithstanding the Target Market Assessment, SCM Securities will only procure investors (pursuant to the Placing Programme) who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

PRIIPS REGULATION

In accordance with the UK PRIIPs Regulation, a Key Information Document in respect of the Ordinary Shares has been prepared by the Company and is available to investors at www.rockwoodstrategic.co.uk. If you are distributing the Ordinary Shares, it is your responsibility to ensure that the Key Information Document is provided to any clients that are “retail clients” pursuant to the UK PRIIPs Regulation.

The Company is the only manufacturer of the Ordinary Shares for the purposes of the UK PRIIPs Regulation and Singer Capital Markets is not a manufacturer for these purposes. Singer Capital Markets does not make any representations, express or implied, nor accepts any responsibility whatsoever for the contents of any Key Information Document prepared by the Company nor accepts any responsibility to update the contents of any Key Information Document in accordance with the UK PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such Key Information Documents to future distributors of Ordinary Shares. Singer Capital Markets and its affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of any Key Information Document prepared by the Company.

Data protection

Each investor acknowledges that it has been informed that, pursuant to applicable data protection legislation (including the UK GDPR and the EU GDPR) and regulatory requirements in the United Kingdom and/or the EEA, as appropriate (“**DP Legislation**”) the Company, the Company Secretary and/or the Registrar hold their personal data. Personal data will be retained on record for a period exceeding six years after which it is no longer used (subject always to any limitations on retention periods set out in the DP Legislation). The Registrar and the Company Secretary will process such personal data at all times in compliance with DP Legislation and shall only process such information for the purposes set out in the Company’s privacy notice (the “**Purposes**”) which is available for consultation on the Company’s website www.rockwoodstrategic.co.uk (the “**Privacy Notice**”).

Where necessary to fulfil the Purposes the Company will disclose personal data to:

- (a) third parties located either within, or outside of the UK and the EEA, for the Registrar and the Company Secretary to perform their respective functions, or when it is within its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
- (b) its affiliates the Registrar, the Company Secretary, the Investment Manager and their respective associates, some of which are located outside of the UK and the EEA.

Any sharing of personal data between parties will be carried out in compliance with DP Legislation and as set out in the Company's Privacy Notice.

In providing the Registrar with personal data, the investor hereby represents and warrants to the Company, the Registrar and the Company Secretary that: (1) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice to such relevant data subjects; and (2) where consent is legally competent and/or required under DP Legislation, the investor has obtained the consent of any data subject to the Company, the Company Secretary and the Registrar and their respective affiliates and group companies holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes).

Each investor acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the investor is a natural person he or she (as the case may be) represents and warrants that (as applicable) he or she has read and understood the terms of the Company's Privacy Notice.

Each investor acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the investor is not a natural person it represents and warrants:

- (a) it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the investor may act or whose personal data will be disclosed to the Company and the Company Secretary as a result of the investor agreeing to subscribe for Ordinary Shares; and
- (b) the investor has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.

Where the investor acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing Programme:

- (a) comply with all applicable data protection legislation;
- (b) take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
- (c) if required, agree with the Company, the Company Secretary and the Registrar (as applicable), the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- (d) immediately on demand, fully indemnify the Company, the Company Secretary and the Registrar (as applicable) and keep them fully and effectively indemnified against all costs demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company,

the Company Secretary and/or the Registrar in connection with any failure by the investor to comply with the provisions set out above.

Website

Without limitation, and save for the Historical Financial Information incorporated by reference in Part 10 (*Documents incorporated by reference*) of this document, neither the contents of the Company's or the Investment Manager's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's website (or any other website) is incorporated into, or forms part of this document, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this document and any supplementary prospectus published by the Company prior to the Initial Admission or the relevant Admission of any Ordinary Shares issued pursuant to a Placing under the Placing Programme alone.

Forward looking statements

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

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

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 10 of Part 7 (*Additional Information*) of this document.

EXPECTED TIMETABLE, STATISTICS, DEALING CODES, LEI AND WEBSITE

Expected timetable

Publication and despatch of the Circular	6 September 2022
Publication and despatch of Prospectus	6 September 2022
Date of General Meeting	22 September 2022
Ordinary Shares cease to be traded on AIM	28 September 2022
Initial Admission and dealings in the existing Ordinary Shares commence	8.00 a.m. on 29 September 2022
Placing Programme opens	29 September 2022
Announcement of the results of each Placing	as soon as practicable after the closing of each Placing
Admission and crediting of CREST stock accounts in respect of each Placing	as soon as practicable after of the closing of each Placing
Where applicable, definitive share certificates despatched in respect of Ordinary Shares issued pursuant to each Placing	Within ten Business Days after the Admission of Ordinary Shares pursuant to a Placing
Placing Programme closes and last date for Ordinary Shares to be issued pursuant to the Placing Programme	5 September 2023

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

Placing Programme Statistics

Number of existing Ordinary Shares in issue at the Latest Practicable Date	2,541,046
Maximum number of Ordinary Shares to be issued pursuant to the Placing Programme	2,500,000* new Ordinary Shares
Minimum Placing Programme Price in respect of the Ordinary Shares	Net Asset Value per Ordinary Share plus a premium intended to cover at least the costs and expenses of such issue (including, without limitation, any placing commissions)

*Based on a nominal value of 50 pence per Ordinary Share.

Dealing codes, LEI and website

The dealing codes for the Ordinary Shares are as follows:

ISIN GB00BYRH4982

SEDOL BYRH498

TIDM RKW

The LEI for the Company is 213800K6BRTXR7RNG709

The Company's website address is www.rockwoodstrategic.co.uk

DIRECTORS, SECRETARY AND ADVISERS

Directors	Noel Lamb (<i>Non-Executive Chairman</i>) Kenneth Lever (<i>Non-Executive Director</i>) Paul Dudley (<i>Non-Executive Director</i>)
Registered office	6th Floor 60 Gracechurch Street London United Kingdom EC3V 0HR
Principal Place of Business and business address of the Directors	6 Stratton Street London United Kingdom W1J 8LD
Investment Manager	Harwood Capital LLP Stratton Street London United Kingdom W1J 8LD
Sponsor and Financial Adviser	Singer Capital Markets Advisory LLP One Bartholomew Lane London EC2N 2AX United Kingdom
Bookrunner	Singer Capital Markets Securities Limited One Bartholomew Lane London EC2N 2AX United Kingdom
Company Secretary	Shakespeare Martineau LLP 60 Gracechurch Street London EC3V 0HR
Solicitors to the Company	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL United Kingdom
Solicitors to the Sponsor, Financial Adviser and Bookrunner	Norton Rose Fulbright LLP 3 More London Riverside London United Kingdom SE1 2AQ
Reporting Accountants	Simmons Gainsford LLP 14th Floor, 33 Cavendish Square, London, United Kingdom, W1G 0PW

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Registrar

Link Asset Services
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

PART 1

THE COMPANY

1. Introduction

Rockwood Strategic PLC is a closed-ended investment company incorporated in England and Wales on 26 July 1999. The Company aims to provide Shareholders with an attractive return on their investment, predominantly through long-term capital appreciation, by investing primarily in a focused portfolio of smaller UK public companies. The Company's investment manager is Harwood Capital LLP ("**Harwood**" or the "**Investment Manager**"). From 1 April 2023, the Company expects to operate as an Investment Trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

Harwood has constructed a portfolio predominantly made up of publicly listed UK companies of under £250 million market capitalisation at the point of investment, whose shares are believed to be valued at less than the Investment Manager's view of their intrinsic value. Details of the Portfolio and of the Company's performance to date are set out in Part 2 (*The Portfolio and Performance*) of this document and details of the Investment Manager are set out in Part 4 (*Directors, Investment Manager and Administration*) of this document.

As at 31 August 2022, the unaudited basic Net Asset Value (**NAV**) was calculated as £40.7 million and the Net Asset Value per Ordinary Share (unaudited) was 1,603.2 pence. The NAV Total Return performance of the Company's portfolio in the three years to 30 June 2022 was 40.3% which compares to 15.1% for the FTSE Small Cap (ex-ITs). The Company's Total Shareholder Return in this period was 50.3%.

With effect from April 2021, U.K. tax law changed with the regard to the use of historic tax losses in reducing taxable profits, lowering the extent these can be utilised in any one year. The Company previously benefitted from a significant Corporation Tax shield in the form of over £125 million of brought forward tax losses. Following the changes, the maximum tax shield that can be used in any one financial year is limited to £5 million. As a result, the Company had a Corporation Tax charge for the financial year to 31 March 2022 of approximately £1.58 million.

In addition, unlike an Investment Trust, the Company remains liable to be charged for Value Added Tax, which is charged to the Company on all fees and expenses including the investment management and performance fees. Consequently the Company paid a further £0.46 million in VAT on the management fees and performance fee which it is unable to reclaim.

The Board wishes to improve the tax efficiency of the Company as expediently as possible, hence the Directors believe that the conversion of the Company to an Investment Trust for the financial year commencing 1 April 2023 and subsequent periods thereafter is in the best interests of the Company and Shareholders. Approval as an Investment Trust requires the Company to be admitted to the Official List. The Company, as an approved Investment Trust, would no longer incur VAT on management and performance fees, and would not be liable to Corporation Tax on capital gains under the current HMRC rules. The cash payback from converting is expected to be swift.

The Directors believe that Initial Admission is also in the best interest of the Company and Shareholders for the following reasons:

- the Company will have access to a larger pool of capital which may improve the liquidity of the Ordinary Shares;
- the premium listing is expected to facilitate a broadening of the Company's share register; and

- a premium listing may help raise the Company's profile with increased media coverage and investor interest, which would in turn enhance its status.

The Directors have also determined that it would be advantageous to raise further funds for investment following Initial Admission. Accordingly, the Company is taking the opportunity to propose a Placing Programme for up to 2,500,000 new Ordinary Shares, the net proceeds of which will be utilised by the Company to fund investments in accordance with the Company's investment policy. The Directors believe that the issue of Ordinary Shares pursuant to the Placing Programme should yield the following principal benefits for the Company and Shareholders:

- enable in a timely and efficient manner the acquisition of assets to seek to create further value for Shareholders;
- spread operating costs over a larger capital base, reducing the Company's ongoing charges ratios;
- improve liquidity and enhance the marketability of the Ordinary Shares, resulting in a broader investor base over the long term; and
- the price at which the Company is permitted to issue new Ordinary Shares will mean that the issue of new Ordinary Shares is not dilutive in NAV terms and may, depending upon the level of premium at which the new Ordinary Shares are issued, be NAV accretive.

Adoption of the Placing Programme is conditional upon, *inter alia*, approval of shareholders at the General Meeting.

2. Investment objective and investment policy

Investment Objective

The Company will seek investments in securities that the Investment Manager believes can generate a 15 per cent. IRR² over the medium to long-term, principally through capital appreciation, and would typically expect a holding period of at least three to five years.

Investments will be sought where the securities are valued at less than the Investment Manager's view of their intrinsic value. The Investment Manager will seek to invest in businesses which it believes offer opportunities for value to be unlocked or created through strategic, management or operational changes, typically leading to improved returns, profits and growth.

For larger, 'core' holdings, the Company will seek to acquire influential block stakes (targeting between 5 per cent. and 25 per cent. of the 'core' holdings issued ordinary share capital) for cash or share consideration and in conjunction with other funds run by the Investment Manager when additional capital is needed.

Investment Policy

A resolution is being proposed at the General Meeting to seek approval from Shareholders to amend the current investment policy of the Company in view of the Company's proposed move to the premium segment of the Official List. Although the Investment Manager does not envisage changing its investment strategy, to ensure diversification within the Company's portfolio the majority of changes relate to including appropriate investment restrictions which are in keeping with the existing investment strategy. For example, the Company is proposing to restrict the amount it invests in non-listed investments and to introduce new limits on investment in any single holding or in the securities of any one issuer.

The revised investment policy that is being proposed for adoption at the General Meeting is set out below:

2 The IRR target above is a target only and not a profit forecast. There can be no assurance that the target will be met. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company.

The Company has an active investing policy and will invest predominantly in a diversified portfolio of publicly listed or quoted UK equities capitalised under £250 million at the point of investment. The Company will retain flexibility to invest in non-listed investments in certain situations that will not cumulatively exceed 15 per cent. of the Company's Net Asset Value (NAV) at the time of any investment.

The Company intends to invest the majority of its capital in a concentrated portfolio of up to 10 'core' investments. Initial holding weightings are expected to represent between 4 to 15 per cent. of the NAV at the time of investment, although the Company will have discretion to invest up to 20 per cent. of NAV, at the time of investment, in a single holding or in the securities of any one issuer, if a suitable opportunity arises. The remainder of the portfolio is expected to be invested in a focused group of between 15-25 investments. These will meet the investment criteria but are where the opportunity to establish a 'core' size investment has not arisen yet, or are more liquid corporate recovery/'special' situations where the targeted return objectives can be expected but where a large stake is not deemed necessary to influence or generate change.

The Company will not be required to dispose of any investment or to rebalance the portfolio as a result of a change in the respective valuations of its assets.

For maximum flexibility, given the full range of potential future corporate situations 'core' investments may result in the Company investing directly or indirectly in companies listed in non-UK OECD countries (e.g. demerged overseas division or a re-listing elsewhere). Non-UK OECD investments will cumulatively not exceed 25 per cent. of NAV at the time of investment.

The investment policy will not be to seek or target investments in privately held companies, however, in order to ensure the maximum realisation of shareholder value, these will be allowable if: (i) a public-to-private transaction occurs, and/or (ii) the investment is unlisted preferred equity and convertible debt and other debt instruments enabling flexibility of exposure within the capital structure when 'core' investments are identified.

The Company may, from time to time, use borrowing for short-term liquidity purposes, which could be achieved by putting a bank facility in place or other types of borrowing instruments, but will limit borrowing to no more than 20 per cent. of gross assets, calculated at the time of drawdown of the relevant borrowings.

The Company will not invest in other listed closed ended investment funds.

No material change will be made to the investment policy without the prior approval of Shareholders by ordinary resolution and the prior approval of the FCA in accordance with the Listing Rules.

3. Investment strategy and process

3.1 *Investment strategy*

The Company is invested in a focused portfolio of smaller UK public companies. The strategy identifies undervalued shares, where the potential exists to improve returns and where the company is benefitting, or will benefit, from operational, strategic or management changes. These unlock, create or realise shareholder value for investors.

3.2 *Investment process*

The investment process of the Investment Manager is focused on establishing a proper understanding of a potential investment's business fundamentals, a clear view of intrinsic worth and the catalysts for change and value realisation. Significant due diligence is completed on all 'core' investments by the Investment Manager and the Company seeks to incorporate the benefits of the networks, experience and insights of both its Board and the

members of its IAG to enhance this process. No 'core' investments will be made until the above have been consulted. There are four stages to the investment process:

- a) Idea identification is driven both organically and systematically. The Investment Manager generates ideas through its interest in markets, innate curiosity about companies and incentive to find outstanding investment opportunities. The Investment Manager has large, established networks across the UK small cap universe. This is bolstered by the networks of the IAG. In addition, the Investment Manager quantitatively screens the small cap universe for companies with depressed valuations and profitability relative to history. These ideas inevitably lead to an initial company meeting (they often have met them historically), preliminary analysis and the development of a simple potential investment thesis.
- b) Due diligence is then commenced on those companies where the initial thesis and meeting confirm an opportunity may exist. The amount is significantly greater for potential 'core' investments. Huge amounts of information is now available to investors. The key is having the skill to know what is important, the ability to analyse and enhance the Investment Manager's understanding of risks and specific drivers of a company's intrinsic value and the time and dedication to do the work required. A focused portfolio significantly increases the time the Investment Manager has relative to other competitors, where typical small cap portfolios have 60 to >100 holdings. During the process for potential 'core' investments, the IAG is contacted for their insight, network opportunities and initial concerns. This is then incorporated into the diligence process. Prior to entering into a 'core' position a thorough investment memorandum is circulated to the IAG and Board. The Investment Manager would seek executive management buy-in to the strategic and operational changes required to drive value and where appropriate will seek Board representation. For non-'core' investments a simpler investment memorandum is documented.
- c) Execution: The Investment Manager has full responsibility for investment decisions which will have been discussed within the Investment Team and, for 'core', the IAG members. For 'core' investments a 'block' stake or company financing event is usually needed which will involve liaison with company advisers. All orders are managed by Harwood's highly experienced in-house dealer. Regularly, the opportunity for a 'core' position is not immediately available and thus a 'springboard' position will be taken if the upside is clear and patience is required to scale up.
- d) Post investment, holdings are monitored by the Investment Manager through on-going financial results analysis, meetings with management and board members, input from industry, sector and company analysts or experts. For 'core' investments, a summary annual review will be circulated to the IAG and Board, including an updated target valuation/price. For all investments exit theses are established at the outset. For 'core' investments this will often require high levels of board engagement, communication with other shareholders of the investee company's views, and a pro-active approach, leading to a sale of the business and a control premium. Secondary market sales are also possible as other investors reconsider a rehabilitated company, usually with business and share price momentum.

4. Dividend policy

Subject to the terms of the Articles, the Directors may from time to time, as they see fit, pay such dividends on the Ordinary Shares as appear to the Directors to be justified. The dividend policy of the Company is to pay out at least 85% of portfolio income net of expenses as dividends, retaining capital for re-investment. This is the minimum required to comply with the requirements of the Investment Trust rules.

The Company paid £534,664 in dividends to shareholders in the year-ended 31 March 2022. The Board did not recommend the payment of a final dividend in respect of the year-ended 31 March 2022 stating the Company would instead use the capital to compound NAV growth; for the year ended 31 March 2021, the Company paid an annual dividend of 27.46 pence per Ordinary Share (totalling £866,740); and for the year ended 31 March 2020, the Company paid an annual dividend of 22.9 pence per Ordinary Share (totalling £752,374).

5. Valuation policy

The unaudited Net Asset Value per Ordinary Share is calculated in Sterling by the Company's administrator on a weekly basis. Such calculations are published weekly, on a cum-income and ex-income basis, through a Regulatory Information Service.

The Net Asset Value is the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with IFRS. Publicly traded securities will be valued by reference to their bid price on the relevant exchange or, where that price is not available, the closing price.

Full valuations of the Company's investments are conducted by the Company's Audit Committee as at 31 March for each financial period. Interim valuations are performed by the Company's Audit Committee on a half-yearly basis as at 30 September.

Every six months, the lead fund manager within Harwood is asked to revalue the investments that they look after and submit a valuation recommendation to the investment committee and the finance team of Harwood. The investment committee considers the recommendation made, and assuming the finance team confirms that the investment valuation calculations are correct, submits its valuation recommendations to the Board of the Company to consider. The final valuation decision taken by the Board is made after taking into account the recommendation of the Investment Manager.

Investments in quoted companies are recognised on trading date and valued at the closing bid price as at the end of the reporting period. Unquoted investments are valued according to the Directors' best estimate of the Company's share of that investment's value. This value is calculated in accordance with the International Private Equity and Venture Capital Valuation Guidelines (the IPEV of December 2018 and the special valuation guidance issued in March 2020) and industry norms which include calculations based in appropriate earnings or sales multiples.

The Directors may temporarily suspend the calculation, and publication, of the Net Asset Value during a period when, in the opinion of the Directors:

- i) there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- ii) there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or
- iii) it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis.

Any suspension in the calculation of the Net Asset Value, to the extent required under the Listing Rules, will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

6. ESG Policy

The Company has no employees and delegates its day-to-day management and administration to third parties. The Board considers its key stakeholders to be its Shareholders, the Investment Manager and its third-party service providers while also taking into account the Company's responsibilities to regulators and the wider community. Given the out-sourced nature of the Company's operations, the Company has very little direct impact on the community or the environment. However, the Directors recognise that the Investment Manager can influence an investee company's approach to Environmental, Social and Governance (ESG) matters. The Investment Manager is committed to operating responsibly. The Investment Manager also recognises that the integration of ESG considerations into its investment assessments is important and that when these factors are addressed well they can have a positive impact on the financial performance of the fund investments.

The Investment Manager assesses ESG factors during due diligence and incorporates conclusions into its engagement, strategic and operational plan, investment thesis and investment risk assessment. The Investment Manager continues to monitor factors post-investment and engage when appropriate. The Investment Manager expects companies to be minimising their environmental footprint, without damaging the outlook for cash earnings and will engage where necessary to address lack of active attention in this area. The Investment Manager believes successful companies incorporate the interests of multiple stakeholders into their business operations and their strategy for maximising shareholder value. The governance factor is most important to the Investment Manager and investment strategy, enabling effective approaches to environmental and social factors. The Investment Manager actively engages with companies as an integrated part of its philosophy and process. This is often including through board representation, which helps ensure corporate governance is structured appropriately, 'groupthink' is avoided and the investee company's board is working effectively to deliver shareholder value.

7. Reports, accounts and meetings

The audited accounts of the Company are prepared under IFRS and the annual report and accounts are prepared up to 31 March each year. Copies of the report and accounts will be published by the end of June each year. The Company also prepares an unaudited half-yearly report covering the six months to 30 September each year, which will be published within the following three months.

The Company holds an annual general meeting each year. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders.

8. Share capital management

8.1 *Premium management*

In the event that the Ordinary Shares trade at a premium to the Net Asset Value per Ordinary Share, the Company may issue new Ordinary Shares. The Directors are seeking authority, at the General Meeting, to issue up to 2,500,000 Ordinary Shares on a non-pre-emptive basis pursuant to the Placing Programme.

Investors should note that the issuance of new Ordinary Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the number of new Ordinary Shares that may be issued.

8.2 *Discount management*

The Board holds quarterly Board meetings (with additional meetings arranged as necessary) where it considers investment performance, investor relations, share price performance and other relevant matters. Regular discussions are held with the Investment Manager and the Company's advisers about the discount to NAV at which the Ordinary Shares trade and how

this might be reduced. Over the past four years, the Company has undertaken share buybacks in an effort to reduce this discount.

The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests and as a means of correcting any imbalance between the supply of and demand for the Ordinary Shares.

The Directors have general Shareholder authority to purchase in the market up to 521,785 Ordinary Shares and intend to seek a renewal of the authority to buyback Ordinary Shares from Shareholders at each annual general meeting of the Company, including at the forthcoming annual general meeting to be held on 13 September 2022 at which the Company is seeking Shareholder authority to purchase in the market up to 381,157 Ordinary Shares, being 14.99 per cent. of the Ordinary Shares in issue as at the Latest Practicable Date.

Pursuant to this authority, and subject to the Companies Act and discretion of the Directors, the Company may repurchase Ordinary Shares in the market on an on-going basis at a discount to NAV with a view to increasing the NAV per Ordinary Share and assisting in controlling the discount to NAV per Ordinary Share in relation to the price at which such Ordinary Shares may be trading.

Purchases by the Company will be made only at prices below the estimated prevailing NAV per Ordinary Share based on the last published NAV but taking account of movements in investments, stock markets, and currencies, in consultation with the Investment Manager and at prices where the Directors believe such purchases will result in an increase in the NAV per Ordinary Share of the remaining Ordinary Shares.

The Directors will consider repurchasing Ordinary Shares when the price per Ordinary Share plus the pro forma cost to the Company per Ordinary Share repurchased is less than 95 per cent. of the NAV per Ordinary Share. The pro forma cost per Ordinary Share should include any brokerage commission payable and costs of realising portfolio securities to fund the purchase. The Directors may, at their discretion, also consider repurchasing Ordinary Shares at a smaller discount to NAV per Ordinary Share, provided that such purchase would be accretive to NAV per Ordinary Share for any continuing Shareholders.

No expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. The implementation of any Ordinary Share buyback programme will be subject at all times to compliance with the Companies Act, the Articles and all other applicable legal and regulatory requirements, including, from Initial Admission, the Listing Rules. Pursuant to the Listing Rules, any purchase of Ordinary Shares by the Company pursuant to a general authority by its Shareholders that represents 15% or more the issued share capital must be by way of a tender offer to all Shareholders.

Whilst the Company has the ability to repurchase Ordinary Shares, the Directors are aware of the Concert Party's interest in the Company in light of The Takeover Code and the requirement to make a mandatory offer for the Company under Rule 9 of The Takeover Code should the combined interest of the Concert Party exceed 30% of the Company's issued share capital. It is therefore the Board and Investment Manager's view that for the foreseeable future any discount between NAV per Share and the price per Ordinary Share will be addressed through marketing, promotion and sustained investment performance driving excess buyers over sellers.

8.3 ***Treasury Shares***

Any Ordinary Shares repurchased pursuant to the general buy-back authority may be held in treasury. These Ordinary Shares may be subsequently cancelled or sold for cash. This would give the Company the ability to reissue Ordinary Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

As at the Latest Practicable Date, the Company's issued share capital was 2,541,046 Ordinary Shares of £0.50 each, of which none were held in treasury.

8.4 ***Capital Reorganisation***

The Company may choose to undertake a capital reorganisation to reduce the nominal value of the Ordinary Shares. Should such a reorganisation take place during the next twelve months, all share figures quoted in this document shall be adjusted accordingly in direct proportion to the subsequent number of shares in issue following the reorganisation.

PART 2

THE PORTFOLIO AND PERFORMANCE

1. The Portfolio

As at the 31 August 2022, the Portfolio comprised 14 holdings and the Company's unaudited Net Asset Value was £40.7 million.

Details of the holdings in the Portfolio as at 31 August 2022 are set out in the table below:

<i>Holding</i>	<i>Public/ private</i>	<i>Market cap (£m)</i>	<i>Holding as a percentage of NAV (%)</i>	<i>Company's stake in investee company's issued share capital (%)</i>
Crestchic Plc	Public	74,024,650	23.9%	13.2%
Flowtech Fluidpower PLC	Public	72,561,354	10.3%	5.8%
Centaur Media PLC	Public	64,618,421	9.6%	6.0%
M&C Saatchi Plc	Public	193,166,795	7.8%	1.6%
Pressure Technologies plc	Public	21,747,014	7.4%	13.8%
Smooove plc	Public	37,625,340	6.4%	6.9%
Van Elle Holdings plc	Public	45,866,660	6.0%	5.4%
City Pub Group plc	Public	65,720,000	3.2%	2.0%
Galliford Try Holdings PLC	Public	171,245,620	2.8%	0.7%
Bonhill Group	Public	4,879,99	22.6%	21.4%
Other Listed Equities	Public		6.2%	
Cash (net of liabilities)			13.9%	
Total			100.0%	

2. Performance

Details of the performance of the Company's Portfolio as at 30 June 2022 are set out in the table below:

<i>Performance</i>	<i>Year to date</i>	<i>3 Months</i>	<i>12 Months</i>	<i>36 Months</i>
Company's Total Shareholder Return	-1.1%	-2.1%	2.4%	50.3%
Company's Strategic NAV Return	-8.0%	-6.3%	4.5%	40.3%
FTSE Small-Cap (ex ITs)	-17.6%	-11.5%	-16.9%	15.1%

Performance for the Company will be dominated by the investment returns driven by the stock specific outcomes of the portfolio holdings due to a relatively concentrated approach versus other listed UK small company funds. The Investment Performance objective is 15% IRRs³ from individual investments over the typical investment time horizon of three to five years. This requires an absolute return investing mindset and not a 'benchmark' relative one. The intended outcome, if stock selection is positive, is that each investment doubles in value prior to sale. On-going costs and fees will reduce performance and thus the Company will seek to minimise these. Performance overall will be affected over shorter time periods by the market valuation backdrop in the equities asset class and, within this, sentiment towards UK equities relative to overseas equities and small

3 The IRR target above is a target only and not a profit forecast. There can be no assurance that the target will be met. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company.

company valuations relative to large companies, which to a certain extent has historically been driven by risk appetite. However, over the target investment time horizon, due to the Investment Manager's focus on both intrinsic value and change catalysts to ensure this is realised, if the Investment Manager's analysis and judgement are sound, stock selection contribution may outweigh broader market considerations.

PART 3

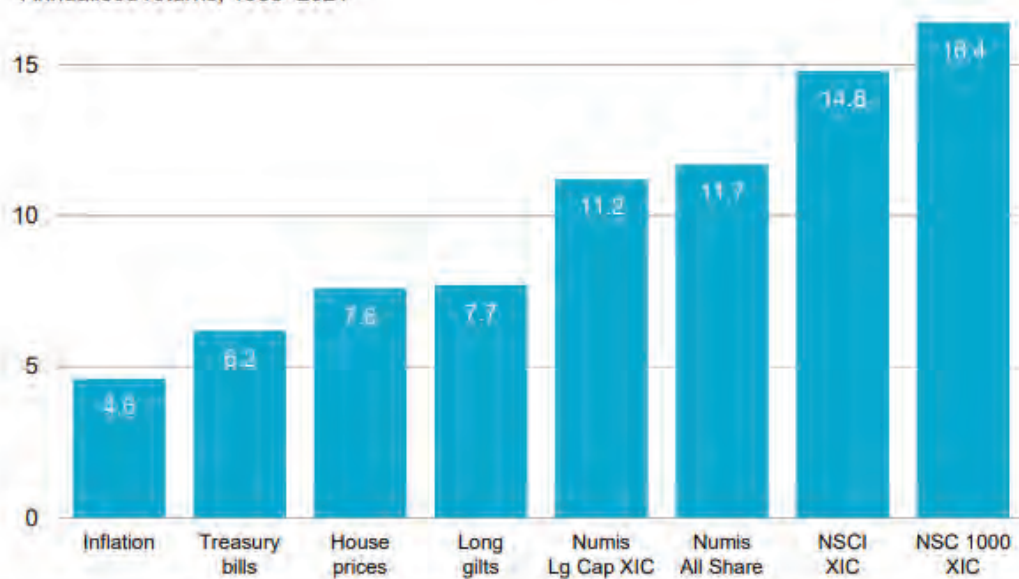
MARKET OVERVIEW

1. Market Review

The Investment Manager believes there is currently a structural investment opportunity for enhanced returns in small cap equities. This has been shown across geographies over history and is clearly evident in the UK as demonstrated in the multi-decade research of Dimson & Marsh, the 'small cap effect' established by Fama & French in 1993 and the long-term performance of both the Numis Small Companies Index (Bottom 10% of the UK stock-market, re-calculated annually, back to 1955) of 14.8% per annum on average and the Numis 1000 Index (Smallest 1000 companies) of 16.4% on average.

Figure 3. The Numis indices and comparative asset returns, 1955–2021

Annualised returns, 1955–2021



Source: Scott Evans and Paul Marsh, Numis.

The Investment Manager believes the causes of this long-term outperformance are due to:

- the premium received by small companies for faster than average growth, as large companies struggle to find material new growth avenues due to their size and maturity.
- the illiquidity premium captured, as lower equity valuations are given to less liquid securities by the majority of market participants who wish to be able to sell and buy their investments rapidly. Large funds need to purchase significant stakes in small companies in order to have a material, relevant percentage position weighting within their portfolios, which they tend to then avoid due to the inherent illiquidity. This is most acute in the open-ended OEIC sector (which dominates professional UK equity market assets) where daily redemption risk resides.
- A risk premium attached to many smaller companies for the immaturity of their business model or industry (which can dissipate over time) and the reduced funding options compared with the well-banked large companies sector.

Company:

- The Investment Manager believes that active investment management can potentially deliver an additional return over that offered by the average UK small company equity via enhanced stock selection, through:
 - the application of a 'value' philosophy
 - the application of proprietary company research and due diligence which can enable:
 - the avoidance of excessive or market unrecognised risks
 - the identification of under-appreciated or 'hidden' intrinsic value
 - an insightful understanding of the value creation potential of a company
 - higher than average levels of investor engagement with the company, board, executive management and stakeholders to deliver shareholder value

Market Trends:

- The Investment Manager believes that recent stock market industry dynamics have enhanced the opportunity within the investment universe due to greater likelihood of inefficient markets:
 - A reduction in company research coverage by stockbrokers in recent years (due to a combination of collapsed commission fees and MiFID2 regulations) has been occurring and for a significant proportion of small companies there may be none, one or possibly just two professional, broking research providers. The research is dominated by those providers paid for by the company, lacking independence. Furthermore, due to the lack of investor payment for research and the low levels of liquidity (and thus dealing commission opportunity), the Investment Manager has observed a material reduction in deep, detailed, thorough, insightful and broad industry research and financial results analysis.
 - The Investment Manager believes that due to higher market concentration of assets under management within a small number of large institutions, their huge scale prohibits them from considering a large part of the UK universe due to liquidity requirements. Many 'small' company Investment Trusts invest primarily in considerably higher market capitalisations than £250 million. As a result, the Investor Manager believes there is a structural opportunity to find outstanding investment opportunities in an inefficient market place, with over-looked and misunderstood companies.

Recent Market developments:

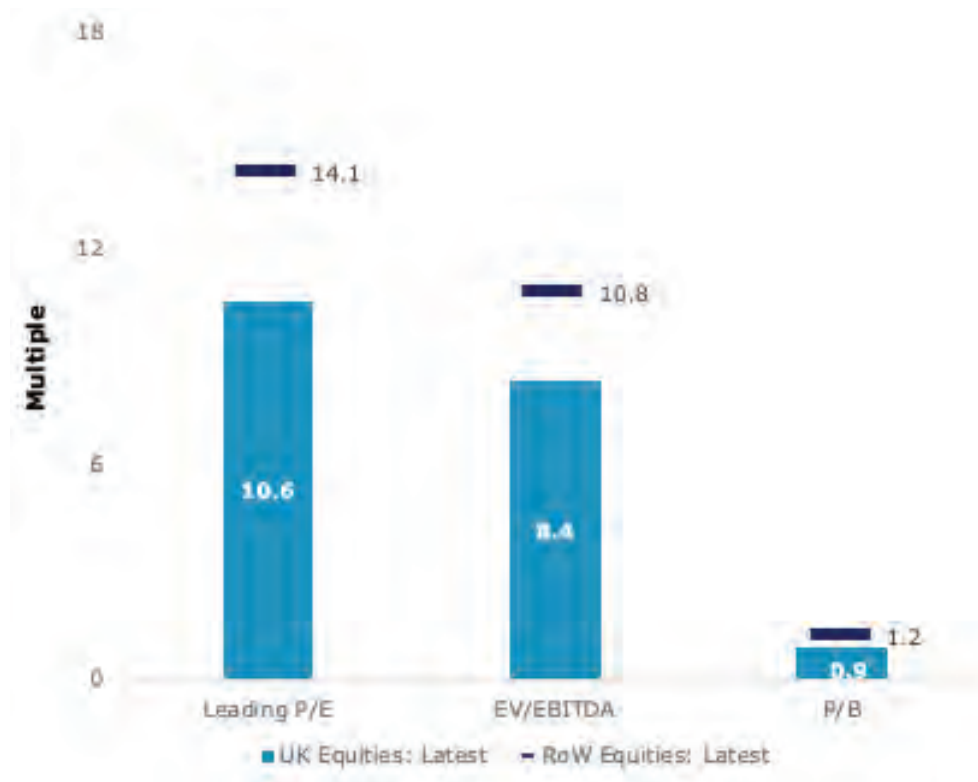
- In the near term the Investment Manager believes the opportunity is further enhanced due to the out of favour status relative to history of the UK stock market relative to global (mainly the US) stock markets.
- The UK discount started widening following the calling of the Brexit Referendum in 2016 and has since increased with investor flows into Global, the momentum of US technology mega-caps.



It can be observed that UK equities are valued at a significant discount to the 30 year average:



And a significant discount to Rest of World equity valuations:



PART 4

DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION

1. The Directors

The Directors are responsible for the Company's investment objective and investment policy and have overall responsibility for the Company's activities including the review of investment performance and the control and supervision of the Investment Manager. All of the Directors are non-executive and are independent of the Investment Manager. Upon Admission, all of the Directors will be subject to annual re-election by the Company's shareholders, pursuant to the Articles.

The Directors are as follows:

Noel Lamb (aged 66) (*Independent Non-Executive Chairman*)

Noel is also the Chairman of the Atlantis Japan Growth Trust and a director of Guinness Asset Management Funds. Noel graduated from Exeter College, Oxford University and is a barrister-at-law. He joined Lazard Brothers & Co Limited in 1987 and from 1992 to 1997 he was the managing director of Lazard Japan Asset Management where he was the fund manager for their Japanese equities. In 1997, he moved to the Russell Investment Company where he established the investment management capability of Russell in London. In 2002, he was promoted to Chief Investment Officer in North America where he managed assets of \$150bn until his departure in 2008.

Kenneth Lever (aged 68) (*Independent Non-Executive Director*)

Ken is Chair of the audit committee at Rockwood Strategic PLC, Chairman of Biffa plc and RPS Group plc and NED of Vertu Motors plc. Ken was previously Chief Executive of Xchanging plc and during his career has held listed company executive board positions with Tomkins plc, Albright and Wilson plc, Alfred McAlpine plc and private equity owned Numonyx BV. In his early career Ken qualified as a Chartered Accountant and became a partner in Arthur Andersen. Until 2014 Ken was a member of the UK Accounting Standards Board. He graduated from Manchester University with a degree in Management Sciences.

Paul Dudley (aged 50) (*Independent Non-Executive Director*)

Paul is a Fellow of the Institute of Chartered Accountants of England and Wales and is a Member of the UK's Chartered Institute of Securities and Investment. Paul founded Aer Ventures (formerly HD Capital Partners Ltd) in 2011 where he is Managing Partner, advising and leading corporate transactions on numerous public and private companies. Previously he worked at stockbroking firm WH Ireland where he was approved as a Qualified Executive acting as the Corporate Finance adviser on fundraisings and M&A transactions and also at Sigma Capital Group plc, a venture capital investment firm, where he advised on investment into emerging growth companies. Earlier in his career, after qualifying at PricewaterhouseCoopers, Paul was seconded to the listing department of the London Stock Exchange. He is currently an Independent Director at Katoro Gold plc and Pyne Gould Corporation Ltd.

2. The Investment Manager

2.1 Introduction

The Company has appointed Harwood as the Company's alternative investment fund manager to provide portfolio management and risk management services to it pursuant to the Investment Management Agreement (details of which are set out in paragraph 2.3 below and in paragraph 7.1 of Part 7 (*Additional Information*) of this document).

2.2 **Management team**

The personnel of the Investment Manager who are involved with the provision of investment management services to the Company consists of the following individuals:

Richard Staveley (*Lead Fund Manager*)

Richard has over twenty years' experience of equity investment and fund management. Having qualified as a chartered accountant at PricewaterhouseCoopers, Richard joined Bradshaw Asset Management, as assistant fund manager in 1999. He subsequently joined Société Générale Asset Management where he became Head of UK Small Companies and a CFA charterholder. In 2006, he co-founded River and Mercantile Asset Management where he launched both the UK Small Company Fund, the UK Income Fund and was Head of Research. In 2013, he joined Majedie Asset Management to co-manage and subsequently solely manage the UK small company investments. In 2019 he joined Gresham House Plc as fund manager for Gresham House Strategic Plc, the Strategic Public Equity LP and eventually the Gresham House UK Small Companies Fund. He currently sits on the boards of Bonhill Plc and Centaur Plc.

Nicholas Mills (*Assistant Fund Manager*)

Nicholas joined Harwood Capital LLP in 2019 after spending 5 years at Gabelli Asset Management in New York. He acted primarily as a Research Analyst covering the multi-industrial space and also gained experience in Merger Arbitrage strategies and marketing Closed End Funds. He has a Bachelor of Science Degree from Boston College's Carroll School of Management. He currently sits on the board of Crestchic Plc, Circassia Company Plc and Hargreaves Services Plc.

Christopher Mills (*Advisory Company Member and CIO Harwood Capital LLP*)

Christopher has over 45 years investment experience and has been Chief Executive Officer and principal shareholder of Harwood Capital Management since 2011. He founded JO Hambro Capital Management with Jamie Hambro in 1993 acting as Chief Investment Officer and Harwood Wealth with Alan Durant in 2013 until their respective sales in 2011 and 2020. He is CEO of North Atlantic Smaller Companies Investment Trust ("NASCIT") which he has managed since 1982 and Executive Director of Oryx International Growth Fund which he has managed since 1995. NASCIT has delivered a total NAV per share of nearly 200x under Mr. Mills' management. He has sat on the board of over 100 companies during his career including most recently Augean, MJ Gleeson, SureServe, Frenkel Topping, Assetco, Ten Entertainment, Bigblu Broadband, Trellus Health, SourceBio International and is currently Chairman of EKF Diagnostics and Renalytix AI.

2.3 **Investment Management Agreement**

In consideration of the Investment Manager performing portfolio management services, the Investment Manager receives a performance and management fee (details of which are set out in paragraph 7.1 of Part 7 (*Additional Information*) of this document).

2.4 **Custody Arrangements**

The Company's custodian to all assets is RBC Investor Services Trust. The Company and its manager are sub-threshold AIF/AIFMs. As such, the Company does not have a depositary. The relationship between the Company and the custodian is governed by the Custody Agreement. Details of the Custody Agreement are set out in paragraph 7.6 of Part 7 (*Additional Information*) of this document.

3. Other advisers

3.1 Company Secretary

Shakespeare Martineau LLP has been appointed to provide company secretarial services to the Company pursuant to the Company Secretarial Agreement (details of which are set out in paragraph 7.4 of Part 7 (*Additional Information*) of this document).

3.2 Registrar

Link Company has been appointed to provide registrar services to the Company pursuant to the Registrar Agreement (details of which are set out in paragraph 7.3 of Part 7 (*Additional Information*) of this document).

4. Fees and expenses

4.1 Expenses of Admission

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

The costs and expenses of, and incidental to, Initial Admission payable by the Company are expected to be approximately £400,000.

4.2 Expenses of the Placing Programme

The expenses of the Company relating to the Placing Programme are those that arise from, or are incidental to, the issue of Ordinary Shares issued pursuant to the Placing Programme and their Admission. These include the fees payable in relation to each Admission, including listing fees, as well as the commissions due under the Placing Agreement.

The issue expenses of a Placing pursuant to the Placing Agreement will be met by the Company from the proceeds of such Placing.

4.3 Ongoing annual expenses

The Company incurs annual fees, charges and expenses in connection with the day to day running of the Company, which include fees paid to the Investment Manager and other service providers in addition to other expenses. The fees and expenses for the Company in respect of the period from 31 March 2019 to 31 March 2022 (including the ongoing annual expenses of the Company) can be found in the Historical Financial Information incorporated into this document by reference as set out in Part 10 (*Documents incorporated by reference*) of this document.

5. Conflicts of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. A register has been set up to record all actual and potential conflict situations which have been declared. All declared conflicts have been approved by the Board. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

Each service provider of the Company has an agreed conflict policy to avoid any material conflicts of interest.

As at the date of this document, there are no material potential conflicts of interest which any of the services providers to the Company, may have as between their duty to the Company and duties owed by them to third parties and their other interests.

6. Corporate governance

6.1 Introduction

The Board considers that the principles and recommendations of the AIC Code of Corporate Governance issued in July 2019 (“the AIC Code”) provide the most appropriate framework for the Company’s governance and reporting to shareholders. The AIC Code addresses all the principles set out in the UK Corporate Governance Code (the “UK Code”) as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Company has maintained its compliance with the AIC Code, except as follows:

- The Directors do not consider it appropriate to establish a nomination, remuneration or a management and engagement committee. The functions that are carried out by these committees are dealt with by the full Board.
- As the Company has no employees and its functions are undertaken by third parties, the Audit Committee does not consider it necessary for the Company to establish its own internal audit function.

The Board has established an Audit Committee. This committee undertakes specific activities through delegated authority from the Board. Terms of reference for the committee have been adopted and are reviewed on a regular basis by the Board.

The AIC Code is made up of 17 principles and 35 provisions over five sections covering:

- Board Leadership and Purpose;
- Division of Responsibilities;
- Composition, Succession and Evaluation;
- Audit, Risk and Internal Control; and
- Remuneration

Details of how the Company has complied with the principles and provisions of the AIC Code are set out in its Corporate Governance Statement which can be found in the Corporate Governance Report on pages 11 to 15 of the Company’s Annual Report and Accounts for the financial year ended 31 March 2022.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

6.2 Audit Committee

The Audit Committee is chaired by Ken Lever. The Audit Committee’s other member is Paul Dudley. The Chair of the Company and the Investment Manager are not members of the committee but are invited to attend meetings of the Audit Committee from time to time. The Audit Committee operates within a scope and remit defined by specific terms of reference determined by the Board. The Audit Committee meets twice a year to review and discuss the Company’s half-year and full year accounts.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly reported and monitored. The role of the Audit Committee includes: (i) monitoring the integrity of the published financial statements of the Company; (ii) reviewing and reporting to the Board on the significant issues, judgements, and estimates made in the preparation of the Company’s published financial statements; (iii) monitoring and reviewing the quality and effectiveness of the external auditor and their independence;

(iv) considering and making recommendations to the Board on the appointment, reappointment, replacement, and remuneration of the external auditor; (v) reviewing the Company's procedures for prevention, detection and reporting of fraud, bribery, and corruption; and (vi) monitoring and reviewing the internal control and risk management systems of the Company's service provider.

PART 5

THE PLACING PROGRAMME

1. Introduction

The Directors are seeking authority, at the General Meeting, to issue up to 2,500,000 Ordinary Shares on a non-pre-emptive basis pursuant to the Placing Programme.

The Placing Programme is flexible and may have several closing dates in order to provide the Company with the ability to issue Ordinary Shares over a period of time. The Placing Programme is intended to satisfy market demand for Ordinary Shares and to raise money to increase the size of the Company and invest in accordance with the Company's investment policy.

2. The Placing Programme

The Placing Programme will open on 29 September 2022 and will close on 5 September 2023 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). The terms and conditions that apply to the purchase of the Ordinary Shares under the Placing Programme are set out in Part 8 (*Terms and Conditions of the Placing Programme*) of this document.

The Company will have the flexibility to issue Ordinary Shares on a non-pre-emptive basis where there appears to be reasonable demand for Ordinary Shares in the market, for example if the Ordinary Shares trade at a premium to the Net Asset Value per Ordinary Share.

Any issue of Ordinary Shares under the Placing Programme is at the discretion of the Directors. Issues may take place at any time prior to the final closing date of 5 September 2023 (or any earlier date on which the Placing Programme is fully subscribed, or otherwise at the discretion of the Directors). An announcement of each Placing under the Placing Programme will be released via a Regulatory Information Service, including the Placing Programme Price for the relevant Placing.

There is no minimum subscription. The Placing Programme is not being underwritten and, as at the date of this document, the actual number of Ordinary Shares to be issued under the Placing Programme is not known. The maximum number of Ordinary Shares available under the Placing Programme should not be taken as an indication of the number of Ordinary Shares finally to be issued.

Where new Ordinary Shares are issued pursuant to the Placing Programme, the total assets of the Company will increase by that number of Ordinary Shares multiplied by the relevant Placing Programme Price less the costs and expenses of such issuance.

The net proceeds of any Placing under the Placing Programme are dependent on the level of subscriptions received, the price at which such Ordinary Shares are issued and the costs and expenses of the Placing.

The Placing Programme will be suspended at any time when the Company is unable to issue Ordinary Shares under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. The Placing Programme may resume when such conditions cease to exist.

3. Conditions

The Placing Programme is conditional on Migration occurring and the resolutions to be voted on at the General Meeting being passed.

Each issue of Ordinary Shares pursuant to a Placing under the Placing Programme will be conditional, *inter alia*, on:

- the Company having in place sufficient Shareholder authority for the issue of new Ordinary Shares on a non-pre-emptive basis;
- Admission of the relevant Ordinary Shares occurring by no later than 8.00 a.m. on such date as the Company, Singer Capital Markets and the Investment Manager may agree from time to time in relation to that Admission, not being later than 5 September 2023;
- a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules; and
- the Placing Agreement being wholly unconditional as regards the relevant Placing (save as to Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.

In circumstances in which the conditions to a Placing are not fully met, the relevant issue of Ordinary Shares pursuant to the Placing Programme will not take place and subscription monies will be returned without interest at the risk of the applicant.

4. The Placing Programme Price

The minimum price (in Sterling) at which Ordinary Shares will be issued pursuant to the Placing Programme, will be equal to the Net Asset Value per Ordinary Share at the time of issue together with a premium to at least cover the costs and expenses of the relevant Placing (including, without limitation, any placing commissions).

Following Initial Admission, the Company may not issue Ordinary Shares for cash on a non-pre-emptive basis at a price below the prevailing Net Asset Value per Ordinary Share without Shareholder approval.

The Placing Programme Price will be announced via a Regulatory Information Service as soon as practicable in conjunction with each Placing.

5. Costs of the Placing Programme

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

The costs and expenses of issuing Ordinary Shares pursuant to any Placing will be covered by issuing such Ordinary Shares at the prevailing Net Asset Value per Ordinary Share, together with a premium to at least cover the costs and expenses of the relevant Placing of Ordinary Shares (including, without limitation, any placing commissions).

The costs and expenses of issuing Ordinary Shares pursuant to a Placing are not expected to exceed 2 per cent. of the gross proceeds of such Placing.

6. Scaling back

In the event of oversubscription of a Placing, applications under the relevant Placing will be scaled back at the absolute discretion of the Company (following consultation with the Investment Manager and SCM Securities).

7. The Placing Agreement

Under the Placing Agreement, SCM Securities has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers under the Placing Programme for Ordinary Shares at the applicable Placing Programme Price. Details of the Placing Agreement are set out in paragraph 7.5 of Part 7 (*Additional Information*) of this document.

The Placing Agreement provides for SCM Securities to be paid commissions by the Company in respect of the Ordinary Shares to be issued pursuant to the Placing Programme. Any Ordinary Shares subscribed for by SCM Securities may be retained or dealt in by it for its own benefit. Under the Placing Agreement, SCM Securities is also entitled at its discretion and out of its own resources at any time to rebate to any third party part or all of its fees relating to any Placing.

8. Dilution

If 2,500,000 Ordinary Shares were to be issued pursuant to the Placing Programme, and assuming a Shareholder did not participate in any Placings, there would be a dilution of approximately 49.6 per cent. in such Shareholder's voting control of the Company immediately after completion of the final Placing. However, it is not anticipated that there would be any dilution in the Net Asset Value per Ordinary Share as a result of any Placing under the Placing Programme.

9. Use of proceeds

The Directors intend to use the net proceeds of any Placing under the Placing Programme to acquire investments in accordance with the Company's investment objective and investment policy.

10. Admission, clearing and settlement

Payment for the Ordinary Shares, in the case of any Placing, should be made in accordance with settlement instructions to be provided to Placees by SCM Securities. To the extent that any application for Ordinary Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Applications will be made for the Ordinary Shares issued pursuant to the Placing Programme to be listed on the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that any Admission of Ordinary Shares pursuant to the Placing Programme will become effective and dealings will commence between 29 September 2022 and 5 September 2023.

Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Ordinary Shares to be issued in uncertificated form pursuant to a Placing, these will be transferred to successful applicants through the CREST system. Dealing in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. Whilst it is expected that all Ordinary Shares allotted pursuant to the Placing Programme will be issued in uncertificated form, if any Ordinary Shares are issued in certificated form it is expected that definitive share certificates will be despatched within ten Business Days following Admission of the Ordinary Shares, at the Shareholder's own risk.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the Net Asset Value per Ordinary Share.

The ISIN number of the Ordinary Shares is GB00BYRH4982 and the SEDOL code is BYRH498.

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

11. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. Settlement of transactions in the Ordinary Shares following an Admission may take place within the CREST system if any holder of such Ordinary Shares so wishes.

12. Overseas persons

Potential investors in any territory other than the United Kingdom should refer to the notices set out in the section entitled “Important Information” of this document.

The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares under the Placing Programme if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

13. Profile of a typical investor

The Ordinary Shares are designed to be suitable for institutional investors and professionally advised private investors. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Ordinary Shares.

PART 6

TAXATION

Prospective investors should consult their professional advisers concerning the possible tax consequences of their subscribing for, purchasing, holding or selling Ordinary Shares. The following summary of the principal United Kingdom tax consequences applicable to Shareholders who hold their Ordinary Shares as an investment is based upon interpretations of existing laws in effect on the date of this document and no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretations or that changes in such laws will not occur. Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Ordinary Shares in connection with their employment may be taxed differently and are not considered. The tax and other matters described in this document are not intended as legal or tax advice. Each prospective investor must consult their own advisers with regard to the tax consequences of an investment in Ordinary Shares. None of the Directors or the Investment Manager or any of their respective affiliates or agents accepts any responsibility for providing tax advice to any prospective investor.

If you are in any doubt as to your tax position or you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

Dividends

Withholding at source

The Company will not be required to withhold at source on account of UK tax when paying a dividend, including cases where dividends are paid to a Shareholder who is not resident (for tax purposes) in the UK.

Individual Shareholders

Any UK resident and domiciled individual Shareholder who receives a dividend paid by the Company will be liable to UK income tax on the amount of any such dividend. Dividend income from the Company will be treated as forming the highest part of a Shareholder's income.

A £2,000 annual tax free dividend allowance is available and no tax is payable on any dividend income that falls within your annual allowance. Dividends received in excess of this threshold will be taxed, for the tax year 2022/23 at 8.75 per cent. (basic rate taxpayers), 33.75 per cent. (higher rate taxpayers) and 39.35 per cent. (additional rate taxpayers).

Corporate Shareholders

Shareholders within the charge to UK corporation tax will be subject to corporation tax on dividends paid by the Company, unless the dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular Shareholder, although it is expected that dividends paid by the Company would normally be exempt. There is no repayable tax credit attached to dividends.

For those Shareholders that are subject to corporation tax on dividends, they will be liable for corporation tax at the rate of 19% but this will increase to 25% from 1 April 2023 for certain companies.

Chargeable gains

Individual shareholders

A disposal of Ordinary Shares may, depending on the circumstances and subject to any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax.

An individual Shareholder who is resident in the UK for UK tax purposes and whose total taxable gains and income in a given year, including gains made on the disposal or deemed disposal of their Ordinary Shares, are less than or equal to the upper limit of the income tax basic rate band in respect of that tax year (the "Band Limit") will generally be subject to capital gains tax at the flat rate of 10% (for the tax year 2022-2023) in respect of any gain (after taking advantage of the annual exemption (described below) and deducting any available capital losses) arising on a disposal or deemed disposal of their Ordinary Shares.

An individual Shareholder who is resident in the UK for UK tax purposes and whose total taxable gains and income in a given year, including gains made on the disposal or deemed disposal of their Ordinary Shares, are more than the Band Limit will generally be subject to capital gains tax at the flat rate of 10% (for the tax year 2022-2023) in respect of any gain (after taking advantage of the annual exemption (described below) and deducting any available capital losses arising on a disposal or deemed disposal of their Ordinary Shares (to the extent that, when added to the Shareholder's other taxable gains and income in that tax year, the gain is less than or equal to the Band Limit) and at the flat rate of 20% (for the tax year 2022-2023) in respect of the remainder.

Most UK resident individuals have an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,300 for the tax year 2022-2023.

Corporate Shareholders

Corporate Shareholders who are resident in the UK for tax purposes will (subject to any available exemption or relief) be subject to corporation tax on chargeable gains arising on a disposal of their Ordinary Shares.

UK corporation tax is charged on chargeable gains at the rate of corporation tax applicable to that Shareholder (currently 19% increasing to 25% from 1 April 2023 for certain companies).

A gain accruing to a corporate Shareholder on a disposal of the Ordinary Shares may qualify for the substantial shareholding exemption if certain conditions regarding the amount of the shareholding and the length of ownership, the investing company and the company invested in are fulfilled. If the substantial shareholding exemption applies in respect of a disposal, any gain on the disposal is exempt from corporation tax and any loss on the disposal is not an allowable loss.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT, or to persons connected with depositary arrangements or clearance services, who may be liable at the higher rate.

The allocation of new Ordinary Shares will not give rise to a liability to stamp duty or SDRT.

Any conveyance or transfer on sale of Ordinary Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer (rounded up, if necessary, to the nearest £5). The purchaser normally pays the stamp duty/SDRT. An exemption from stamp duty is available on an instrument transferring shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the transaction(s) exceeds £1,000. A charge to SDRT at the rate 0.5 per cent. will arise in relation to an unconditional agreement to transfer such Ordinary

Shares. However, where within six years of the date of the agreement (or, if the agreement was conditional, the date the agreement became unconditional), an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid.

A transfer of shares effected on a paperless basis through CREST (where there is a change in the beneficial ownership of the Ordinary Shares) will generally be subject to SDRT at the rate of 0.5 per cent. of the value of the consideration given.

The Company – Application to become an Investment Trust

It is the intention of the Directors of the Company for the Company with effect from 1 April 2023 to become an Investment Trust approved by HMRC under section 1158 of the Corporation Tax Act (“CTA”) 2010 and pursuant to regulations made under section 1159 of the CTA 2010.

In respect of each accounting period for which the Company continues to be approved by HMRC as an Investment Trust the Company will be exempt from UK taxation on its capital gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

An Investment Trust approved under sections 1158 and 1159 of the CTA 2010 is able to elect to take advantage of modified UK tax treatment in respect of its “qualifying interest income” for an accounting period (referred to here as the “streaming” regime). Under regulations made pursuant to the Finance Act 2009, the Company may, if it so chooses, designate as an “interest distribution” all or part of the amount it distributes to Shareholders as dividends, to the extent that it has “qualifying interest income” for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

The Company will not be required to withhold tax at source when paying a dividend.

The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the “exempt classes” in Part 9A of the CTA 2009.

Dividends

Individual and corporate Shareholders – Non interest distributions (i.e. dividends)

The tax position for individual and corporate Shareholders is the same as stated above.

Individual Shareholders – Interest distributions

Should the Directors elect to apply the “streaming” regime to any dividends paid by the Company, were the Company to designate any dividends paid as an “interest distribution”, a UK resident Shareholder in receipt of such a distribution would be treated as though they had received a payment of interest. Such a Shareholder would be subject to UK income tax at the current rates of 20 per cent., 40 per cent. or 45 per cent., depending on the level of the Shareholder’s income. No withholding tax will be applied to such distributions.

Corporate Shareholders – Interest distributions

If corporate Shareholders were to receive dividends designated by the Company as “interest distributions”, they would be subject to corporation tax in the same way as a creditor in a loan relationship.

Chargeable gains

The chargeable gains tax position for individual and corporate Shareholders is the same as stated above.

PART 7

ADDITIONAL INFORMATION

1. The Company and the Investment Manager

The Company was incorporated in England and Wales on 26 July 1999 with registered number 03813450 as a public company limited by shares under the Companies Act.

The Company's registered office is 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR with telephone number 020 7264 4444.

The principal legislation under which the Company operates is the Companies Act. As an Investment Trust, the Company will not be regulated as a collective investment scheme by the FCA. However, from Initial Admission, the Company and the Shareholders will be subject to the Listing Rules and the Disclosure and Transparency Rules.

The Investment Manager, Harwood Capital LLP, was incorporated as a limited liability partnership on 21 March 2003 under number OC304213. Its registered office is at 6 Stratton Street, Mayfair, London, W1J 8LD and its telephone number is 020 7640 3200. Its LEI is 213800SEMFKBARI5RC62. The Investment Manager is regulated in the conduct of investment business by the FCA with authorisation number 224915. The Investment Manager's website is at www.harwoodcapital.co.uk

2. Share Capital

The issued share capital of the Company as at 31 March 2022 was 2,541,046 Ordinary Shares of £0.50 each and 2,000,000 Deferred Shares of £0.005 each. As at the date of this document, no Ordinary Shares were held in treasury. As at the Latest Practicable Date, there were 2,541,046 Ordinary Shares and 2,000,000 Deferred Shares of £0.005 each in issue.

In order for the Company's conversion to an Investment Trust to be successful, all of its ordinary share capital must be listed as trading on a UK regulated market. The Deferred Shares are not admitted to trading on AIM (unlike the Company's Ordinary Shares) and the Deferred Shares are economically valueless. Pursuant to the provisions of the Articles, the entire 2,000,000 Deferred Shares can be bought back by the Company for 1 penny in aggregate, without the sanction of the holders of the D Shares, and thereafter be cancelled.

Under the Act, a share buy-back by a public company (such as the Company) can only be financed through distributable reserves or the proceeds of a fresh issue of shares made for the purpose of financing a share buy-back. As the Company currently has distributable reserves, it is in the position to be able to fund the buy-back through this method.

In accordance with the Articles, the buy-back and cancellation of the Deferred Shares can be effected by way of an off-market buy-back agreement to be entered into between the Company and the holders of the Deferred Shares ("**Buy-back Agreement**"). The Company's entry into the Buy-back Agreement will require the approval of a resolution of Shareholders in accordance with section 694(2) of the Act.

Therefore, under the terms of the Buy-back Agreement, which will be entered into after the General Meeting subject to the passing of the relevant resolution, the Company will purchase and subsequently cancel all of the Deferred Shares for an aggregate consideration of 1 penny as contemplated by the Articles. If the Proposals are approved at the General Meeting, this will mean that the Deferred Shares will be cancelled prior to the Migration taking effect. A copy of the Buy-back Agreement will be available to view on the Company Website and (i) at the Company's registered office for not less than 15 days ending with the date of the General Meeting; and (ii) at the General Meeting itself.

The following changes in the share capital of the Company have taken place during the period covered by the Historical Financial Information and from the end of the period covered by the Historical Financial Information to the date of this document:

- (a) as at 31 March 2019, the issued share capital of the Company was 3,555,330 Ordinary Shares of £0.50 each and 2,000,000 Deferred Shares of £0.005 each;
- (b) on 01 November 2019, the Company bought back and cancelled 4,369 Ordinary Shares of £0.50 each;
- (c) on 22 November 2019, the Company bought back and cancelled 4,993 Ordinary Shares of £0.50 each;
- (d) on 13 December 2019, the Company bought back and cancelled 13,719 Ordinary Shares of £0.50 each;
- (e) on 10 January 2020, the Company bought back and cancelled 8,362 Ordinary Shares of £0.50 each;
- (f) on 31 January 2020, the Company bought back and cancelled 10,337 Ordinary Shares of £0.50 each;
- (g) on 06 March 2020, the Company bought back and cancelled 21,744 Ordinary Shares of £0.50 each;
- (h) on 27 March 2020, the Company bought back and cancelled 10,922 Ordinary Shares of £0.50 each; and
- (i) on 23 December 2021, the Company bought back and cancelled 939,838 Ordinary Shares of £0.50 each.

The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to Section 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities. A special resolution is being proposed at the General Meeting to disapply the statutory pre-emption rights so that the Board has authority to issue (or sell from treasury) new Ordinary Shares up to an aggregate nominal value of £1,250,000 for cash on a non-pre-emptive basis, such authority to expire at 23:59 on 5 September 2023.

All of the Ordinary Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.

3. Interests of Directors and major Shareholders

As at the Latest Practicable Date, the Directors held the following interests (beneficial or non-beneficial) in the share capital of the Company:

<i>Director</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>
Noel Lamb	1,500	0.06%
Kenneth Lever	3,555	0.14%
Paul Dudley	521	0.02%

No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' letters of appointment state that their appointment and any subsequent termination or retirement shall be subject to the Articles. The letters of appointment do not provide for any benefits upon termination or retirement.

Kenneth Lever was appointed to the Board on 1 January 2016. Noel Lamb was appointed to the Board on 20 January 2022. Paul Dudley was appointed to the board on 1 September 2022.

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The fees payable to the Directors with effect from 31 March 2022 are: £40,000 per annum to Noel Lamb as Chairman of the Board and £27,500 per annum to Kenneth Lever and Paul Dudley. The Directors are also entitled to all reasonable expenses properly incurred in the proper performance of their duties. The aggregate remuneration and benefits in kind of the Directors in respect of the financial period ended 31 March 2022 was £95,000.

No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.

As at the date of this document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Noel Lamb	Atlantis Japan Growth Trust Guinness Asset management Funds 55 Queen's Gate Ltd	28 Harrington Gardens Ltd Irish Grouse Conservation Trust
Kenneth Lever	Biffa plc RPS Group plc Vertu Motors plc Rainier Developments Limited SVBM Limited	Blue Prism plc F.M. Insurance Company Limited
Paul Dudley	Aer Ventures Ltd Innox Consultants Ltd Katoro Gold plc Pyne Gould Corporation Ltd Skyhill Partners Ltd Watercycle Technologies Ltd	Torrum Ltd Energy Minerals Investments Ltd

The Directors in the five years before the date of this document:

- (a) do not have any convictions in relation to fraudulent offences;
- (b) have not been associated with any bankruptcies, receiverships, liquidations or administrations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

So far as is known to the Company, and as notifiable under the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date, the following persons held, directly or indirectly, 3 per cent. or more of the issued Ordinary Shares or the Company's voting rights:

<i>Name</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of voting rights</i>
Harwood Capital LLP	734,000	28.9%
James Sharp & Co	180,220	7.1%
River & Mercantile Asset Management	141,122	5.6%
Unicorn Asset Management	136,706	5.4%
Investec Wealth & Investment	111,290	4.4%
Smith & Williamson Investment Management	108,900	4.3%

All Shareholders of the same class have the same voting rights in respect of the share capital of the Company.

As at the Latest Practicable Date, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

4. Interests of the Investment Manager

As at the Latest Practicable Date, the Investment Manager held the following interests (beneficial or non-beneficial) in the share capital of the Company:

	<i>No. of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>
Harwood Capital LLP	734,000	28.9%
Richard Staveley	25,689	1.0%

5. Related party transactions

Save as described in note 19 to the Company's annual report and accounts for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, which forms part of the Historical Financial Information incorporated into this document by reference as set out in Part 10 (*Documents incorporated by reference*) of this document, there are no 'related party transactions' (within the meaning of IFRS) required to be disclosed under the accounting standards applicable to the Company, to which the Company was a party during the period of the Historical Financial Information and up to the date of this document.

6. Memorandum and Articles of Association of the Company

6.1 Introduction

In accordance with the Companies Act and the memorandum of association of the Company, the Company has unlimited capacity to carry on or undertake any business or activity, to do, or to be subject to, any act or to enter into any transaction.

The Company is proposing a resolution at the General Meeting to make certain amendments to the Articles to reflect the proposed move from AIM to the London Stock Exchange's main market, conditional on Initial Admission. A summary of these new Articles is set out below:

6.2 **Share capital**

The share capital of the Company at the date of adoption of the Articles is divided into Ordinary Shares and Deferred Shares and the liability of the members is limited to the amount, if any, unpaid on the shares held by them.

Subject to the provisions of the Companies Act and to any rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Board may determine.

6.3 **Shares**

The rights attaching to the Company's shares are as follows:

Ordinary Shares

The Ordinary Shares means the shares of £0.50 each in the capital of the Company.

The holders of Ordinary Shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the Company. On a show of hands, every holder of Ordinary Shares present in person or by proxy shall have one vote and, on a poll, every holder of Ordinary Shares present in person or by proxy shall have one for each share held by them.

Subject to the statutes and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board.

Each Ordinary Share will entitle its holder to participate on a return of assets of the Company on a winding-up.

Deferred Shares

The Deferred Shares means the shares of £0.005 each in the capital of the Company which were converted from D Shares of £0.005 each pursuant to Article 164.3.2.

The holders of the Deferred Shares are not entitled to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting.

On a return of capital on a winding-up (excluding any intra-group reorganisation on a solvent basis) there shall be paid to the holders of the Deferred Shares the nominal capital paid up or credited as paid up on such Deferred Shares after first paying to the holders of the Ordinary Shares the nominal capital paid up or credited as paid up on the Ordinary Shares held by them respectively, together with the sum of £100,000 on each Ordinary Share. The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

Deferred Shares shall not carry any rights of conversion into any other class of shares.

Deferred Shares shall confer no right to participate in the profits of the Company.

The Company may at any time (and from time to time), without obtaining the sanction of the holder or holders of the Deferred Shares:

- appoint any person to accept any offer and agree to sell and to execute on behalf of any holder of Deferred Shares, a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person

as the Directors may determine (whether or not an officer of the Company), in any case for not more than one penny for all the Deferred Shares then being purchased without any requirement to indemnify or to obtain the consent or sanction of the holders thereof or any of them and for the purposes of such purchase to appoint a person to execute (on behalf of the holders of such Deferred Shares) a contract for the sale to the Company of any Deferred Shares held by any such holders and to receive the consideration on behalf of any such holders without any obligation to pay such consideration (or any proportion thereof) or otherwise be accountable in respect thereof to such holders; and

- cancel all or any of the Deferred Shares so purchased by the Company in accordance with the Companies Act.

6.4 ***Issue of Shares***

Subject to the statutes and to the authority contained in a resolution of the Company in general meeting creating or authorising the same, the Board is generally and unconditionally authorised to allot or grant options over, offer or otherwise deal with or dispose of any shares in the capital of the Company or right to subscribe for or convert any security into shares to such persons, at such times and for such consideration and generally on such terms and conditions as it may determine.

6.5 ***Variation of class rights***

The consent in writing of the holders of at least three quarters in nominal value of the issued shares of the class to be varied will be required for the variation of any rights attached to those shares or with the sanction of a special resolution passed at a separate meeting of the holders of that class and then only subject to section 633 of the Companies Act.

6.6 ***Winding up***

The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted or about to be constituted, for the purposes of carrying out the sale.

If the Company shall be wound up voluntarily, the liquidator may, with the authority of a special resolution and any sanction required by law, divide among the members (excluding any members holding shares as treasury shares) in kind the whole or any part of the assets of the Company and whether or not the assets consist of property of one kind or of different kinds and may for this purpose set such value as he deems fair on any class or classes of property and may determine on the basis of that valuation and in accordance with the then existing rights of members how such division shall be carried out as between the members or different classes of members. The liquidator may, with the same authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit but so that no member shall be compelled to accept any asset in respect of which there is a liability or potential liability.

6.7 ***Dividends***

Notwithstanding any other Article, but subject to the statutes and any preferential or other special rights attached to shares, the Company or the Board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

Except as otherwise provided by these Articles or the rights attaching to shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid (excluding any shares held as treasury shares).

Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Subject to the statutes and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board.

Subject to the statutes, the Board may in its absolute discretion declare and pay to the members such interim dividends (including a dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution and the Company's financial and trading position. If the share capital of the Company is divided into different classes, the Board may pay interim dividends in respect of shares which rank after shares conferring preferred rights, unless at the time of payment a preferential dividend is in arrears.

The Board may, with the prior authority of an ordinary resolution of the Company, direct that dividends may be satisfied in whole or in part by the distribution of specific assets including paid up shares, debentures or other securities of any other company.

6.8 *Transfer and transmission of shares*

Subject to the Articles, any member may transfer all or any of his certificated shares by instrument of transfer in any usual form or in such other form as the Board may approve and the instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal.

The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it. Transfers of shares in uncertificated form shall be effected by means of the relevant system in accordance with the statutes and the Articles.

The Board may not refuse to register a transfer of a certificated share if the transfer is i) in respect of only one class of shares; ii) is in favour of not more than four joint transferees; iii) is duly stamped; iv) is not in favour of a minor, infant, bankrupt or person with mental disorder; and v) is lodged at the registered office of the Company, or such other place as the Board may decide accompanied by the certificate for the shares to which it relate.

The Board may refuse to register any transfer of a certificated share which is not fully paid, provided that this discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.

The Board may also, in circumstances permitted by the FCA and the London Stock Exchange, disapprove the transfer of a certificated share, provided that exercise of such powers does not disturb the market in the shares.

Further, the Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the FCA, the London Stock Exchange, the Uncertificated Securities Regulations and the rules and practices of the operator of the relevant system provided that exercise of such powers does not disturb the market in the shares.

Where any class of shares is a participating security and the Company is entitled to sell, transfer, dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the Articles and the facilities and requirements of the relevant system:

- (a) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;

- (b) to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice;
- (c) to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice;
- (d) to take any action that the Board considers appropriate to achieve the sale, transfer, disposal of, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of it; and
- (e) to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Regulations and regularly reconciled with the relevant operator register of securities are a complete and accurate reproduction and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance upon such assumption; in particular, any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on such information.

6.9 ***Alteration of capital and purchase of shares***

Consolidation and Sub-Division

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person; or
- (c) subject to statute, sub-divide all or any of its shares into shares of a smaller amount (provided that the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived) and may by the resolution determine that the shares resulting from such sub-division may have any preferred or other special rights or be subject to any restrictions, as compared with the others.

Fractions

If, as the result of consolidation and division or sub-division of shares, members become entitled to fractions of a share, the Board may on behalf of the members deal with the fractions as it thinks fit.

6.10 ***Notices***

A notice or other document or information to be sent to or by any person under the Articles (other than a notice calling a meeting of the Board or of a committee of the Board) shall be in writing or, subject to the Articles, shall be sent using electronic means to an electronic address for the time being notified for that purpose to the person sending the notice or other document or information.

Any notice or other document or information sent addressed to a member or another person at his registered address (or another address within the United Kingdom or an electronic address notified for the purpose) is deemed to be received, if personally delivered, at the time of delivery or, if sent by first class post, on the next Business Day after the letter is posted or, if sent by second class post, on the second Business Day after the letter is posted

or, in the case of a notice or other document or information in electronic form, on the same day it is sent. A notice or other document or information left at such an address within the United Kingdom is deemed to be received on the day it is left.

Any member present, either personally or by proxy, at any general meeting of the Company or of the holders of any class of shares in the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called.

6.11 Notice of general meetings

An annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed under the Companies Act.

Notice shall be given to such members as are, under the Articles, or the terms of issue of shares, entitled to receive such notices from the Company and to the Directors and the Auditors.

Every notice of meeting shall specify the place, date and time of the meeting and the general nature of the business to be transacted and, if a meeting is convened to pass a special resolution, the intention to propose the resolution as a special resolution.

Where the Company has given an electronic address in any notice of meeting, any documents or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice.

The accidental omission to send notice of any general meeting or, in cases where it is sent out with the notice, an invitation to appoint a proxy, to, or the failure to send either due to circumstances beyond the Company's control to, or the non-receipt of either by, any person entitled to receive notice does not invalidate any resolution passed or proceedings held at that meeting.

6.12 Conflicts of interest

The Directors may authorise, to the fullest extent permitted by law:

- any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and
- a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises, provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

If a matter, or office, employment or position, has been authorised by the Directors in accordance with the Articles then (subject to such terms and conditions, if any, as the Directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below):

- the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such

a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;

- the Director may absent himself from discussions, whether in meetings of the Directors or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position; and
- a Director shall not, by reason of his office as a Director of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position.

6.13 *Disclosure of Interest in Shares*

Section 793 of the Companies Act allows a public company to issue a notice requiring a person it knows, or has reasonable cause to believe, has an interest in its shares (or to have had an interest in the previous three years) to confirm or deny the fact, and, if the former, to disclose certain information about the interest, including information about any other person with an interest in the shares.

Where notice is served by the Company under section 793 on a shareholder, or another person whom the Company knows or has reasonable cause to believe to be interested in shares held by that shareholder, and the shareholder or other person fails to give the Company the information required within 14 days following the date of service of the notice, the Board may serve a “disenfranchisement notice” whereupon sanctions apply, unless the Board otherwise decides. These sanctions include a loss of entitlement to voting or attendance rights at a general meeting or at a meeting of the holders of that class of shares, a loss of the right to a dividend where the default shares represent at least 0.25 per cent in nominal value of the issued shares of their class, and the placement of restrictions on the transferability of the shares.

The sanctions will cease to apply seven days after the earlier of receipt by the Company of all information required by the section 793 notice, in a form satisfactory to the Board, in relation to any default shares.

6.14 *Remuneration and appointment of Directors*

The Company may, by ordinary resolution, appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the Board.

The total number of Directors is not subject to a maximum but must not be fewer than two. There shall be available to be paid out of the funds of the Company to the Directors as fees in each year an aggregate sum as the Board may determine (such aggregate sum not to exceed two hundred and fifty thousand pounds (£250,000)), such sum to be divided among such Directors in such proportions as the Board may decide or, in default of agreement, equally.

6.15 *Disqualification and retirement of Directors*

At every annual general meeting all the directors at the date of the notice convening the annual general meeting shall retire from office and may offer themselves for re-appointment by the members.

A Director who retires at an annual general meeting, whether by rotation or otherwise, may, if willing to act, be reappointed. If he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

6.16 ***Indemnity***

Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director or a director of an associated company at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Companies Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director of the Company (or of an associated company).

6.17 ***Proceedings of the Board***

Subject to statute, the Articles and to directions given by the Company in general meeting, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. No alteration of the Company's constitution and no direction made by the Company in general meeting invalidates any prior act of the Board which would have been valid if the alteration or direction had not been made.

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

The quorum necessary for the transaction of business may be decided by the Board and until decided otherwise is two persons present in person or by alternate director. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

Questions arising at any meeting of the Board shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

The Board shall cause minutes to be made of all appointments of officers and committees made by the Board and of any remuneration fixed by the Board and the names of the Directors present at all meetings of the Board and committees of the Board, the Company or the holders of a class of shares or debentures and all orders, resolutions and proceedings of such meetings and any such minutes of any meeting, if purporting to be signed by the chairman of the meeting, or by the chairman of the next succeeding meeting shall be conclusive evidence without any further proof of the matters stated in them.

A Director or his alternate director or a member of a committee of the Board may participate in a meeting of the Board or of a committee of the Board through the medium of conference telephone or video conference or similar form of communication equipment notwithstanding that the persons participating may not all be meeting in one particular place if all persons participating in the meeting are able to hear and speak to each other throughout the meeting.

A resolution in writing or contained in electronic form executed by or on behalf of all the Directors entitled to receive notice of a Board meeting and not being less than a quorum or by all members of a committee of the Board is as valid and effective as a resolution passed at a Board meeting.

6.18 ***Borrowing powers***

The Board may exercise all the power of the Company to borrow money.

6.19 **Untraced Shareholders**

The Company is entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if:

- during a period of 6 years prior to the date of the publication of the advertisements in at least two United Kingdom national daily newspapers (or, if published on different dates, the earlier date) at least three dividends (whether interim or final) in respect of the share in question have been paid and all warrants, orders and cheques in respect of the share sent in the manner authorised by the Articles have been returned undelivered or remained uncashed and no communication has been received by the Company from the Member or person entitled by transmission;
- the Company, on expiry of the period of 6 years, has inserted advertisements in at least two United Kingdom national daily newspapers giving notice of its intention to sell the share; and
- during the period of three months following the publication of the advertisements (or, if published on different dates, the later of the two advertisements) and prior to the date of sale the Company has not received any communication from the Member or person entitled by transmission.

If during the period of 6 years or a further period ending on the date when all the requirements of the Articles have been satisfied, an additional share has been issued in right of that held at the beginning of, or previously so issued during, those periods and all the requirements of the Articles are satisfied in respect of the additional share, the Company is entitled to sell the additional share.

7. **Material contracts**

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company or any member of its group in the two years immediately preceding the date of this document and are, or may be, material or contain any provision under which the Company or a member of its group has any obligation or entitlement which is or may be material to it as at the date of this document:

7.1 **Investment Management Agreement:**

The Investment Management Agreement dated 7 April 2022 between the Company and the Investment Manager pursuant to which the Investment Manager has agreed to be appointed as the AIFM of the Company.

The Investment Manager will manage the Portfolio on a discretionary basis in accordance with the investment policy or as otherwise agreed with the Directors from time to time. Subject to the investment policy, the Investment Manager will have complete discretion for the account and as the agent of the Company (and without prior reference to the Company) to buy, sell (including, without limitation, short sales), retain, redeem, hold, convert, execute, exchange or otherwise deal in investments, borrow securities, make deposits, subscribe to issues and offers for sale of, and accept placings, underwritings and sub-underwritings, of any investments, effect transactions whether or not on any recognised market or exchange (including, without limitation, derivatives transactions, repurchase and reverse repurchase transactions, and securities lending transactions), negotiate, settle and sign on behalf of the Company account opening and any other related trading documentation and otherwise act as the Investment Manager judges appropriate in relation to the management and investment of the Portfolio provided that any investment which represents more than 15 per cent. of Net Asset Value at the time that such investment is made will need the prior approval of the Directors provided further that any investment or divestment decision shall be made by the Investment Manager.

In consideration for its services thereunder, the Investment Manager is entitled to the following management and performance fees:

- once the Company's NAV equals £60 million or higher, the Investment Manager will be entitled to a management fee of 1 per cent. of NAV (plus VAT, if any), calculated as 1/12th of an amount equal to 1 per cent. of the NAV before deduction of that month's investment management fee and before deduction of any accrued performance fees, payable monthly, with a minimum fee of £120,000 per annum (inclusive of VAT);
- the Investment Manager is entitled to a performance fee equal to 10 per cent. of outperformance over the higher of a 6 per cent. per annum total return hurdle and the high watermark. The 6 per cent. per annum compounds weekly. The performance fee is calculated annually;
- provided that the Company's average NAV is at or below £100 million, performance fees in any performance fee period are capped at 3 per cent. of the Company's average NAV for the relevant performance fee period. In such instance, performance fees in excess of the 3 per cent. cap will not be paid and will instead be deferred into the next performance fee period;
- if the average NAV exceeds £100 million, the performance fee shall be further limited such that the combined investment management and performance fees shall not exceed 3 per cent. of the Company's average NAV. In such instance, performance fees in excess of the cap will not be deferred and will not become payable at any future date;

The Investment Manager's appointment as investment manager is terminable by the Investment Manager or the Company on not less than six months' notice.

The Investment Management Agreement may also be terminated by either the Investment Manager or the Company at any time if the other party has gone into liquidation, administration or receivership, has committed a material or continuing breach of the Investment Management Agreement or, by the Investment Manager, if it reasonably believes that the provision of services under this Agreement is in breach of FCA Rules.

In addition, the Company may terminate the Investment Management Agreement at any time if:

- the Investment Manager ceases to be able to fulfil its obligations under the Investment Management Agreement due to any change in the laws of England or the FCA Rules or regulatory practice and/or because it ceases to hold all necessary regulatory consents, licences, authorisations, approvals or equivalent;
- both:
 - Richard Staveley ceases to: (i) devote substantially all of his time to the performance of his duties under the Investment Management Agreement or (ii) be employed by the Investment Manager or an Associate of the Investment Manager, or be a partner of the Investment Manager; and
 - Christopher Mills ceases to: (i) devote sufficient time to fulfil his duties under the Investment Management Agreement or (ii) be employed by the Investment Manager or an Associate of the Investment Manager, or be a partner of the Investment Manager,

and in each case a replacement Key Individual (as defined under the Investment Management Agreement) nominated by the Investment Manager and approved by the Company is not appointed within a period of 3 months;

- by any act or omission the Investment Manager causes either: (i) the Ordinary Shares to be suspended from trading without the agreement of the nominated adviser of the Company or (ii) the London Stock Exchange to cancel the admission of the Shares to trading on AIM;
- on the completion of the liquidation of the Company or if there has been a takeover or sale of the Company; or
- if the Investment Manager commits gross or repeated or persistent negligence, wilful default or fraud with respect to its duties under the Investment Management Agreement.

The Investment Management Agreement shall terminate automatically if the Investment Manager ceases to be authorised by the FCA.

Pursuant to a deed of amendment and restatement dated 5 September 2022, the Investment Management Agreement will, conditional on Initial Admission, be amended so that the references to AIM and the AIM Rules shall be replaced with references to the Main Market and the Listing Rules and the Disclosure Guidance and Transparency Rules (as applicable).

7.2 ***The Relationship Agreement***

The Relationship Agreement dated 7 April 2022 between the Company and Harwood Capital LLP (“**Harwood**”) whereby Harwood is recorded as a significant shareholder on account of it owning 28.9% of the Company’s issued share capital. The Relationship Agreement has been entered into to regulate the relationship between Harwood and the Company and to ensure that the Company can continue to operate in compliance with the appropriate corporate governance standards.

On 25 April 2022 the shareholders of the Company voted to change the investment strategy of the Company from a realisation strategy to an active investment strategy and as a result amend the Company’s investment policy to enable the Company to continue as a going concern and to make new investments.

Under the terms of the Relationship Agreement, Harwood has undertaken to the Company that it shall exercise its voting rights to:

- procure that the Company and the Business (as defined in the Relationship Agreement) shall be managed for the benefit of the shareholders as a whole and independently of Harwood;
- that all transactions, agreements and arrangements between any member of the Company and Harwood shall be on an arm’s length basis and on normal commercial terms;
- the Board shall at all times be comprised of an Independent Chair and other Independent Directors who together make up a majority of the Board;
- if an Independent Director ceases to be either an Independent Director or a Director, one or more new Independent Directors will be appointed to the Board;
- the Audit Committee and any other corporate governance Board Committee shall be comprised of two Independent Directors and shall be chaired by an Independent Director;
- the quorum for any meeting of the Board or a Board Committee to consider a Board Reserved Matter shall be two Independent Directors and, in all other cases, shall be three Directors of whom two shall be Independent Directors unless a majority of the Independent Directors otherwise consent in writing;

- only the Independent Directors shall be permitted to vote on any resolution of the Board or a Board Committee in respect of a Board Reserved Matter (as defined in the Relationship Agreement) unless a majority of the Independent Directors otherwise consent in writing;
- subject to the applicable laws and the provisions of the Relationship Agreement, the Company shall be managed in accordance with the AIC Code or any other corporate governance regime adopted by the Board from time to time; and
- the provisions of the Relationship Agreement are properly and promptly observed and given full force and effect according to the spirit and intention of the Relationship Agreement.

Harwood has undertaken to the Company that it shall not:

- influence or seek to influence the running of the Board;
- take any action that would have the effect of preventing or might reasonably be expected to prevent the Company from complying with its obligations under any of the applicable laws;
- exercise its voting rights in the Company in respect of any resolution relating to a transaction, agreement or arrangement with or relating to the Significant Shareholder (as defined in the Relationship Agreement) or any of its affiliates;
- exercise its voting rights in the Company in respect of any resolution to cancel the Company's admission to trading on AIM other than:
 - (a) with the consent of the Independent Directors (as defined in the Relationship Agreement); or
 - (b) in connection with an offer for the entire issued share capital of the Company made by a person other than the Significant Shareholder; or
 - (c) where the Ordinary Shares are already or will be admitted to trading on a UK regulated market;
- exercise its voting rights in the Company to procure or seek to procure any amendment to the Company's Articles of Association which would be inconsistent with the provisions of this agreement.

Pursuant to a deed of amendment and restatement dated 5 September 2022, the Relationship Agreement will, conditional on Initial Admission, be amended so that the references to AIM and the AIM Rules shall be replaced with references to the Main Market and the Listing Rules and the Disclosure Guidance and Transparency Rules (as applicable).

7.3 **The Registrar Agreement**

The Registrar Agreement dated 3 January 2012 between the Company and the Registrar whereby the Registrar is appointed to act as registrar of the Company. The Registrar is entitled to receive an annual inclusive fee of £17,500 from the Company. This fee is based on there not being more than 10,000 shareholders on the register at the start of each fee year. Should the number of holders exceed this amount, a charge of £1.50 per additional shareholder will apply. Additional fees payable by the Company include, *inter alia*, attendance at AGM/EGMs, fees for inter-CREST and non-CREST transfers of shares and any transfers in excess of 3,000 in a quarter. The Registrar is also entitled to reimbursement of all reasonable out of pocket expenses properly incurred on behalf of the Company.

The Registrar Agreement contains an indemnity in favour of the Registrar against losses resulting from the Company's breach of the agreement and against claims by third parties

except to the extent that the losses or claims are due to the fraud, gross negligence or wilful default of the Registrar, its affiliates or their agents, directors, officers or employees.

The Registrar Agreement is terminable by either party giving to the other not less than three months' written notice should the parties not reach agreement regarding any increase of the fees, or immediately upon service of written notice in the event of a material and continuing breach of contract or insolvency.

7.4 The Company Secretarial Agreement

The Company Secretarial Agreement dated 1 April 2019 between the Company and the Company Secretary whereby the Company Secretary is appointed to act as company secretary of the Company. The Company Secretary is entitled to receive an annual fee from the Company for its services of £20,700 + VAT as well as an additional £5,000 + VAT for dealing with the Company's interim accounts and a further £5,000 + VAT for the year end accounts.

The Company Secretarial Agreement is terminable by either party giving to the other not less than three months' written notice or immediately in the event of a material and continuing breach of contract or insolvency.

7.5 The Placing Agreement

The Placing Agreement dated 6 September 2022 between the Company, the Investment Manager and Singer Capital Markets pursuant to which SCM Advisory is appointed as sponsor to the Company and, subject to certain conditions, SCM Securities has agreed to use reasonable endeavours to procure subscribers for Ordinary Shares on a non-underwritten basis pursuant to any Placing under the Placing Programme at the applicable Placing Programme Price.

Under the terms of the Placing Agreement, the Company has agreed to pay SCM Advisory a sponsor fee in relation to Admission and SCM Securities commissions based on the number of new Ordinary Shares issued under the Placing Programme such that the total costs and expenses paid by the Company do not exceed 2 per cent. of the gross proceeds of such Placing.

Under the Placing Agreement, SCM Securities is entitled at its discretion and out of its own resources at any time to rebate to any third party part or all of its commission relating to any Placing and to retain agents and may pay commission in respect of any Placing to any or all of those agents out of its own resources.

The obligation of SCM Securities to use its reasonable endeavours to procure subscribers for Ordinary Shares is conditional upon certain conditions that are customary for agreements of this nature. These conditions include, *inter alia*: (i) the Company having in place sufficient Shareholder authority for the issue of the relevant Ordinary Shares on a non-pre-emptive basis; (ii) Admission of the relevant Ordinary Shares occurring by 8:00 a.m. (London time) on such date as the Company, SCM Securities and the Investment Manager may agree from time to time in relation to that Admission, not being later than 5 September 2023; (iii) the Placing Agreement not having been terminated in accordance with its terms; and (iv) a valid supplementary prospectus being published if required.

The Placing Agreement, which may be terminated by Singer Capital Markets in certain customary circumstances prior to Initial Admission and any Admission of Ordinary Shares issued pursuant to the Placing Programme, contains customary warranties given by the Company and the Investment Manager to Singer Capital Markets in relation to, *inter alia*, certain matters relating to the Company and its business. In addition, the Company and the Investment Manager have agreed to indemnify Singer Capital Markets in relation to certain liabilities it may incur in respect of the Placing Programme.

The Placing Agreement is governed by the laws of England and Wales.

7.6 Custody Agreement

The Custody Agreement dated 8 June 2022 between the Company and RBC Investor Services Trust (UK Branch) (RBCIS) whereby RBCIS is named as the custodian of the Company's assets. Under the Custody Agreement the Company, in its capacity as beneficial owner of the Assets has appointed RBCIS to act as the custodian of the Assets with responsibility for the safekeeping of the Assets. RBCIS shall hold the Assets in the Account. The Company may designate an Investment Manager in respect of the Assets and (or part thereof).

All documents of title to investments constituting Assets shall be held by RBCIS or by a sub-custodian, or in accordance with Authorised Instructions. All such documents of title shall be held separately from any documents of title to investments that belong to RBCIS, the Client or any other client of RBCIS.

RBCIS may hold Securities forming part of the Assets through a Securities System on the terms of business of the operators of such Securities System, and may effect settlement in accordance with the customary or established trading and processing practices and procedures in the jurisdiction or market in which any transaction in respect of the Assets occurs.

In performing the Services, RBCIS may hold Assets, or settle transactions in such property, in any jurisdiction in which the principal trading market for the relevant property is located, or where such property is acquired or presented for payment.

RBCIS shall ensure that the Assets deposited with a third party are identifiable separately from assets belonging to RBCIS and from assets belonging to that third party.

Ownership of all Assets shall at all times and in all circumstances be clearly recorded in the books and records of RBCIS as belonging to the Client. RBCIS may co-mingle Assets with property of other clients of RBCIS.

RBCIS may appoint sub-custodians (who may be affiliated with or otherwise related to RBCIS) to assist in the performance of its obligations under this Agreement, and may enter into sub-custodian agreement on such terms and conditions as RBCIS may in its discretion determine.

The Company and the Investment Manager are sub-threshold AIF/AIFMs. As such, the Company does not have a depositary.

8. Takeover Code

8.1 Concert Party

Harwood together with Richard Staveley, who is the lead fund manager of the Company, are considered to be acting in concert with each other in relation to the Company for the purpose of the Takeover Code. Following Initial Admission, members of the Concert Party will hold in aggregate 759,689 Ordinary Shares, which represents 29.9% of the Company's issued share capital.

8.2 **Mandatory bids**

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if: any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in Ordinary Shares which, when taken together with Ordinary Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or any person, together with persons acting in concert with him, is interested in Ordinary Shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold Ordinary Shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other Ordinary Shares which increases the percentage of Ordinary Shares carrying voting rights in which he is interested, such person would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash or cash alternative offer for the outstanding Ordinary Shares at a price not less than the highest price paid for any interests in the Ordinary Shares by the person or their concert parties during the previous 12 months.

Any offer made in accordance with the paragraph above, must only be conditional on: the person having received acceptances in respect of Ordinary Shares which (together with Ordinary Shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with him holding Ordinary Shares carrying more than 50 per cent. of the voting rights; and no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date, or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

Should any member of the Concert Party acquire any further interest in Ordinary Shares, the Takeover Panel may regard this as giving rise to an obligation upon that member of the Concert Party to make an offer for the entire issued share capital of the Company at a price no less than the highest price paid by an individual member of the Concert Party or any other member of the Concert Party in the previous 12 months.

8.3 **Compulsory acquisitions**

The Companies Act provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within four months after the date of such offer, the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares) then the offeror may, no later than two months after the expiration of those four months, send an acquisition notice to any dissenting shareholders informing them that it wishes to acquire their shares (an “**Acquisition Notice**”). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire those shares on the terms on which the original offer, approved by the shareholders comprising 90 per cent. in value of the shares affected was made.

9. **Operating and financial review**

The Historical Financial Information, which has been incorporated by reference as set out in Part 10 (*Documents incorporated by reference*) of this document, includes, on the pages specified below, descriptions of the Company’s financial condition (in both capital and revenue terms),

details of the Company's investment activity and portfolio exposure and changes in its financial condition for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022:

	<i>Annual Report and Accounts for the financial year ended 31 March 2020 Page nos.</i>	<i>Annual Report and Accounts for the financial year ended 31 March 2021 Page nos.</i>	<i>Annual Report and Accounts for the financial year ended 31 March 2022 Page nos.</i>
Chairman's Review	2 to 3	4 to 5	3 to 4
Investment Manager's Report	9 to 14	13 to 20	6 to 11
Report of the Directors	23 to 24	34 to 37	25 to 27

10. Working capital

The Company is of the opinion that the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

11. Capitalisation and indebtedness

The following table shows the capitalisation of the Company as at 31 March 2022. The figures have been extracted without material adjustment from the audited financial statements for the year ended 31 March 2022 incorporated into this document by reference as set out in Part 10 (*Documents incorporated by reference*) of this document. There has been no material change to this information since 31 March 2022.

	(£'000)
Total current debt:	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt:	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Shareholder equity:	
Share capital	1,281
Share premium	13,063
Other reserves	26,664
Total	41,008

The following table, sourced from the Company's internal accounting records, shows the Company's audited net indebtedness as at 31 March 2022:

	31 March 2022 (Audited) (£'000)
(A) Cash	10,507
(B) Cash equivalents	–
(C) Other current financial assets	10,507
(D) Liquidity (A+B+C)	10,507
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	–
(F) Current portion of non-current financial debt	–
(G) Current financial indebtedness (E+F)	–
(H) Net current financial indebtedness (G-D)	(10,507)
(I) Non-current financial debt (excluding current portion and debt instruments)	–
(J) Debt instruments	–
(K) Non-current trade and other payables	–
(L) Non-current financial indebtedness (I+J+K)	–
(M) Total financial indebtedness (H+L)	–

As at 31 March 2022, the Company had no indirect or contingent indebtedness.

12. Significant change

Save to the extent disclosed below, there has been no significant change in the financial position of the Company since 31 March 2022, being the end of the last financial period for which audited financial statements of the Company have been published.

13. Litigation

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company during the 12 months preceding the date of this document.

14. General

Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Investment Manager has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear. The Investment Manager accepts responsibility for the information contained in paragraphs 2, 3 and 5 of Part 1 of this document, Part 2 and Part 3 of this document and has authorised the inclusion of that information. The Investment Manager has taken all reasonable care to ensure that the information contained in these sections is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

The auditors of the Company are BDO LLP with registered office 55 Baker Street, London, W1U 7EU. BDO LLP is a member firm of the Institute of Chartered Accountants of England and Wales.

15. Documents available for inspection

Copies of the following documents will be available: (i) for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the life of this document; and (ii) on the Company's website (www.rockwoodstrategic.co.uk):

- the Company's memorandum of association and Articles;
- the Historical Financial Information; and
- this document.

Dated: 6 September 2022

PART 8

TERMS AND CONDITIONS OF THE PLACING PROGRAMME

1. Introduction

Each Placee which confirms its agreement (whether orally or in writing) to SCM Securities to subscribe for Ordinary Shares under any Placing will be bound by these terms and conditions and will be deemed to have accepted them.

SCM Securities may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and may require any such Placee to execute a separate placing letter (a **"Placing Letter"**).

2. Agreement to subscribe for Shares

Conditional on, amongst other things: (i) the Company having in place sufficient Shareholder authority for the issue of new Ordinary Shares on a non-pre-emptive basis; (ii) Admission of the Ordinary Shares issued pursuant to the relevant Placing occurring and becoming effective by 8.00 a.m. on or prior to the date agreed by the Company, the Investment Manager and Singer Capital Markets in respect of that Placing, not being later than 5 September 2023; (iii) the Placing Agreement becoming otherwise unconditional in all respects in respect of the relevant Placing and not having been terminated on or before the date of the relevant Placing; and (iv) SCM Securities confirming to the Placees their allocation of Ordinary Shares, a Placee agrees to become a Shareholder of the Company and agrees to subscribe for those Ordinary Shares allocated to it by SCM Securities at the applicable Placing Programme Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

Any commitment to acquire Ordinary Shares under any Placing agreed orally or in writing (including by email) with SCM Securities, as agent for the Company, will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and SCM Securities, to subscribe for the number of Ordinary Shares allocated to it and comprising its placing commitment at the applicable Placing Programme Price on the terms and subject to the conditions set out in this Part 8 (*Terms and Conditions of the Placing Programme*) and the contract note or oral or email placing confirmation as applicable (for the purpose of this Part 8 (*Terms and Conditions of the Placing Programme*), the **"Contract Note"** or the **"Placing Confirmation"**) and in accordance with the Articles. Except with the consent of SCM Securities, such oral or written commitment will not be capable of variation or revocation after the time at which it is made.

Each Placee's allocation of Ordinary Shares under any Placing will be evidenced by a Contract Note or Placing Confirmation confirming: (i) the number of Ordinary Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Ordinary Shares; and (iii) the settlement instructions to pay SCM Securities, as agent for the Company. The provisions as set out in this Part 8 (*Terms and Conditions of the Placing Programme*) will be deemed to be incorporated into that Contract Note or Placing Confirmation.

3. Payment for Ordinary Shares

Each Placee undertakes to pay the applicable Placing Programme Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by SCM Securities. In the event of any failure by any Placee to pay as so directed and/or by the time required by SCM Securities, the relevant Placee's application for Ordinary Shares may, at the discretion of SCM Securities, either be accepted or rejected and, in the former case, the paragraph below shall apply.

Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant Placing Programme Price for the Ordinary Shares allocated to it in accordance with paragraph 2 of these terms and conditions and SCM Securities elects to accept that Placee's application, SCM Securities may sell all or any of the Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Ordinary Shares on such Placee's behalf.

Settlement of transactions in the Ordinary Shares will take place in CREST but SCM Securities reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note, Placing Confirmation or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

4. Representations and warranties

By agreeing to subscribe for Ordinary Shares under a Placing, each Placee which enters into a commitment to subscribe for Ordinary Shares will (for itself and for any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, the Investment Manager, Singer Capital Markets and the Registrar that:

- in agreeing to subscribe for Ordinary Shares under a Placing, it is relying solely on this document and any supplementary prospectus issued by the Company prior to any Admission of the relevant Ordinary Shares issued pursuant to any Placing and not on any other information given, or representation or statement made at any time by any person concerning the Company, the Ordinary Shares or any Placing, including without limitation, the Key Information Document. It agrees that none of the Company, the Investment Manager, Singer Capital Markets or the Registrar, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under a Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, Singer Capital Markets or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 8 (*Terms and Conditions of the Placing Programme*) and, as applicable, in the Contract Note or Placing Confirmation and the Articles as in force at the date of Admission in relation to the relevant Placing;
- the price payable per Ordinary Share is payable to SCM Securities on behalf of the Company in accordance with the terms of these terms and conditions and the Contract Note or Placing Confirmation;

- it has the funds available to pay in full for the Ordinary Shares for which it has agreed to subscribe and it will pay the total subscription amount in accordance with the terms set out in these terms and conditions and as set out in the Contract Note or Placing Confirmation on the due time and date;
- it has not relied on Singer Capital Markets or any person affiliated with it in connection with any investigation of the accuracy of any information contained in this document;
- it acknowledges that the content of this document and any supplementary prospectus issued by the Company prior to any Admission of the relevant Ordinary Shares issued pursuant to any Placing is exclusively the responsibility of the Company, the Directors and the Investment Manager, and neither Singer Capital Markets nor any person acting on its behalf nor any of its affiliates is responsible for or shall have any liability for any information, representation or statement contained in this document or such supplementary prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in any Placing based on any information, representation or statement contained in this document, such supplementary prospectus or otherwise;
- it acknowledges that no person is authorised in connection with any Placing to give any information or make any representation other than as contained in this document and any supplementary prospectus issued by the Company prior to any Admission of the relevant Ordinary Shares issued pursuant to any Placing and, if given or made, any information or representation must not be relied upon as having been authorised by Singer Capital Markets, the Company or the Investment Manager;
- it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- it accepts that none of the Ordinary Shares has been or will be registered under the securities laws, or with any securities regulatory authority of, the United States, Australia, Canada, the Republic of South Africa or Japan (each a “**Restricted Jurisdiction**”). Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Jurisdiction unless an exemption from any registration requirement is available;
- if it is within the United Kingdom, it is (a) a person who falls within: (i) Articles 49(2)(A) to (D) or (ii) Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the “**Order**”) or is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction’s laws and regulations and (b) a qualified investor (as such term is defined in Article 2(e) of the UK Prospectus Regulation);
- if it is resident in a Relevant State, it is, (a) a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation, and (b) it is a person to whom the Ordinary Shares may lawfully be marketed under the EU AIFM Directive or under the applicable implementing legislation (if any) of such Relevant State;
- in the case of any Ordinary Shares acquired by an investor as a financial intermediary as that term is used in Article 5(2) of the UK Prospectus Regulation or the EU Prospectus Regulation (as the case may be), (i) the Ordinary Shares acquired by it in the relevant Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the UK Prospectus Regulation or the EU Prospectus Regulation (as the

case may be), or in circumstances in which the prior consent of SCM Securities has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired by it on behalf of persons in any Relevant State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;

- it: (i) is entitled to subscribe for the Ordinary Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Ordinary Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- it has not been engaged to acquire Ordinary Shares on behalf of any other person who is not a qualified investor (as such term is defined in Article 2(e) of the UK Prospectus Regulation) unless the terms on which it is engaged enable it to make decisions concerning the acceptance of offers of transferable securities on the client's behalf without reference to the client as described in section 86(2) of FSMA;
- if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with any Placing (for the purposes of this Part 8 (*Terms and Conditions of the Placing Programme*), each a "**Placing Document**") constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to any Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- it does not have a registered address in, and is not a citizen, resident or national of a Restricted Jurisdiction or any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Ordinary Shares under the relevant Placing;
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Ordinary Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no Placing Document is being issued by Singer Capital Markets in its capacity as an authorised person under section 21 of FSMA and such documents may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Ordinary Shares in, from or otherwise involving, the United Kingdom;
- it is aware of the provisions of the Criminal Justice Act 1993 regarding insider dealing and the Market Abuse Regulation and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- unless it is otherwise expressly agreed with the Company and SCM Securities in the terms of any Placing, it has not, directly or indirectly, distributed, forwarded, transferred or

otherwise transmitted this document or any other Placing Document to any persons within the United States, nor will it do any of the foregoing;

- it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading “United States Purchase and Transfer Restrictions” in paragraph 5 below;
- no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Ordinary Shares or possession of this document (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- it acknowledges that none of SCM Securities nor any of its affiliates nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with any Placing or providing any advice in relation any Placing and participation in any Placing is on the basis that it is not and will not be a client of SCM Securities and that SCM Securities has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to any Placing;
- save in the event of fraud on the part of Singer Capital Markets, none of Singer Capital Markets, nor any of its directors, members, partners, officers and employees, shall be responsible or liable to a Placee or any of its clients for any matter arising out of its roles as sponsor, financial adviser or bookrunner or otherwise in connection with any Placing and where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the relevant Placing in the form provided by the Company and/or SCM Securities. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- it irrevocably appoints any Director and any director of SCM Securities to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under any Placing, in the event of its own failure to do so;
- it accepts that if the relevant Placing does not proceed or the relevant conditions to the Placing Agreement are not satisfied as regards the relevant Placing or the Ordinary Shares for which valid applications are received and accepted are not admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market for any reason whatsoever, then none of Singer Capital Markets, the Company or the Investment Manager, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- in connection with its participation in the relevant Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing and that its application is only made on the basis that it

accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied;

- it acknowledges that due to anti-money laundering requirements, SCM Securities, the Investment Manager, the Registrar and/or the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, SCM Securities and/or the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify SCM Securities and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- if it is acting as a “distributor” (for the purposes of the relevant product governance requirements pursuant to the FCA PROD3 Rules):
 - (a) it acknowledges that the Target Market Assessment undertaken by the Investment Manager and SCM Securities does not constitute: (i) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels;
 - (b) notwithstanding any Target Market Assessment undertaken by the Investment Manager and SCM Securities, it confirms that, other than where it is providing an execution-only service to investors, it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such Ordinary Shares with the end target market; and
 - (c) it acknowledges that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom; and
 - (d) it agrees that, if so requested by SCM Securities, it will provide aggregated summary information on sales of Ordinary Shares under PROD 3.3.30R and information on the reviews carried out under PROD 3.3.26R to PROD 3.3.38R.
- Singer Capital Markets and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Singer Capital Markets, the Company, the Investment Manager and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of Ordinary Shares are no longer accurate, it shall promptly notify SCM Securities and the Company;

- where it or any person acting on behalf of it is dealing with SCM Securities, any money held in an account with SCM Securities on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require SCM Securities to segregate such money, as that money will be held by SCM Securities under a banking relationship and not as trustee;
- any of its clients, whether or not identified to SCM Securities, will remain its sole responsibility and will not become clients of SCM Securities for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- it accepts that the allocation of Ordinary Shares shall be determined by the Company (after consulting SCM Securities) and that they may scale down any Placing commitments for this purpose on such basis as they may determine;
- time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the relevant Placing;
- it authorises SCM Securities to deduct from the total amount subscribed under the relevant Placing the aggregate commission (if any) payable on the number of Ordinary Shares allocated under the relevant Placing;
- in the event that a supplementary prospectus is required to be produced pursuant to section 87G FSMA and Article 23 of the UK Prospectus Regulation, and in the event that it chooses to exercise any right of withdrawal pursuant to Article 23(2) of the UK Prospectus Regulation or otherwise, such Placee will immediately re-subscribe for the Ordinary Shares previously comprising its placing commitment;
- the commitment to subscribe for Ordinary Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of any Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's or SCM Securities' conduct of any Placing; and
- it is capable of being categorised as a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook.

5. United States purchase and transfer restrictions

By participating in any Placing each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Manager, the Registrar and Singer Capital Markets that:

- (a) it is not a US Person, is not located within the United States and is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act and it is not acquiring the Ordinary Shares for the account or benefit of a US Person;
- (b) the Ordinary Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act;

- (c) the Company has not been and will not be registered under the US Investment Company Act and as such investors are not and will not be entitled to the benefits of the US Investment Company Act and the Company has elected to impose restrictions on offerings of Ordinary Shares (including under the Placing Programme) and on the future trading in the Ordinary Shares to ensure that the Company is not and will not be required to register under the Investment Company Act;
- (d) except as otherwise expressly agreed with the Company, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code. In addition, if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (e) if any Ordinary Shares are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

“ROCKWOOD STRATEGIC PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “US INVESTMENT COMPANY ACT”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED, DELIVERED, ASSIGNED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, EXCEPT IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION 903 OR RULE 904 OF REGULATION S TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON, IF EITHER (1) AT THE TIME THE BUY ORDER ORIGINATED THE TRANSFEREE WAS OUTSIDE THE UNITED STATES, OR THE TRANSFEROR AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVED THE TRANSFEREE WAS OUTSIDE THE UNITED STATES OR (2) THE SALE IS MADE IN A TRANSACTION EXECUTED IN A DESIGNATED OFFSHORE SECURITIES MARKET, AND TO A PERSON NOT KNOWN TO THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE, AND UPON CERTIFICATION, IF SO REQUESTED BY THE COMPANY TO THAT EFFECT BY THE TRANSFEROR IN WRITING IN AN OFFSHORE TRANSACTION LETTER OR ANOTHER FORM ACCEPTABLE TO THE COMPANY AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE US INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS.”

- (f) if in the future the Placee decides to offer, sell, transfer, assign, pledge or otherwise dispose of the Ordinary Shares, it will do so only in an offshore transaction in accordance with Regulation S under the US Securities Act to a person outside the United States and not known by the transferor to be a US Person by pre-arrangement or otherwise. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than

in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;

- (g) it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
- (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US federal securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
- (i) it acknowledges and understands that the Company is required to comply with international regimes for the automatic exchange of information to improve tax compliance (including FATCA and the CRS). The Placee agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required to enable it to comply with its obligations under automatic exchange of information regimes;
- (j) is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager, Singer Capital Markets or their respective affiliates members, directors, officers agents, employees and advisers being in breach of the laws of any jurisdiction in connection with any Placing or its acceptance of participation in any Placing;
- (k) it is not a US Person, and has received, carefully read and understands this document and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Ordinary Shares within the United States or to any US Persons, nor will it do any of the foregoing; and
- (l) it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, the Investment Manager, the Registrar, Singer Capital Markets and their respective directors, members, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company and SCM Securities.

6. Supply of information

If SCM Securities, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares under any Placing, such Placee must promptly disclose it to them.

7. Money laundering

Each Placee acknowledges that:

- (i) its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person:
 - (A) subject to the Money Laundering Regulations in force in the United Kingdom; or
 - (B) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Regulations (which may include the provisions of the Money Laundering Directive;
- (ii) due to anti-money laundering requirements, SCM Securities, the Registrar and the Company and/or their agents may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, SCM Securities, the Company and/or their agents may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify SCM Securities, the Company and/or their agents against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis; and
- (iii) it is aware of, has complied with and will at all times comply with its obligations in connection with the Money Laundering Regulations.

8. Data protection

Each Placee acknowledges and agrees that it has been informed that, pursuant to applicable data protection legislation (including the UK GDPR and the EU GDPR) and regulatory requirements in the United Kingdom and/or the EEA, as appropriate (the “**DP Legislation**”) the Company, the Company Secretary and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in the DP Legislation). The Registrar and the Company Secretary will process such personal data at all times in compliance with DP Legislation and shall only process such personal data for the purposes set out in the Company’s privacy notice, which is available for review on the Company’s website at www.rockwoodstrategic.co.uk (the “**Privacy Notice**”), including for the purposes set out below (collectively, the “**Purposes**”), being to:

- (A) process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with the Placee’s holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on the Placee;
- (B) communicate with the Placee as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
- (C) comply with the anti-money laundering, tax, legal and regulatory obligations of the Company and/or the Registrar; and
- (D) process the personal data for the Registrar’s internal administration.

- 8.2 In order to meet the Purposes, it will be necessary for the Company, the Company Secretary and the Registrar to provide personal data to:
- (A) third parties located either within or outside of the United Kingdom (or the EEA, to the extent that the EU GDPR applies in respect of the personal data being shared), if necessary for the Registrar and the Company Secretary to perform its functions or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
 - (B) its affiliates, the Company, the Company Secretary (in the case of the Registrar) or the Investment Manager and their respective associates, some of which may be located outside of the United Kingdom (or the EEA, to the extent that the EU GDPR applies in respect of the personal data being shared).
- 8.3 Any sharing of personal data by the Company, the Company Secretary or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company's Privacy Notice.
- 8.4 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each Placee hereby represents and warrants to the Company, the Company Secretary and the Registrar that (i) it complies in all material respects with its data controller obligations under the DP Legislation and, in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice and any other data protection notice which has been provided by the Company, the Company Secretary and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Company, the Company Secretary, and the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 7(i)).
- 8.5 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is a natural person it represents and warrants that he or she has read and understood the terms of the Company's Privacy Notice.
- 8.6 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants that:
- (A) it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company, the Company Secretary and/or the Registrar as a result of the Placee agreeing to subscribe for Ordinary Shares; and
 - (B) the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 8.7 Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to any Placing:
- (A) comply with all applicable data protection legislation;
 - (B) take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;

- (C) if required, agree with the Company, the Company Secretary and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- (D) it shall immediately on demand, fully indemnify each of the Company, the Company Secretary and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect loss and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company, the Company Secretary and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.

9. Miscellaneous

The rights and remedies of the Company, the Investment Manager, Singer Capital Markets and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with any Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the relevant Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the relevant Placing and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. Each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Ordinary Shares under a Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

The Company, the Investment Manager, the Registrar and Singer Capital Markets will rely upon the truth and accuracy of the foregoing representations, warranties, undertakings and acknowledgements in these terms and conditions. Each Placee which confirms its agreement to SCM Securities to subscribe for Ordinary Shares agrees to indemnify and hold each of the Company, the Investment Manager, the Registrar and Singer Capital Markets and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach of the representations, warranties, undertakings, agreements and acknowledgements in this Part 8 (*Terms and Conditions of the Placing Programme*).

SCM Securities and the Company expressly reserve the right to modify any Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined. Each Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 7.5 of Part 7 (*Additional Information*) of this document.

PART 9

DEFINITIONS

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

Account	the account or accounts in which RBCIS holds the Assets
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance published by the AIC from time to time
AIFM	an alternative investment fund manager within the meaning of the EU AIFM Directive and the AIFM Regime (as appropriate)
AIFM Regime	together, The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds Sourcebook forming part of the FCA Handbook
AIM	AIM, the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange
Articles	the articles of incorporation of the Company from time to time in force
Assets	any property (including all assets and investments (such as derivatives) other than cash) and all rights to any property (but excluding cash) delivered by the Company to, and accepted, by RBCIS at its discretion, from time to time for credit to the Account
Auditor	BDO LLP
Authorised Instructions	directions, instructions and any other communications whatsoever of the Company or the Investment Manager
Board	the board of Directors of the Company or any duly constituted committee thereof
Board Reserved Matter	any one or more of the following matters: • any entry into, variation, amendment or novation of any agreement or arrangement with the Significant Shareholder or any of its affiliates, including, without limitation, this agreement and the Investment Management Agreement. • any decision as to whether to enforce any agreement or arrangement with the Significant Shareholder or any of its Affiliates, including, without limitation, this agreement and the Investment Management Agreement.

	- the adoption, amendment, replacement or abandonment of the corporate governance regime adopted by the Company from time to time. - the adoption, amendment, replacement or abandonment of the terms of reference for any committee of the Board. - the appointment or removal of an Independent Director. - any recommendation given by the Board relating to the appointment or removal of an Independent Director. - the appointment or dismissal of the Sponsor or the auditors to the Group.
Business	the business of the Group
Business Day	any day which is not a Saturday or Sunday or a public holiday in the City of London
certificated or in certificated form	not in uncertificated form
Companies Act	The Companies Act 2006 (as amended)
Company	Rockwood Strategic PLC
Company Secretary	Shakespeare Martineau LLP
Concert Party	Harwood and Richard Staveley
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CRS	The global standard for the automatic exchange of financial information between tax authorities developed by the OECD
Custodian	RBC Investor Services Trust
Custody Agreement	the custody agreement dated 8 June 2022 between the Company and the Custodian, details of which are set out in paragraph 7.6 of Part 7 (<i>Additional Information</i>) of this document
Deferred Shares	shares of £0.005 nominal value in the capital of the Company and “Deferred Share” shall be construed accordingly
Directors	the directors from time to time of the Company and “ Director ” is to be construed accordingly
Disclosure Guidance and Transparency Rules	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of FSMA, as amended from time to time
DP Legislation	the applicable data protection legislation (including the UK GDPR and EU GDPR) and regulatory requirements in the UK and/or the EEA, as appropriate
EEA	European Economic Area

ERISA	US Employee Retirement Income Security Act of 1974, as amended
EU	the European Union
EU AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time
EU GDPR	the General Data Protection Regulation (EU) 2016/679
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
Euroclear	Euroclear UK & International Limited, being the operator of CREST
FATCA	the US Foreign Account Tax Compliance Act of 2010, as amended from time to time
FCA	the Financial Conduct Authority or any successor authority
FCA Handbook	the FCA handbook of rules and guidance as amended from time to time
FCA PROD 3 Rules	The FCA's PROD3 Rules on product governance with the FCA Handbook
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
General Meeting	The general meeting of the Company convened for 22 September 2022 at which resolutions will be proposed to approve the proposed changes to the Company's investment policy, approve the proposed Placing Programme, approve the proposed buy-back and cancellation of the Company's Deferred Shares, and adopt new articles of association
Group	means the Company and its subsidiary undertakings from time to time, and references to a "member of the Group" (and derivations thereof) shall be construed accordingly;
Historical Financial Information	the Company's annual report and accounts for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022
Harwood	Harwood Capital LLP
HMRC	Her Majesty's Revenue and Customs
IFRS	international financial reporting standards
Independent Director	the Directors who are independent of the Significant Shareholder and/or any of its affiliates from time to time
Initial Admission	admission of the 2,541,046 existing Ordinary Shares: (i) to the premium segment of the Official List; and (ii) to trading on

	the premium segment of the London Stock Exchange's main market, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
Investment Advisory Group or IAG	the Investment Manager's advisory group on the Company
Investment Management Agreement	the investment management agreement dated 7 April 2022 between the Company and the Investment Manager, details of which are set out in paragraph 7.1 of Part 7 (<i>Additional Information</i>) of this document
Investment Manager or Harwood	Harwood Capital LLP
Investment Trust	an investment trust as defined by s1158 CTA 2010
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
ISIN	International Securities Identification Number
Key Individuals	Christopher Mills and Richard Staveley
Key Information Document	the key information document relating to the Ordinary Shares issued by the Company from time to time, produced pursuant to the UK PRIIPs Regulation
LEI	Legal Entity Identifier
Latest Practicable Date	5 September 2022, being the latest practicable date prior to the publication of this document to ascertain information contained herein
Listing Rules	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time
London Stock Exchange	London Stock Exchange plc
MAR or Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time which is part of UK law by virtue of the European Union (Withdrawal) Act 2018
Money Laundering Directive	the Council Directive on prevention of the use of the financial system for the purposes of money laundering or terrorist financing (EU/2015/849) as amended by the Money Laundering Directive (EU) 2018/843 of the European Parliament and of the Council of the Europe Union of 9 July 2018 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing
Money Laundering Regulations	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended from time to time
Net Asset Value or NAV	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time

Net Asset Value per Ordinary Share or NAV per Ordinary Share	at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation
OECD	the Organisation for Economic Co-operation and Development
Official List	the official list maintained by the FCA pursuant to Part VI of FSMA
Ordinary Shares	ordinary shares of £0.50 nominal value in the capital of the Company and “ Ordinary Share ” shall be construed accordingly
Performance Fee	the performance fee calculated and payable in accordance with Schedule 1 of the Investment Management Agreement
Placee	any person who agrees to subscribe for Ordinary Shares pursuant to a Placing
Placing	any placing of Ordinary Shares pursuant to the Placing Programme described in this document
Placing Agreement	the sponsor and placing agreement between the Company, the Investment Manager and Singer Capital Markets, details of which are set out in paragraph 7.5 of Part 7 (<i>Additional Information</i>) of this document
Placing Proceeds	in relation to a Placing, the proceeds of the relevant Placing received by SCM Securities, as agent for the Company;
Placing Programme	the proposed placing programme of Ordinary Shares incorporating any Placing as described in this document
Placing Programme Price	the price at which Ordinary Shares will be issued to Placees pursuant to a Placing under the Placing Programme, as set out at Part 8 (<i>Terms and Conditions of the Placing Programme</i>) of this document
Portfolio	the portfolio of investments made by the Company from time to time
Proposed Migration	the Company intends to apply for admission of all of its issued Ordinary Shares to listing on the premium listing category of the Official List and to transfer the trading of the Ordinary Shares from AIM to the premium segment of the Main Market of the London Stock Exchange
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time
Register	the register of Shareholders of the Company
Registrar	Link Group (the trading name of Link Market Services Limited) or such other person or persons from time to time appointed by the Company
Registrar Agreement	the registrar agreement dated 8 May 2013 between the Company and the Registrar, details of which are set out in

	paragraph 7.3 of Part 7 (<i>Additional Information</i>) of this document
Regulation S	Regulation S promulgated under the US Securities Act, as amended from time to time
Regulatory Information Service	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Relevant State	each member state of the EEA
SEC	the US Securities and Exchange Commission
Securities	means any securities, instruments, rights or obligations of whatever kind including, without limitation, contracts for derivative products, currencies and options and other derivative instruments in relation thereto
Securities System	means an authorised domestic or foreign depository or clearing and settlement agency or system, including a trans-national book-based system, to hold Securities
SEDOL	the Stock Exchange Daily Official List
Shareholder	a holder of Ordinary Shares
SCM Advisory	Singer Capital Markets Advisory LLP
SCM Securities	Singer Capital Markets Securities Limited
Singer Capital Markets	SCM Advisory and SCM Securities or either of them as the context requires
Significant Shareholder	Harwood
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
SSAS	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
Sterling or GBP or £ or pence	the lawful currency of the United Kingdom
Takeover Code	the UK City Code on Takeovers and Mergers, as amended from time to time
Target Market Assessment	has the meaning given on page 23 of this document
UK Code	The UK Corporate Governance Code
UK GDPR	the UK version of the EU GDPR which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended
UK MiFID II	the UK's implementation of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID), together with

	the UK version of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR), which forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended
UK PRIIPs Regulation	the UK version of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products and its implementing and delegated acts which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019
UK Prospectus Regulation	the UK version of EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by the Prospectus (Amendment, etc) (EU Exit) Regulations 2019
uncertificated or in uncertificated form	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Investment Company Act	US Investment Company Act of 1940, as amended
US Person	any person who is a US person within the meaning of Regulation S under the US Securities Act
US Securities Act	US Securities Act of 1933, as amended
US Tax Code	the US Internal Revenue Code of 1986, as amended from time to time
VAT	value added tax

PART 10

DOCUMENTS INCORPORATED BY REFERENCE

The Company's annual report and accounts for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022 (together the "**Historical Financial Information**") contain information which is relevant to Initial Admission. These documents are available on the Company's website at www.rockwoodstrategic.co.uk.

The table below sets out the information from the Historical Financial Information which is incorporated by reference into, and forms part of, this document and which is available for inspection as set out in paragraph 15 of Part 7 (*Additional Information*) of this document.

Any non-incorporated parts of the Historical Financial Information are either not relevant for the investor for the purposes of Initial Admission or the relevant information is covered elsewhere in this document. Any documents themselves incorporated by reference or referred or cross-referred to in the Historical Financial Information shall not form part of this document.

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