

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO THE MEMBERS' VOLUNTARY WINDING-UP AND THE SCHEME OF RECONSTRUCTION OF JPMORGAN INCOME & GROWTH INVESTMENT TRUST PLC ON WHICH SHAREHOLDERS ARE BEING ASKED TO VOTE AND IN RELATION TO WHICH SHAREHOLDERS HAVE THE RIGHT TO MAKE AN ELECTION. If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 without delay.

If you have sold or otherwise transferred all of your Shares in JPMorgan Income & Growth Investment Trust plc (the **Company**), please forward the accompanying documents (but not the personalised Form of Election or Plan Forms of Instruction), as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, the prospectus relating to JPMorgan Elect plc (the **JPMorgan Elect Prospectus**) should not be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (other than the United Kingdom) or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions.

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

The definitions used in this document are set out on pages 50 to 55.

JPMORGAN INCOME & GROWTH INVESTMENT TRUST PLC

(Incorporated in England and Wales with registered number 05973571 and registered as an investment company under section 833 of the Companies Act 2006)

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

and

Notices of General Meetings

This document should be read in conjunction with the accompanying JPMorgan Elect Prospectus relating to JPMorgan Elect plc (**JPMorgan Elect**) which has been prepared in accordance with the Prospectus Rules, approved by the Financial Conduct Authority in accordance with section 73A of FSMA, and made available to the public in accordance with the Prospectus Rules. In relation to JPMorgan Elect, this document is an advertisement and not a prospectus and does not constitute an offer of any securities for sale or subscription. Investors should not subscribe for the JPMorgan Elect Securities referred to in this document except on the basis of information provided in the JPMorgan Elect Prospectus.

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

Notices of the First General Meeting to be held on 21 November 2016 and the Second General Meeting to be held on 30 November 2016, both at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ are set out at the end of this document. Shareholders are requested to complete and return the Forms of Proxy accompanying this document for use at the General Meetings. To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon by post or by hand (during normal business hours) to the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom as soon as possible, but in any event so as to be received by no later than 48 hours (excluding non-working days) before the time appointed for the relevant General Meeting. As an alternative to completing a hard copy Form of Proxy, a proxy may be appointed electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task

ID and Shareholder reference number (this is the series of numbers printed under your name on the Form of Proxy). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites. Shareholders who hold their Shares in uncertificated form (i.e. in CREST), may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notices of the General Meetings set out at the end of this document).

Shareholders and Unitholders who hold Shares or Units in certificated form will also find enclosed with this document a Form of Election for use in connection with the Proposals. To be effective, the Form of Election must be returned by post in the enclosed reply-paid envelope for Shareholders and Unitholders with a UK registered addresses only or by hand using your own envelope (during normal business hours) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom so as to arrive as soon as possible and in any event not later than 6.00 p.m. on 18 November 2016. All Elections will be irrevocable. Failure to return a Form of Election or the return of a Form of Election which is not validly completed will result in the relevant Shareholder or Unitholder, as the case may be, being deemed to have elected for the applicable Default Option(s) in respect of their entire holding (being the Managed Income Shares Option for Units and Income Shares and the Managed Growth Shares Option for Capital Shares).

Restricted Shareholders will not be sent a Form of Election or a copy of the JPMorgan Elect Prospectus and will receive cash under the Scheme.

Details of the action to be taken by holders of Shares or Units held through one or more of the Plans are contained on pages 9 to 10 of this document. To be effective, Voting Forms of Direction in respect of the First General Meeting and Plan Forms of Instruction must be returned to Equiniti Limited so as to be received by no later than 6.00 p.m. on 11 November 2016. Voting Forms of Direction in respect of the Second General Meeting must be returned to Equiniti Limited so as to be received by no later than 6.00 p.m. on 23 November 2016.

Your attention is drawn to Part III of this document entitled "Action to be taken" which can be found on pages 27 to 31.

CONTENTS

	<i>Page</i>
Key Information.....	4
Risk Factors.....	5
Action to be taken by Shareholders and Unitholders	7
Action to be taken by Plan Participants.....	9
General Information on Voting and Elections	11
Expected Timetable.....	12
Part I Letter from the Chairman	13
Part II Further Details of the Scheme.....	19
Part III Action to be Taken	27
Part IV The Scheme.....	32
Part V The Rollover Vehicle – JPMorgan Elect plc	42
Part VI Additional Information.....	46
Definitions.....	50
Notice of First General Meeting	56
Notice of Second General Meeting.....	62

KEY INFORMATION

JPMorgan Income & Growth Investment Trust plc (the **Company**) has a fixed life and is due to wind up on 30 November 2016 (the **Wind-up Date**). The Board of the Company has today announced recommended proposals for a reconstruction of the Company to coincide with the Wind-up Date (the **Proposals**).

Under the Proposals, the Company's shareholders are being offered a choice of the following:

- a tax and cost efficient rollover into new shares to be issued by JPMorgan Elect plc (**JPMorgan Elect**); and/or
- a cash exit at NAV less costs.

JPMorgan Elect has three share classes, each with distinct investment policies, objectives and underlying investment portfolios, and its structure allows for quarterly conversion between share classes at a price close to net asset value.

There is a high degree of overlap between the underlying holdings of the Company and those of JPMorgan Elect's Managed Income share class. In addition, the Company's shareholders who choose to rollover their investment will benefit from the continuity of management as the Company's portfolio managers are also responsible for managing JPMorgan Elect's portfolio.

Shareholders and Unitholders can choose to receive any combination of the following in respect of all or part of their holding of Shares in the Company by completing and returning a Form of Election:

- Managed Income Shares in JPMorgan Elect; and/or
- Managed Growth Shares in JPMorgan Elect; and/or
- Managed Cash Shares in JPMorgan Elect; and/or
- cash.

The JPMorgan Elect Securities to be issued under the Scheme will be issued at a price equivalent to their NAV per share plus an issue premium. The issue premium will be set at a maximum of 1 per cent., reducing on a straight line basis to a minimum issue premium of 0.65 per cent. depending on the total value of the assets transferred to JPMorgan Elect under the Scheme.

Income Shareholders and Unitholders (other than Restricted Shareholders) who do not choose one or more of the Options set out above will be treated as having chosen to rollover their entire investment in the Company into JPMorgan Elect's Managed Income Shares.

Capital Shareholders (other than Restricted Shareholders) who do not choose one or more of the Options set out above will be treated as having chosen to rollover their entire investment in the Company into JPMorgan Elect's Managed Growth Shares.

Restricted Shareholders will receive cash in respect of their entire holding of Shares unless they have satisfied the Directors and the JPMorgan Elect Directors that it is lawful for JPMorgan Elect to issue JPMorgan Elect Securities to them under any relevant overseas laws and regulations.

Overseas Shareholders (who are not Restricted Shareholders) may participate in the Scheme, but it is their responsibility to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Proposals.

The Proposals are subject to the approval of both the Company's shareholders and shareholders of JPMorgan Elect.

Further details of the Proposals and the action to be taken by Shareholders, Unitholders and Plan Participants are set out in the remainder of this document.

Shareholders who choose or are deemed to have chosen the Cash Option will receive cheques or CREST payments (as applicable) on or as soon as possible after 5 December 2016.

RISK FACTORS

Risk factors relating to the Proposals

The Proposals have been designed to allow Shareholders and Unitholders to roll-over their investment in the Company into a vehicle which has a risk profile that is not materially different from that of the Company. The risks referred to below are the material risks known to the Directors as at the date of this document which the Directors believe Shareholders and Unitholders should consider prior to choosing any of the Options under the Scheme. Any investment in JPMorgan Elect will be governed by the JPMorgan Elect Prospectus and the JPMorgan Elect Articles. Shareholders are strongly urged to read the section containing the risk factors in the JPMorgan Elect Prospectus. **If any Shareholders or Unitholders are in any doubt about the contents of this document or as to the action they should take, they should immediately seek their own personal financial advice from an appropriately qualified independent adviser authorised under the Financial Services and Markets Act 2000.**

Conditionality of the Proposals

Implementation of the Proposals is conditional, among other things, upon the Resolutions being passed at the General Meetings and the JPMorgan Elect Resolutions being passed by the shareholders of JPMorgan Elect. In the event that any of the Resolutions or the JPMorgan Elect Resolutions are not passed or any other condition of the Proposals is not met, the Proposals will not be implemented. If the Proposals are not approved or if the Scheme does not become unconditional, the Winding-up Resolution will, in any event, be put to Shareholders at the Second General Meeting.

Risks associated with JPMorgan Elect

An investment in JPMorgan Elect will involve exposure to those risks normally associated with investment in stocks and shares. As such, the price of shares can go down as well as up and an investor may not get back the full amount invested. There is no assurance that the investment objectives of JPMorgan Elect in respect of each class of JPMorgan Elect Securities will actually be achieved or provide the returns sought by them. The market price of the JPMorgan Elect Securities may not fully reflect their respective underlying asset value (if any). An investment in any class of JPMorgan Elect Securities should generally be regarded as a long-term investment and, therefore, may not be suitable as a short-term investment.

Discounts

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

Liquidity

JPMorgan Elect is a closed-ended vehicle. Accordingly, Shareholders will have no right to have their JPMorgan Elect Securities repurchased at any time. Shareholders wishing to realise their investment in JPMorgan Elect will therefore be required to dispose of their JPMorgan Elect Securities in the market. There can be no guarantee that a liquid market in the JPMorgan Elect Securities will exist or be maintained. Accordingly, Shareholders may be unable to realise their JPMorgan Elect Securities at the quoted market price (or at the prevailing net asset value of the relevant JPMorgan Elect Securities).

Risks relation to Taxation

The information relating to the taxation law and practice applicable to the receipt by Shareholders or Unitholders of JPMorgan Elect Securities and/or cash is given by way of general summary and does not constitute legal or tax advice to Shareholders or Unitholders. Statements in this document concerning the taxation of Shareholders and Unitholders are based upon current UK tax law and HMRC practice and concessions which are subject in principle to changes that could adversely affect Shareholders and Unitholders.

The Directors have been advised that the manner in which it is proposed to carry out the Company's liquidation and to implement the Proposals is such that the Company should remain eligible to obtain

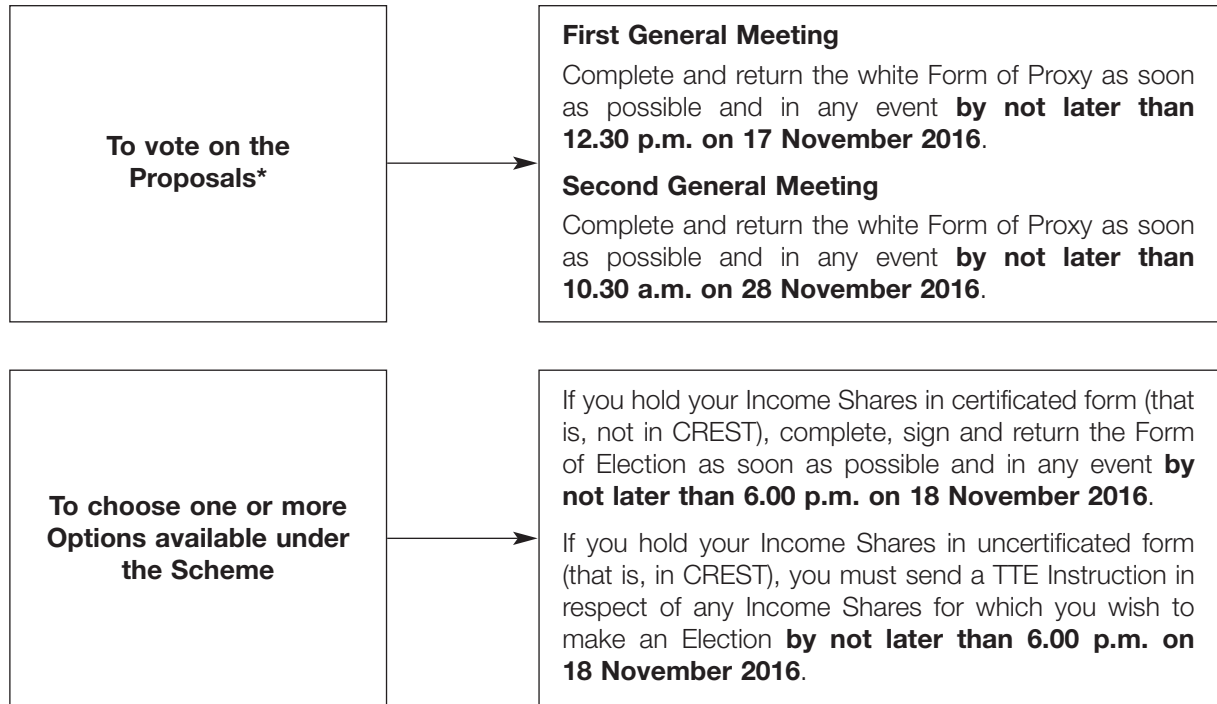
approval as an investment trust for the financial period which includes the date on which the Company's assets are transferred to JPMorgan Elect pursuant to the Transfer Agreement and, accordingly the transfer of the Company's assets under the Proposals should not give rise to a liability to UK taxation of chargeable gains for the Company. However, there can be no absolute assurance that investment trust status will be preserved and absent such status in any accounting period the Company would be liable to pay UK taxation on its capital gains in that period.

IF YOU HOLD SHARES OR UNITS DIRECTLY – IN CERTIFICATED FORM OR IN CREST

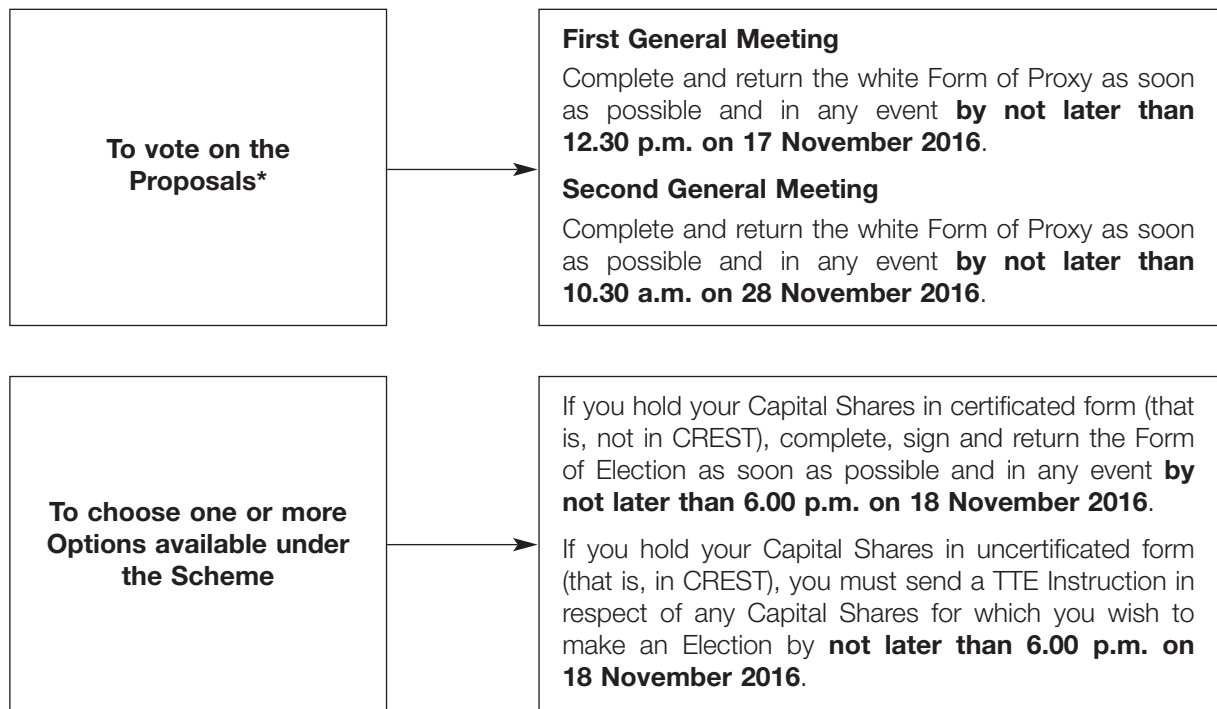
ACTION TO BE TAKEN BY SHAREHOLDERS AND UNITHOLDERS

ALL HOLDERS OF SHARES AND UNITS ARE RECOMMENDED TO COMPLETE AND RETURN THEIR FORM OF ELECTION TO INDICATE HOW THEY WISH TO PARTICIPATE IN THE SCHEME AND TO COMPLETE AND RETURN THEIR FORMS OF PROXY TO INDICATE HOW THEY WISH TO VOTE ON THE PROPOSALS. YOUR ATTENTION IS DRAWN TO PART III OF THIS DOCUMENT ENTITLED “ACTION TO BE TAKEN” WHICH CAN BE FOUND ON PAGES 27 TO 31.

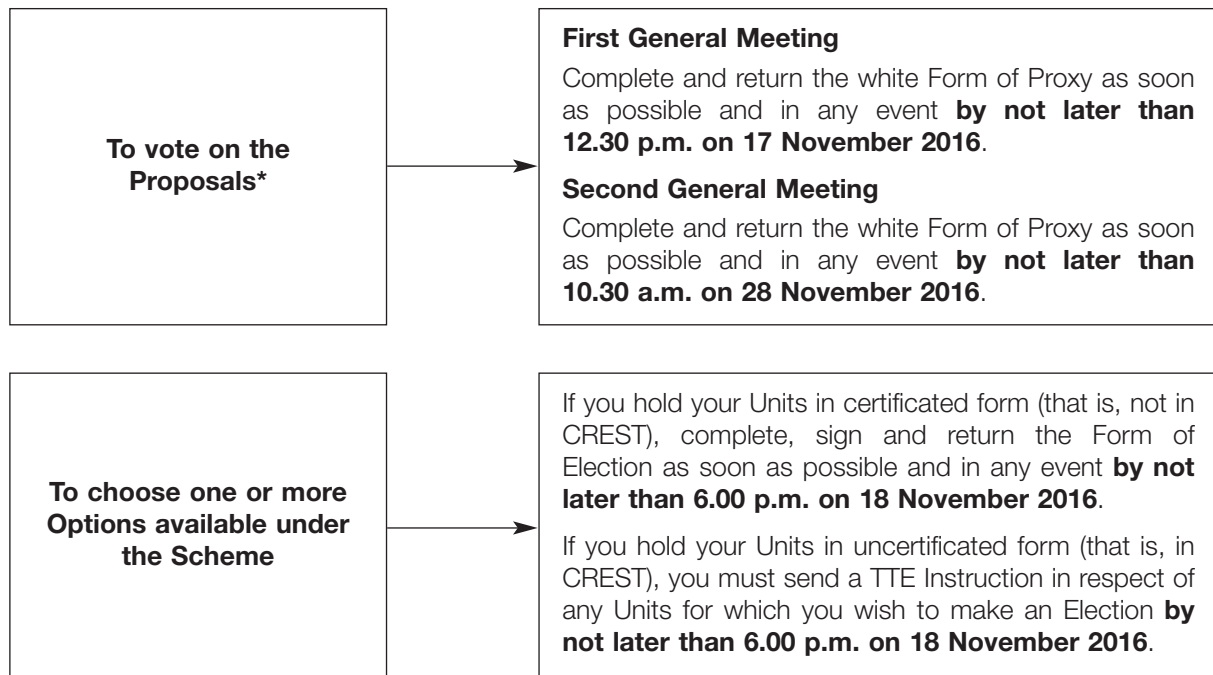
Income Shareholders



Capital Shareholders



Unitholders



* As an alternative to completing a hard copy Form of Proxy, Shareholders or Unitholders may appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder reference number (this is the series of numbers printed under your name on the Form of Proxy). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.

Shareholders or Unitholders who hold their Shares or Units in uncertificated form (i.e. in CREST) may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please refer to the accompanying notes to the notices of the General Meetings set out at the end of this document). Proxies submitted via CREST for the General Meetings must be transmitted so as to be received by Equiniti Limited by no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting or (as the case may be) the adjourned General Meeting.

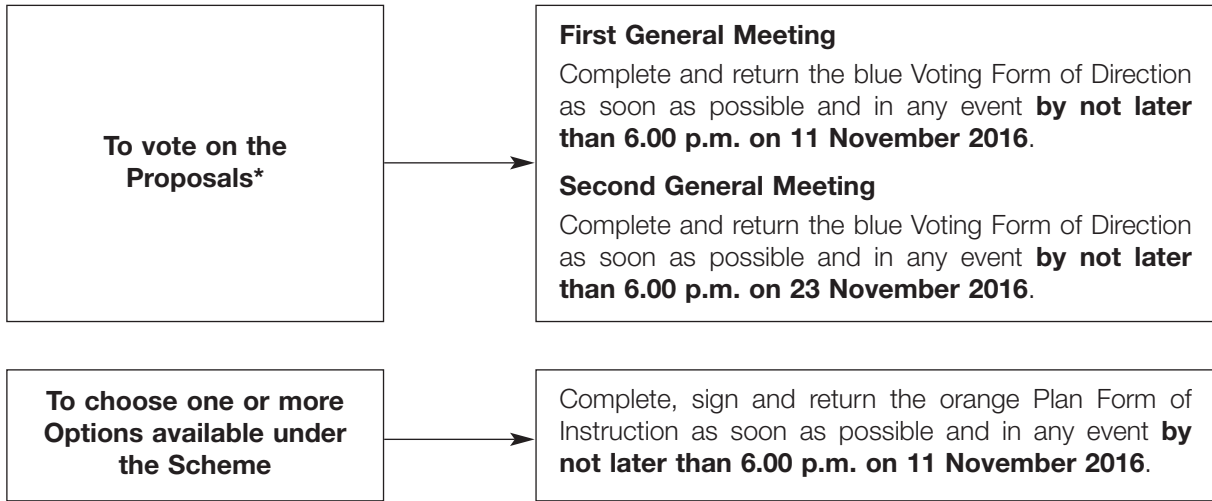
IF YOU HOLD SHARES OR UNITS THROUGH THE PLANS

ACTION TO BE TAKEN BY PLAN PARTICIPANTS

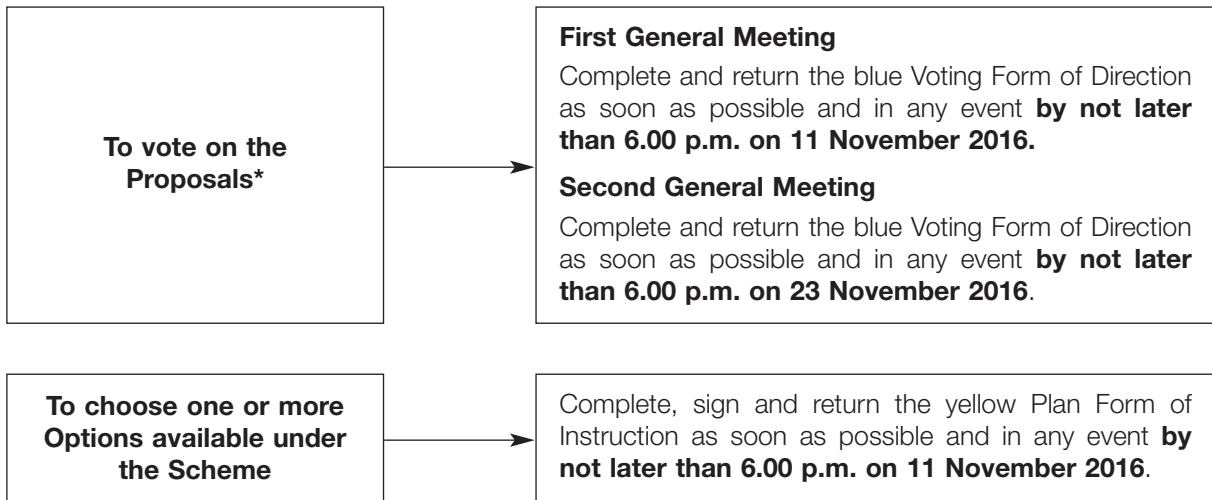
ALL PLAN PARTICIPANTS ARE RECOMMENDED TO COMPLETE AND RETURN THEIR PLAN FORM OF INSTRUCTION TO INDICATE HOW THEY WISH TO PARTICIPATE IN THE SCHEME AND ARE RECOMMENDED TO RETURN THEIR VOTING FORMS OF DIRECTION TO INDICATE HOW THEY WISH TO VOTE ON THE PROPOSALS. YOUR ATTENTION IS DRAWN TO PART III OF THIS DOCUMENT ENTITLED “ACTION TO BE TAKEN” WHICH CAN BE FOUND ON PAGES 27 TO 31.

Plan Participants who hold Shares and/or Units

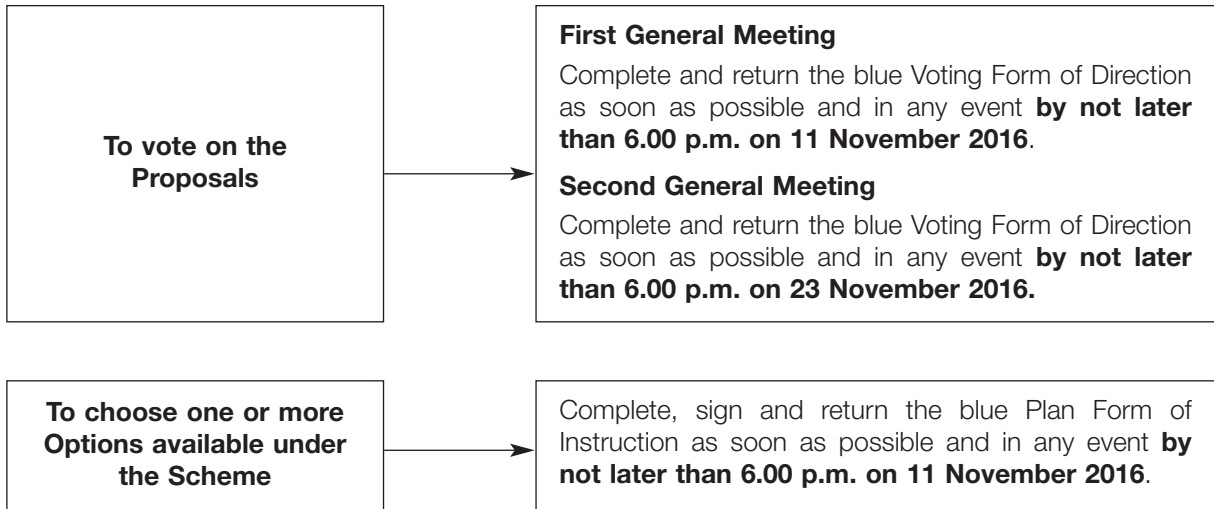
ISA Holders



Investment Account Holders



Junior ISA Holders



GENERAL INFORMATION ON VOTING AND ELECTIONS

Unitholders will be entitled to vote in the Proposals in respect of the Income Shares and Capital Shares that constitute a component element of their Units. Forms of Proxy or Voting Forms of Direction in respect of Units held through the Plans should be completed and returned for the General Meetings, as set out above for Shareholders and Plan Participants.

Full details of the action to be taken by Shareholders and Plan Participants are set out in Part III of this document and in the instructions on the Forms of Proxy/Voting Forms of Direction and Forms of Election/Plan Forms of Instruction. The attention of Overseas Shareholders and Restricted Shareholders is drawn to the section headed "Restricted Shareholders and Overseas Shareholders" in Part III of this document.

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

If you have any queries in relation to your shareholding(s) in the Company, please call the Shareholder Helpline between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0333 207 6505 (from within the UK) and + 44 121 415 0974 (from outside the UK). Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline can provide information only regarding the completion of Forms of Proxy, submitting your proxies electronically and/or completion of Forms of Election but cannot provide you with investment or tax advice.

If you hold your Shares or Units via the Plans, for information please call the Shareholder Helpline between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0333 207 6505 (from within the UK) and + 44 121 415 0974 (from outside the UK). Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that this number is for information in relation to the completion of Plan Forms of Instruction and Voting Forms of Direction only and no investment or tax advice can be given.

Shareholders and Unitholders who do not validly complete and return a Form of Election in accordance with the instructions by 6.00 p.m. on 18 November 2016 will be deemed to have chosen the applicable Default Option(s) in respect of their entire holding (being the Managed Income Shares Option for Units and Income Shares and the Managed Growth Shares Option for Capital Shares).

Plan Participants who do not validly complete and return a Plan Form of Instruction in accordance with the instructions by 6.00 p.m. on 11 November 2016 will be deemed to have chosen the applicable Default Option(s) in respect of their entire holding (being the Managed Income Shares Option for Units and Income Shares and the Managed Growth Shares Option for Capital Shares).

EXPECTED TIMETABLE

2016

Latest time for receipt of Plan Forms of Instruction from Plan Participants	6.00 p.m. on 11 November
Latest time for receipt of Voting Forms of Direction from Plan Participants who hold Shares or Units for use at the First General Meeting	6.00 p.m. on 11 November
Time from which it is advised that dealings in Shares and Units will be for cash settlement only and immediate delivery of documents of title	6.00 p.m. on 16 November
Latest time for receipt of Forms of Proxy from Shareholders and Unitholders for use at the First General Meeting	12.30 p.m. on 17 November
Closing of the Company's register of members and Record Date for participation in the Proposals	6.00 p.m. on 18 November
Latest time for receipt of Forms of Election from Shareholders and Unitholders	6.00 p.m. on 18 November
Shares disabled in CREST	6.00 p.m. on 18 November
First General Meeting	12.30 p.m. on 21 November
Latest time for receipt of Voting Forms of Direction from Plan Participants who hold Shares or Units for use at the Second General Meeting	6.00 p.m. on 23 November
Latest time for receipt of Forms of Proxy from Shareholders and Unitholders for use at the Second General Meeting	10.30 a.m. on 28 November
Calculation Date	5.00 p.m. on 28 November
Opening of the Company's register of members and commencement of dealings in respect of the Reclassified Shares	8.00 a.m. on 29 November
Dealings in Reclassified Shares suspended	7.30 a.m. on 30 November
Second General Meeting	10.30 a.m. on 30 November
Scheme Effective Date and Transfer Date	1 December
CREST accounts credited with JPMorgan Elect Securities	2 December
Admission of JPMorgan Elect Securities and dealings in JPMorgan Elect Securities commence	8.00 a.m. on 2 December
Cheques expected to be despatched in respect of the Cash Option and CREST payments made to Shareholders and Unitholders	on or as soon as practicable after 5 December
Cheques expected to be despatched in respect of Plan Participants electing for the Cash Option	on or as soon as practicable after 5 December
Share certificates for JPMorgan Elect Securities issued under the Scheme expected to be despatched	week commencing 5 December
Cancellation of the Reclassified Shares	as soon as practicable after the Scheme Effective Date when all of the capital assets of the Company have been realised

In this document, where the context requires, references to 19 October 2016 should be treated as being references to the latest practicable date prior to the publication of this document (the **Latest Practicable Date**).

PART I

LETTER FROM THE CHAIRMAN

JPMorgan Income & Growth Investment Trust plc

(Incorporated in England and Wales with registered number 05973571 and registered as an investment company under section 833 of the Companies Act 2006)

Directors:

Karl Sternberg (Chairman)
Nicholas Craig Harvey
Jane Tozer OBE
David Watts
Ian Scott-Gall

Registered Office:

60 Victoria Embankment
London
EC4Y 0JP

25 October 2016

Dear Shareholder

JPMorgan Income & Growth Investment Trust plc (the **Company**) has a fixed life and is due to wind up on 30 November 2016 (the **Wind-up Date**). The Board of the Company has today announced recommended proposals for a reconstruction of the Company to coincide with the Wind-up Date (the **Proposals**).

Under the Proposals, the Company's shareholders are being offered a choice of the following:

- a tax and cost efficient rollover into new shares to be issued by JPMorgan Elect plc (**JPMorgan Elect**); and/or
- a cash exit at NAV less costs.

JPMorgan Elect, which, as at 19 October 2016 had total net assets of approximately £291.51 million, has three share classes, each with distinct investment policies, objectives and underlying investment portfolios, and its structure allows for quarterly conversion between share classes at a price close to net asset value. The investment objectives of the three share classes, which the Board considers to be comparable to the Company's overall investment objective, are set out below under the heading "The Rollover Vehicle – JPMorgan Elect plc".

There is a high degree of overlap between the underlying holdings of the Company and those of JPMorgan Elect's Managed Income share class. In addition, the Company's shareholders who choose to roll over their investment will benefit from the continuity of management as the Company's portfolio managers are also responsible for managing JPMorgan Elect's portfolio.

The Proposals are subject to the approval of both the Company's shareholders and shareholders of JPMorgan Elect.

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

The Proposals

Under the Proposals, the Company will be wound up on 30 November 2016 by means of a members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 of the Insolvency Act and Shareholders and Unitholders can choose to receive any combination of the following in respect of all or part of their holding of Shares in the Company:

- Managed Income Shares in JPMorgan Elect; and/or
- Managed Growth Shares in JPMorgan Elect; and/or
- Managed Cash Shares in JPMorgan Elect; and/or
- cash.

The JPMorgan Elect Securities will be issued at a price equivalent to the NAV per share plus an issue premium as set out under "Costs of the Proposals" below.

Shareholders and Unitholders (other than Restricted Shareholders) are encouraged to choose one or more of the above Options in respect of their Shares and Units by completing and returning a Form of Election (or Plan Form of Instruction, in the case of Plan Participants).

Income Shareholders and Unitholders (other than Restricted Shareholders) who do not choose one or more of the Options set out above will be treated as having chosen to rollover their entire investment in the Company into JPMorgan Elect's Managed Income Shares.

Capital Shareholders (other than Restricted Shareholders) who do not choose one or more of the Options set out above will be treated as having chosen to rollover their entire investment in the Company into JPMorgan Elect's Managed Growth Shares.

Benefits of the Proposals

Benefits for all Shareholders and Unitholders

The Directors consider that the Proposals should have the following benefits for all Shareholders and Unitholders:

- they provide Shareholders and Unitholders with a greater choice than if the Company were simply to be wound up, since the Proposals enable Shareholders and Unitholders to: (i) continue their investment exposure through a rollover into JPMorgan Elect Securities; (ii) receive cash; or (iii) receive a combination of cash and JPMorgan Elect Securities; and
- they save on costs that would otherwise be incurred on the realisation of the Company's portfolio on a winding-up as certain assets are expected to be transferred to JPMorgan Elect.

Benefits for Shareholders and Unitholders who choose to rollover into JPMorgan Elect Securities

The Directors consider that the Proposals should have the following additional benefits for Shareholders and Unitholders who choose to rollover their investment in the Company into JPMorgan Elect Securities:

- they will enable Shareholders and Unitholders to retain market exposure through another investment trust whose portfolio is managed by the same team as manages the Company's portfolio and to continue to receive investment returns without triggering an immediate liability to capital gains tax; and
- they will enable Shareholders and Unitholders to avoid dealing and other costs associated with a share purchase in the secondary market.

Shareholders and Unitholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately seek their own personal financial advice from an appropriately qualified independent adviser authorised under the Financial Services and Markets Act 2000.

Conditions to the Scheme

The Scheme is conditional upon, amongst other things:

- (i) the passing of all the Resolutions to be proposed at: (a) the First General Meeting; and (b) the Second General Meeting and all conditions to such Resolutions (excluding any condition relating to the passing of any other Resolution) being fulfilled;
- (ii) the passing of the JPMorgan Elect Resolutions;
- (iii) the UK Listing Authority agreeing to amend the listing of the Shares to reflect their reclassification as Reclassified Shares for the purpose of implementing the Scheme;
- (iv) the UK Listing Authority having agreed to admit the JPMorgan Elect Securities which are to be issued under the Scheme to the premium segment of the Official List and the London Stock Exchange having agreed to admit such JPMorgan Elect Securities to trading on the main market for listed securities of the London Stock Exchange; and
- (v) the Directors not resolving to abandon the Scheme.

In the event that any of conditions (i), (ii), (iii) and (iv) fails to be satisfied, the Winding-up Resolution will, in any event be put to Shareholders at the Second General Meeting, which will place the Company into members' voluntary liquidation and appoint the Liquidators.

The Rollover Vehicle – JPMorgan Elect plc

JPMorgan Elect is an investment trust company whose shares are admitted to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange. JPMorgan Elect has three share classes, Managed Income Shares, Managed Growth Shares and Managed Cash Shares, each with distinct investment policies, objectives and underlying investment portfolios. Each share class is listed separately and traded on the London Stock Exchange.

Shareholders in JPMorgan Elect may convert between each class of JPMorgan Elect Securities in February, May, August and November in each year without incurring a liability for capital gains tax. In addition, Managed Cash shareholders may also elect to have their shares repurchased by JPMorgan Elect on each quarterly conversion date at a price close to Net Asset Value.

JPMorgan Elect employs JPMorgan Funds Limited (**JPMF**) as its Alternative Investment Fund Manager, which, in turn, delegates portfolio management to JPMorgan Asset Management (UK) Limited (**JPMAM**) to manage its assets actively. Both JPMF and JPMAM perform the same functions for the Company.

In connection with the Scheme, it is proposed that I will be appointed to the JPMorgan Elect Board shortly following Admission and that I will stand for election as a director of JPMorgan Elect at its annual general meeting in 2017.

Details of each class of JPMorgan Elect Securities which are being offered under the Scheme are set out below:

Managed Income

The objective of the Managed Income portfolio is to achieve a growing income return with potential for long term capital growth by investing in equities, investment companies and fixed income securities.

As at the Latest Practicable Date, the unaudited value of the Managed Income portfolio was approximately £55.36 million, the NAV per Managed Income Share (unaudited) was 107.64 pence and the market capitalisation of the Managed Income Shares was approximately £53.36 million.

As at 30 September 2016, the performance of the Managed Income Shares has been as follows:

	1 Year	3 Years	5 Years
Share Price	7.40%	23.71%	79.55%
NAV	9.55%	23.50%	77.22%
Benchmark	15.54%	20.82%	63.31%

Source: Morningstar/JPMorgan Asset Management.

The table below sets out the yearly performance of the Managed Income Shares for the past five years to 30 September in each year:

	Year to 30 September 2016	Year to 30 September 2015	Year to 30 September 2014	Year to 30 September 2013	Year to 30 September 2012
Share Price	7.40%	4.85%	9.85%	21.36%	19.60%
NAV	9.55%	3.48%	8.94%	21.89%	17.72%
Benchmark	15.54%	-1.61%	6.28%	16.13%	16.39%

Source: Morningstar/JPMorgan Asset Management.

As at 30 September 2016, over the last 12 months, the Managed Income Shares have traded between a discount of 4.9 per cent. and a discount of 1.6 per cent. (on a month end to month end basis).

Managed Growth

The objective of the Managed Growth portfolio is to achieve long term capital growth from investing in a range of investment trusts and open-ended funds managed principally by JPMAM.

As at the Latest Practicable Date, the unaudited value of the Managed Growth portfolio was approximately £232.37 million, the NAV per Managed Growth Share (unaudited) was 690.03 pence and the market capitalisation of the Managed Growth Shares was approximately £226.55 million.

As at 30 September 2016, the performance of the Managed Growth Shares has been as follows:

	1 Year	3 Years	5 Years
Share Price	14.90%	31.91%	95.37%
NAV	16.15%	32.03%	96.16%
Benchmark	23.95%	34.08%	86.61%

Source: Morningstar/JPMorgan Asset Management.

The table below sets out the yearly performance of the Managed Growth Shares for the past five years to 30 September in each year:

	Year to 30 September 2016	Year to 30 September 2015	Year to 30 September 2014	Year to 30 September 2013	Year to 30 September 2012
Share Price	14.90%	7.25%	7.05%	30.46%	13.52%
NAV	16.15%	5.93%	7.31%	29.87%	14.40%
Benchmark	23.95%	-0.74%	8.98%	18.76%	17.19%

Source: Morningstar/JPMorgan Asset Management.

As at 30 September 2016, over the last 12 months, the Managed Growth Shares have traded between a discount of 4.3 per cent. and a discount of 1.7 per cent. (on a month end to month end basis).

Managed Cash

The objective of the Managed Cash portfolio is to provide preservation of capital with a yield based on short term interest rates by investing in a range of sterling liquidity funds, selected for their yield and credit rating, and short dated AAA-rated UK or G7 government securities hedged into sterling.

As at the Latest Practicable Date, the unaudited value of the Managed Cash portfolio was approximately £3.79 million, the NAV per Managed Cash Share (unaudited) was 101.44 pence and the market capitalisation of the Managed Cash Shares was approximately £3.75 million.

As at 30 September 2016, the performance of the Managed Cash Shares has been as follows:

	1 Year	3 Years	5 Years
Share Price	1.35%	1.55%	2.21%
NAV	0.49%	1.48%	2.05%

Source: Morningstar/JPMorgan Asset Management.

The table below sets out the yearly performance of the Managed Cash Shares for the past five years to 30 September in each year:

	Year to 30 September 2016	Year to 30 September 2015	Year to 30 September 2014	Year to 30 September 2013	Year to 30 September 2012
Share Price	1.35%	-0.15%	0.35%	0.15%	0.50%
NAV	0.49%	0.62%	0.36%	0.28%	0.29%

Source: Morningstar/JPMorgan Asset Management.

As at 30 September 2016, over the last 12 months, the Managed Cash Shares have traded at between a discount of 1.4 per cent. and a premium of 0.4 per cent. (on a month end to month end basis).

Shareholders and Unitholders should note that the past performance of the JPMorgan Elect Securities set out above is not a guide to the future. The performance data set out above has been calculated on a NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in sterling.

Further information on JPMorgan Elect and each class of the JPMorgan Elect Securities is set out in Part V of this document and in the JPMorgan Elect Prospectus. The audited reports and accounts of JPMorgan Elect for the years ended 31 August 2016, 31 August 2015 and 31 August 2014 are available at <https://am.jpmorgan.com/gb/en/asset-management/gim/per/products/d/jpmorgan-elect-plc-managed-income-gb0034080217##Documents>

Costs of the Proposals

The costs of the Proposals (including all advisers' fees, printing and other ancillary costs of the Proposals but excluding stamp duty incurred on the *in specie* transfer of assets from the Company to JPMorgan Elect pursuant to the Transfer Agreement) are expected to be approximately £450,000 (inclusive of VAT). The stamp duty will be paid by the enlarged JPMorgan Elect and spread across the existing shareholders of JPMorgan Elect as well as the Company's Shareholders electing to roll over.

JPMF has agreed to contribute by way of a waiver of management fees an amount such that the net costs of the Proposals to Shareholders (excluding any dealing costs to realign or realise the Company's portfolio), will be limited to £248,000 which is approximately the amount which would have been incurred had the Scheme not been put forward and the Company simply placed into liquidation at the end of its fixed life.

Those Shareholders and Unitholders who choose to receive JPMorgan Elect Securities for some or all of their investment will also incur costs equal to the issue premium (the **Issue Premium**) applicable to the relevant JPMorgan Elect Securities. This Issue Premium is intended to defray the costs which will be incurred by JPMorgan Elect in respect of its participation in the Scheme.

The level of the Issue Premium will depend on the value of the assets to be transferred to JPMorgan Elect under the Scheme. If the value of these assets is less than £40 million then the Issue Premium will be set at 1.0 per cent.. However, if their value exceeds £40 million, the Issue Premium will reduce on a straight line basis such that if their value equals £70 million (or more) then the Issue Premium will be set at 0.65 per cent.

Liquidation Fund

Before any assets are transferred to JPMorgan Elect under the Scheme or set aside to pay Shareholders or Unitholders who have elected for cash, the Liquidators will retain cash and other assets in a liquidation fund (the **Liquidation Fund**) in an amount which they consider sufficient to provide for all liabilities of the Company (including tax and contingent liabilities and an amount for unknown and unascertained liabilities of the Company). The retention in respect of unknown and unascertained liabilities is currently expected to be £50,000. Further details of the Liquidation Fund are set out in Parts II and III of this document.

Restricted Shareholders and Overseas Shareholders

Restricted Shareholders and Overseas Shareholders should refer to the sections headed "Restricted Shareholders and Overseas Shareholders" in Parts II and III of this document.

Taxation

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

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

Shareholder meetings

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

At the First General Meeting special resolutions will be proposed which, if passed, will reclassify the Income Shares and the Capital Shares (whether held separately or in the form of Units), authorise the implementation of the Scheme by the Liquidators and amend the Articles of Association of the Company for the purposes of implementing the Scheme.

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

In accordance with the Articles, weighted voting rights will apply on all the special resolutions to be proposed at the General Meetings so as to ensure that all of the resolutions are passed.

Further details of the General Meetings are set out in Parts II and III of this document.

Action to be taken

Details of the action to be taken by Shareholders, Unitholders and Plan Participants are set out in Part III of this document. It is important that Shareholders, Unitholders and Plan Participants read Part III carefully and that Shareholders, Unitholders and Plan Participants return their Forms of Proxy (or Voting Forms of Direction) as soon as possible and in any event so as to be received not later than 48 hours (excluding non-working days) before the appointed time of the relevant General Meeting (or by 6.00 p.m. on 11 November 2016 in respect of the Voting Forms of Direction for the First General Meeting and by 6.00 p.m. on 23 November 2016 in respect of the Voting Forms of Direction for the Second Meeting). In addition, Shareholders and Unitholders should return their Forms of Election so as to be received by no later than 6.00 p.m. on 18 November 2016 (or by 6.00 p.m. on 11 November 2016 for Plan Forms of Instruction).

As an alternative to completing a hard copy Form of Proxy, Shareholders and Unitholders may appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder reference number (this is the series of numbers printed under your name on the Form of Proxy). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.

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

As the Proposals are conditional on the passing of the Resolutions, Shareholders and Unitholders are requested to complete and return their Form of Proxy (or Voting Forms of Direction, in the case of Plan Participants) irrespective of the Election, if any, Shareholders or Unitholders intend to make in respect of their Shares or Units.

Recommendation

The Board, which has received financial advice from Winterflood, considers the Proposals set out in this document to be fair and reasonable insofar as both classes of Shareholders are concerned and to be in the best interests of the Company and Shareholders as a whole. In advising the Board, Winterflood has taken into account the Board's commercial assessment of the Proposals. Accordingly, the Board unanimously recommends that Shareholders and Unitholders vote in favour of all of the Resolutions to be proposed at the General Meetings as the Directors intend to do so in respect of their own beneficial holdings amounting, in aggregate, to 391,878 Income Shares (representing 0.634 per cent. of the Income Shares in issue in the Company) and 114,835 Capital Shares (representing 0.178 per cent. of the Capital Shares in issue in the Company).

Yours sincerely

Karl Sternberg
Chairman

PART II

FURTHER DETAILS OF THE SCHEME

Implementation and mechanics of the Scheme

The Scheme involves a scheme of reconstruction of the Company under section 110 of the Insolvency Act. As part of the Scheme it is necessary, for technical reasons, to modify the rights attaching to the Income Shares and the Capital Shares (whether held separately or in the form of Units) and amend the Articles of Association in order to reorganise the Company's share capital to allow the distribution of assets in the manner envisaged under the Scheme. This is achieved by reclassifying the Shares into separate classes of Reclassified Shares carrying an entitlement to the assets comprising the Cash Fund and the Rollover Fund, as appropriate. The full terms of the proposed amendments are set out in the first special resolution which is set out in the notice convening the First General Meeting on pages 56 to 61 of this document.

A copy of the Articles of Association showing the proposed amendments will be available for inspection at the venue for the General Meetings, being the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ, from the date of this document until the close of the First General Meeting and at the First General Meeting for at least 15 minutes prior to and during the First General Meeting. Accordingly, subject (among other conditions) to the passing of the special resolutions set out in the notice convening the First General Meeting, the Income Shares and the Capital Shares (whether held separately or in the form of Units) will be reclassified with different rights, depending on the Elections made or deemed to be made under the Scheme.

The Scheme is conditional, among other things, upon:

- the passing of the Resolutions to be proposed at the General Meetings (or at any adjournments thereof) and all conditions to the Resolutions (excluding any condition relating to the passing of any other Resolution) being fulfilled;
- the passing of the JPMorgan Elect Resolutions;
- the UK Listing Authority agreeing to amend the listing of the Shares to reflect their reclassification as Reclassified Shares for the purpose of implementing the Scheme;
- the UK Listing Authority having agreed to admit the JPMorgan Elect Securities to be issued pursuant to the Scheme to the premium segment of the Official List and the London Stock Exchange having agreed to admit such JPMorgan Elect Securities to trading on its main market for listed securities; and
- the Directors not resolving to abandon the Scheme.

Subject to the satisfaction of the conditions of the Scheme, the Company will be placed into members' voluntary liquidation and the Scheme will take effect. It is expected that the Scheme will become effective on 1 December 2016.

If the conditions to the Scheme are not satisfied and the Scheme does not become effective, the Winding-up Resolution will, in any event, be put to Shareholders at the Second General Meeting and the Company will be wound up on 30 November 2016. If the Scheme is not approved at the First General Meeting or if the Scheme does not become unconditional, the Winding-up Resolution will, in any event, be put to Shareholders at the Second General Meeting. The Second General Meeting will be convened on 30 November 2016 and as set out above there shall be weighted voting rights for the Winding-up Resolution and the vote of those Shareholders entitled to vote shall be taken on a poll. In these circumstances, all Income Shareholders will receive a cash distribution in the Company's liquidation. Capital Shareholders will also be entitled to receive a cash distribution in the Company's liquidation, but only if the total assets of the Company exceed the prior ranking entitlements of the Income Shareholders.

Each of the Company, the Liquidators, and JPMorgan Elect respectively have undertaken to enter into the Transfer Agreement and to use their respective reasonable endeavours to implement the Scheme in accordance with its terms, provided that the conditions of the Scheme are satisfied.

Before any assets are transferred to JPMorgan Elect under the Scheme or set aside to pay Shareholders or Unitholders who have elected for cash pursuant to the Cash Option, the Liquidators will retain cash and other assets in the Liquidation Fund in an amount which they consider sufficient to provide for all

liabilities of the Company (including tax and contingent liabilities and an amount for unknown and unascertained liabilities of the Company), the costs of purchasing the interests of any Shareholders who have validly dissented from the Scheme and costs which the Company has agreed to pay (including the costs of the Proposals payable by the Company to the extent not previously paid). The retention in respect of unknown and unascertained liabilities is currently expected to be £50,000. There will be no costs of termination of the Investment Management Agreement.

After provision has been made for the Liquidation Fund, the cash, undertaking, assets and other rights of the Company shall be appropriated in the following order:

- first, there shall be appropriated to the Cash Fund such cash, undertaking, assets and other rights of the Company from the remaining assets of the Company after the appropriation to the Liquidation Fund as shall equal the aggregate Terminal Asset Value of all Income Shares with “D1” rights (including where such Income Shares are held in the form of Units and those Income Shares held by Restricted Shareholders) and the aggregate Terminal Asset Value (if any) of all Capital Shares with “D2” rights (including where such Capital Shares are held in the form of Units and those Capital Shares held by Restricted Shareholders) (which are Shares in respect of which Elections have been made, or are deemed to have been made, for the Cash Option), in each case calculated as at the Calculation Date; and
- second, there shall then be appropriated to the Rollover Fund such cash, undertaking, assets and other rights of the Company remaining after the appropriations to the Liquidation Fund and the Cash Fund referred to above as shall equal the aggregate Terminal Asset Value of all the Income Shares with “A1” rights, “B1” rights and “C1” rights (including where such Income Shares are held in the form of Units) and the aggregate Terminal Asset Value (if any) of all the Capital Shares with “A2” rights, “B2” rights and “C2” rights (including where such Capital Shares are held in the form of Units) (which are Shares in respect of which Elections have been made, or are deemed to have been made, for JPMorgan Elect Securities), in each case calculated as at the Calculation Date.

The Rollover Fund will then be transferred to JPMorgan Elect pursuant to the terms of the Transfer Agreement and the stamp duty and stamp duty reserve tax (or other similar taxes or duties) payable on the transfer of the assets from the Company to JPMorgan Elect shall be borne by the enlarged JPMorgan Elect. In consideration for such transfers, the applicable class of JPMorgan Elect Securities will be allotted to the Liquidators as nominees for the Shareholders who have elected or are deemed to have elected for JPMorgan Elect Securities. See the section headed “Dealings and settlement in JPMorgan Elect Securities” below.

Details of how the Terminal Asset Value of the Income Shares and the Capital Shares will be calculated are set out in Part IV of this document.

The Cash Fund will be used to pay the entitlements of Shareholders and Unitholders (including Restricted Shareholders) who have chosen or are deemed to have chosen the Cash Option (see the section headed “Settlement of Elections for the Cash Option” below).

Entitlements of Shareholders and Unitholders under the Scheme

In order for an Election to be made validly in respect of any Shares (whether held separately or in the form of Units) under the Scheme, the Shareholder or Unitholder making the Election must be entered in the Register as the holder of such Shares on the Record Date. Shareholders and Unitholders can choose to receive any combination of the following in respect of all or part of their holding:

- Managed Income Shares; and/or
- Managed Growth Shares; and/or
- Managed Cash Shares; and/or
- cash.

Entitlements of Income Shareholders

In accordance with the Articles, Income Shareholders are entitled to the undistributed revenue profits (including the accumulated revenue reserves) of the Company on a winding-up of the Company. As at 19 October 2016 (being the latest practicable date prior to the publication of this document) these amounted to approximately £3.54 million (or 5.73 pence per Income Share). It is expected that the revenue profits earned by the Company in respect of the period up to and including 30 November 2016 (including the accumulated revenue reserves) will be included in the Final Capital Entitlement of the

Income Shares. For the avoidance of doubt the revenue profits will be determined after deduction of the last interim dividend of 3.00 pence per Ordinary Share payable to Income Shareholders prior to the liquidation of the Company, which was declared on 24 October 2016 and is being paid in order to maintain investment trust status.

In addition and subject to the Company having sufficient surplus assets, each Income Shareholder will also be entitled to 103.4 pence per Income Share after deducting the expenses of the Scheme payable by the Company (which, in accordance with the Articles will be borne out of the Company's capital account) and the amount to be appropriated to the Liquidation Fund.

If the surplus assets of the Company as calculated as at the Calculation Date are insufficient to pay the Final Capital Entitlement per Income Share in full, the amount to which each Income Shareholder will be entitled on the liquidation of the Company shall be reduced on a *pro rata* basis in proportion to their holding of Income Shares.

The number of JPMorgan Elect Securities which Income Shareholders electing for JPMorgan Elect Securities (rather than cash) will be entitled to receive will be calculated on the Calculation Date by dividing the Terminal Asset Value per Income Share in respect of which they have made or are deemed to have made an Election for JPMorgan Elect Securities, by the applicable Rollover Price for the relevant class of JPMorgan Elect Securities.

In the event that Income Shareholders do not return a Form of Election by 6.00 p.m. on 18 November 2016 (or Plan Participants do not return a Plan Form of Instruction by 6.00 p.m. on 11 November 2016) or the Form of Election (or Plan Form of Instruction) is not validly completed, such Income Shareholders (except Restricted Shareholders who will be deemed to have chosen the Cash Option) will be deemed to have chosen the Managed Income Share Option in respect of their entire holding of Income Shares. Where Income Shareholders have made a valid Election in respect of only part of their holding, they will be deemed to have chosen the Managed Income Share Option for the remainder of their holding.

Entitlements of Capital Shareholders

In accordance with the Articles, the Capital Shareholders will be entitled to receive the balance of the net assets of the Company (if any) after payment to the Income Shareholders of their Final Capital Entitlement.

The entitlement of each Capital Shareholder will be the Terminal Asset Value per Capital Share (if any) which shall be calculated as at the Calculation Date by deducting from the assets of the Company the expenses of the Scheme payable by the Company and the amount to be appropriated to the Liquidation Fund.

The number of JPMorgan Elect Securities (if any) which Capital Shareholders electing for JPMorgan Elect Securities (rather than cash) will be entitled to receive will be calculated on the Calculation Date by dividing the Terminal Asset Value per Capital Share in respect of which they have made or are deemed to have made an Election for JPMorgan Elect Securities, by the applicable Rollover Price for the relevant class of JPMorgan Elect Securities.

In the event that Capital Shareholders do not return a Form of Election by 6.00 p.m. on 18 November 2016 (or Plan Participants do not return a Plan Form of Instruction by 6.00 p.m. on 11 November 2016) or the Form of Election (or Plan Form of Instruction) is not validly completed, such Capital Shareholders (except Restricted Shareholders who will be deemed to have chosen the Cash Option) will be deemed to have chosen the Managed Growth Share Option in respect of their entire holding of Capital Shares. Where Capital Shareholders have made a valid Election in respect of only part of their holding, they will be deemed to have chosen the Managed Growth Share Option for the remainder of their holding.

Entitlements of Unitholders

Shareholders holding their Shares in the form of Units will be entitled to, in respect of each Unit, an amount equal to the Terminal Asset Value per Income Share in respect of the Income Share component element of the Unit and an amount equal to the Terminal Asset Value per Capital Share (if any) in respect of the Capital Share component element of the Unit.

The number of JPMorgan Elect Securities to which Unitholders electing for JPMorgan Elect Securities (rather than cash) will be entitled to receive will be calculated on the Calculation Date by dividing the aggregate value of the Income Shares and Capital Shares (determined on the basis described above) comprised in the Units in respect of which they made or are deemed to have made an Election for

JPMorgan Elect Securities by the applicable Rollover Price for the relevant class of JPMorgan Elect Securities.

In the event that Unitholders do not return a Form of Election by 6.00 p.m. on 18 November 2016 (or Plan Participants do not return a Plan Form of Instruction by 6.00 p.m. on 11 November 2016) or the Form of Election (or Plan Form of Instruction) is not validly completed, such Unitholders (except Restricted Shareholders who will be deemed to have chosen the Cash Option) will be deemed to have chosen the Managed Income Share Option in respect of their entire holding of Units. Where Unitholders have made a valid Election in respect of only part of their holding, they will be deemed to have chosen the Managed Income Share Option for the remainder of their holding.

Illustrative entitlements

For illustrative purposes only, if the Calculation Date had been the Latest Practicable Date, the unaudited net asset value of the Company was £70.28 million (calculated on a bid basis and providing for the estimated expenses of winding up of the Company of £248,000 (plus VAT, if applicable), the last interim dividend of £1.85 million, being 3.00 pence per Income Share, and a retention for the Liquidation Fund of £50,000) and the undistributed revenue profits (including the accumulated revenue reserves, but excluding the last interim dividend of £1.85 million) were £1.69 million. On this basis, the Terminal Asset Value per Income Share was 106.13 pence, the Terminal Asset Value per Capital Share was 7.36 pence, and the value attributable to each Unit was 113.49 pence, being the aggregate of the Terminal Asset Value per Income Share and the Terminal Asset Value per Capital Share.

Had the Proposals been effected on the Latest Practicable Date and on the basis of the assumptions set out below, the following table illustrates the maximum number of each class of JPMorgan Elect Securities, or cash where the Cash Option is chosen, which a Shareholder or Unitholder who holds 1,000 Shares or Units is entitled to if they were to choose only that class of JPMorgan Elect Security or only the Cash Option. For the avoidance of doubt, if a Shareholder or Unitholder were to choose more than one class of JPMorgan Elect Securities, or if a Shareholder or Unitholder were to choose the Cash Option and one or more class of JPMorgan Elect Securities, they would not receive the amount of JPMorgan Elect Securities or cash in the table below, but would instead receive a reduced number of the relevant class of JPMorgan Elect Securities or cash calculated in accordance with the applicable Conversion Ratio and their multiple elections.

	For every 1,000 Income Shares	For every 1,000 Capital Shares	For every 1,000 Units
Entitlement to Managed Income Shares Or	979	67	1,047
Entitlement to Managed Growth Shares Or	152	10	163
Entitlement to Managed Cash Shares Or	1,039	72	1,111
Cash Option (entitlement to cash)	£1,061	£73	£1,134

Assumptions:

For the purposes of calculating the Illustrative Entitlements above, the following assumptions have been used. The amounts have been calculated on information as at the Latest Practicable Date and should not be regarded as profit forecasts:

1. The assets of the Company and the Terminal Asset Value per Income Share and the Terminal Asset Value per Capital Share are as set out in the first paragraph in this section;
2. The number of Income Shares in issue was 61,747,803 shares;
3. The number of Capital Shares in issue was 64,527,781 shares;
4. There were no elections for the Cash Option and, accordingly, the Rollover Fund was £70.28 million and the Issue Premium was 0.65 per cent. (for the purposes of calculating Shareholder and Unitholder entitlements to the Managed Income Shares, Managed Growth Shares and Managed Cash Shares);
5. The net asset value per Managed Income Share was 107.64 pence;

6. The net asset value per Managed Growth Share was 690.03 pence;
7. The net asset value per Managed Cash Share was 101.44 pence;
8. The Rollover Price per Managed Income Share was 108.34 pence;
9. The Rollover Price per Managed Growth Share was 694.52 pence; and
10. The Rollover Price per Managed Cash Share was 102.10 pence.

It should be noted that the Terminal Asset Value of the Income Shares and the Terminal Asset Value of the Capital Shares cannot be calculated until the Calculation Date, and accordingly may be different from the illustrative values set out above. Such illustrative values should not be regarded as a forecast of the actual Terminal Asset Value of the Income Shares or the Terminal Asset Value of Capital Shares which may differ from the illustrative values due to market movements and realisation costs, amongst other factors. **In particular, unless the total assets of the Company as at the Calculation Date exceed the prior ranking entitlements of the Income Shareholders, Capital Shares will have no value upon the winding-up of the Company and in these circumstances they would not be entitled to receive any cash payment or JPMorgan Elect Securities, irrespective of any Elections they have made or are deemed to have made under the Scheme.**

The Scheme, pursuant to which Shareholders will receive their entitlements under the Proposals, is set out in Part IV of this document.

Fractions of JPMorgan Elect Securities

Fractions of JPMorgan Elect Securities will not be issued and fractional entitlements will be rounded down. Any monetary amounts in respect of fractional entitlements will be paid by the Liquidators to JPMorgan Elect without further JPMorgan Elect Securities being issued.

Failure to make an Election

In the event that Shareholders or Unitholders do not return a Form of Election by 6.00 p.m. on 18 November 2016 (or Plan Participants do not return a Plan Form of Instruction by 6.00 p.m. on 11 November 2016) or the Form of Election (or Plan Form of Instruction) is not validly completed, such Shareholders or Unitholders (except Restricted Shareholders who will be deemed to have chosen the Cash Option) will be deemed to have chosen the applicable Default Option(s) in respect of their entire holding.

The Default Option in respect of Units and Income Shares is the Managed Income Shares Option and the Default Option in respect of Capital Shares is the Managed Growth Shares Option.

Under Elections

If, on any Form of Election or Plan Form of Instruction, a Shareholder, Unitholder or Plan Participant chooses one or more Options and the total of his Elections is less than his total holding shown on the Form of Election or Plan Form of Instruction or, if different, his actual holding as at the Record Date, he shall be deemed to have chosen the applicable Default Option in respect of the balance of his holding.

Excess Elections

If, on any Form of Election or Plan Form of Instruction, a Shareholder, Unitholder or Plan Participant chooses one or more Options and the total of his Elections exceeds his total holding shown on the Form of Election or Plan Form of Instruction or, if different, his actual holding as at the Record Date, each Election made by such Shareholder, Unitholder or Plan Participant on that Form of Election/Plan Form of Instruction shall be decreased *pro rata* in respect of the relevant Election (subject to rounding at the discretion of the Directors so as to avoid fractions), so that the total of such Elections shall equate to his total holding and, in any such case, such decreased Election shall be deemed to be the Election made by such Shareholder, Unitholder or Plan Participant on the Form of Election or Plan Form of Instruction for all purposes of this Scheme.

Restricted Shareholders and Overseas Shareholders

Restricted Shareholders will not receive a Form of Election and will be deemed to have chosen the Cash Option and will receive cash from the Company in respect of their entire holding of Shares in accordance with the rights attaching to their Shares as set out in the Articles of Association, unless they have satisfied

the Directors and the JPMorgan Elect Directors that it is lawful for JPMorgan Elect to offer and issue JPMorgan Elect Securities to them under any relevant overseas laws and regulations.

Overseas Shareholders (who are not Restricted Shareholders) may participate in the Scheme, however it is their responsibility to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Proposals, further details of which are set out in Part III of this document.

Dissenting Shareholders

Shareholders and Unitholders who do not vote in favour of the special resolution to approve the Scheme at the First General Meeting have the right, under section 111(2) of the Insolvency Act, to dissent from the Scheme in writing to the proposed Liquidators at the Company's registered office within seven days after the passing of such special resolution. In respect of Shareholders and Unitholders who formally dissent from the Scheme by validly exercising their rights under section 111(2) of the Insolvency Act, the Liquidators will retain an amount of cash, undertaking and securities of the Company in the Liquidation Fund which, at their discretion, they believe is sufficient to purchase the interests of such Shareholders and Unitholders. The purchase price for such Dissenting Shareholders' Shares will not exceed that which the Dissenting Shareholder(s) would receive on a straightforward winding-up of the Company and will be paid once all the liabilities have been settled or provided for to the Liquidators' satisfaction. Dissenting Shareholders shall not be entitled to participate in any distributions of any remaining balance in the Liquidation Fund after the discharge of the Company's liabilities.

The General Meetings

The implementation of the Scheme will require Shareholders to vote in favour of the Resolutions at two General Meetings of the Company which have been convened for 12.30 p.m. on 21 November 2016 and 10.30 a.m. on 30 November 2016. A description of the special resolutions to be proposed at the First General Meeting and the Second General Meeting is set out below:

First General Meeting

At the First General Meeting special resolutions will be proposed which, if passed, will:

- (i) reclassify the rights attaching to the Income Shares and the Capital Shares (whether held separately or in the form of Units) to reflect the Elections made (or deemed to have been made) and accepted for the various Options under the Scheme;
- (ii) authorise the implementation of the Scheme by the Liquidators, when appointed, including the entry into of the Transfer Agreement by the Liquidators, the allotment of the relevant number of JPMorgan Elect Securities by JPMorgan Elect, in each case to the Liquidators who will renounce such JPMorgan Elect Securities in favour of the Shareholders and Unitholders in accordance with the Scheme, to authorise the Liquidators to purchase the interests of Dissenting Shareholders and to authorise the Liquidators to apply to cancel the listing of the Income Shares and Capital Shares, with effect from such date as the Liquidators will determine; and
- (iii) amend the Articles of Association for the purposes of implementing the Scheme.

Second General Meeting

At the Second General Meeting, a special resolution will be proposed which, if passed, will place the Company into liquidation, appoint the Liquidators and agree the basis of their remuneration, instruct the Company Secretary to hold the books to the Liquidators' order and provide the Liquidators with appropriate powers to carry into effect the amendments made to the Articles of Association at the First General Meeting.

In accordance with the Articles there shall be weighted voting rights on all the special resolutions to be proposed at the General Meetings such that the aggregate number of votes cast in favour of each special resolution is four times the aggregate number of votes cast against the special resolution and all such resolutions will be taken on a poll. The effect of these weighted voting rights is to ensure that each of the special resolutions will be passed provided that at least one Shareholder votes in favour.

If the Scheme is not approved at the First General Meeting or if the Scheme does not become unconditional, the Winding-up Resolution will, in any event, be put to Shareholders at the Second General Meeting. The Second General Meeting will be convened on 30 November 2016 and as set out above there shall be weighted voting rights for the Winding-up Resolution and the vote of those Shareholders entitled to vote shall be taken on a poll. In these circumstances, all Income Shareholders will receive a

cash distribution in the Company's liquidation. Capital Shareholders will also be entitled to receive a cash distribution in the Company's liquidation, but only if the total assets of the Company exceed the prior ranking entitlements of the Income Shareholders.

Dealings in Shares and Reclassified Shares

The Shares will be disabled in CREST at 6.00 p.m. on 18 November 2016. The last time for trading in the Shares on the London Stock Exchange for normal settlement will be 6.00 p.m. on 16 November 2016. After 6.00 p.m. on 16 November 2016, dealings for normal settlement will be for cash settlement only and, in the case of certificated Shares, will only be registered if documents of title are delivered immediately.

If the Resolutions are passed at the First General Meeting, an amendment to the Official List will be made in respect of the Reclassified Shares. It is expected that such amendment to the Official List will become effective and that dealings in the Reclassified Shares will commence with effect from 8.00 a.m. on 29 November 2016. For the purposes of dealings in the Reclassified Shares, all Shareholders will be treated as certificated holders and existing documents of title will remain valid. Dealings in the Reclassified Shares will be for cash settlement only. It is expected that dealings on the London Stock Exchange in the Reclassified Shares will be suspended at 7.30 a.m. on 30 November 2016.

If Shareholders or Unitholders dispose of their Shares or Units otherwise than through the London Stock Exchange, they must make their own arrangements with the other parties concerned as regards entitlements under the Scheme. For the avoidance of doubt, the Company's register of members will remain open until the Scheme Effective Date. Conditional upon the Resolutions at the First General Meeting being passed, an application will be made to the UK Listing Authority for the listing of the Reclassified Shares to be suspended at 7.30 a.m. on 30 November 2016 and it is intended that subject to the Scheme becoming unconditional and effective, such listing will be cancelled with effect from such date as the Liquidators will determine.

Settlement of Elections for the Cash Option

Shareholders and Unitholders who wish to receive cash under the Scheme in respect of their Shares or Units must choose the Cash Option as Shareholders and Unitholders who fail to make a valid Election will, unless they are Restricted Shareholders, be deemed to have chosen the applicable Default Option(s) in respect of their entire holding (being the Managed Income Shares Option for Units and Income Shares and the Managed Growth Shares Option for Capital Shares). Restricted Shareholders will be deemed to have chosen the Cash Option in respect of their entire holding.

If the Scheme becomes effective, on or following the Scheme Effective Date, the Liquidators shall distribute to Shareholders and Unitholders who have chosen the Cash Option the cash amounts due to such Shareholders and Unitholders, with entitlements to cash being rounded down to the nearest £0.01.

Cheques in respect of the cash due in respect of Elections made and accepted for the Cash Option to Shareholders and Unitholders who hold their Shares or Units in certificated form are expected to be despatched by the Liquidators in the week commencing 5 December 2016. Shareholders and Unitholders who hold their Shares or Units in uncertificated form (that is, in CREST) will receive payment of the cash amounts due to them during the week commencing 5 December 2016 through the CREST system.

Any interest accruing on cash balances held by the Liquidators pending presentation of cheques by Shareholders or Unitholders who have chosen the Cash Option under the Scheme will accrue to the Liquidation Fund.

Dealings and settlement in JPMorgan Elect Securities

Applications will be made by JPMorgan Elect to the UK Listing Authority for the JPMorgan Elect Securities to be issued pursuant to the Scheme to be admitted to the premium segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

If the Scheme becomes effective, the first day of dealings in the JPMorgan Elect Securities issued under the Scheme is expected to be 2 December 2016.

The JPMorgan Elect Securities will be in registered form and may be held in either certificated or uncertificated form.

Shareholders and Unitholders who hold their Shares or Units in certificated form at the Scheme Effective Date will receive their JPMorgan Elect Securities in certificated form. It is expected that share certificates in respect of such JPMorgan Elect Securities will be despatched to the Shareholders and Unitholders entitled to them during the week commencing 5 December 2016 or as soon as practicable thereafter.

Shareholders and Unitholders who hold their Shares or Units in uncertificated form at the Scheme Effective Date will receive their JPMorgan Elect Securities in uncertificated form, although JPMorgan Elect reserves the right to issue such shares in certificated form. In normal circumstances this is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by JPMorgan Elect's registrars in connection with CREST. JPMorgan Elect will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to JPMorgan Elect Securities in uncertificated form. The stock accounts so credited will be those accounts held under the same participant ID and member account ID as those appearing in the relevant TTE Instruction. It is expected that CREST stock accounts will be credited with the JPMorgan Elect Securities on 2 December 2016.

Share certificates

Existing certificates in respect of Shares/Units will cease to be of value for any purpose following the implementation of the Scheme and such certificates should be destroyed upon receipt of the cash and/or JPMorgan Elect Securities to which the relevant Shareholder or Unitholder is entitled under the Scheme.

Distributions from the Liquidation Fund

To the extent that any part of the Liquidation Fund is not required to meet the Company's liabilities, the balance remaining in the hands of the Liquidators will be paid as one or more liquidation distributions to Shareholders (whether their Shares are held separately or in the form of Units) who are on the Company's register of members at the close of business on the Scheme Effective Date (excluding Dissenting Shareholders) on a *pari passu* basis *pro rata* to their respective holdings of the relevant class of Shares in the following order of priority:

- (a) to the holders of Income Shares if and to the extent that the Terminal Asset Value per Income Share as at the Calculation Date was lower than the Final Capital Entitlement per Income Share; and
- (b) thereafter to the holders of Capital Shares,

provided that if any such amount otherwise payable to a Shareholder or Unitholder is less than £5.00, it will not be paid to such Shareholder or Unitholder but will be transferred by the Liquidators to a charity, Ovarian Cancer Action (Registered Charity Number 1109743) (the **Nominated Charity**).

Despatch of documents and remittances

All documents and remittances despatched to or from Shareholders, Unitholders or their appointed agents in connection with the Scheme will be despatched at Shareholders' or Unitholders' own risk and no acknowledgement will be issued in respect of receipt of Forms of Election.

Existing mandates

Each mandate in force duly notified to the Company as at the Record Date relating to payment of dividends in relation to the Income Shares and each instruction relating to the Income Shares and Capital Shares then in force as to notices and communication preferences from the Company will, unless and until varied or revoked, be deemed, from and including the Scheme Effective Date, to be a valid and effective mandate or instruction to JPMorgan Elect in relation to the JPMorgan Elect Securities allotted and issued to such Shareholders and Unitholders in accordance with the Scheme.

PART III

ACTION TO BE TAKEN

Shareholders and Unitholders should read the following sections of this document carefully. If Shareholders or Unitholders are unsure as to what action they should take or how to take any action, they are recommended to seek immediately their own personal financial advice from an appropriately qualified independent adviser authorised under the Financial Services and Markets Act 2000.

The General Meetings

The implementation of the Scheme will require Shareholders to vote in favour of the Resolutions at two General Meetings of the Company which have been convened for 12.30 p.m. on 21 November 2016 and 10.30 a.m. on 30 November 2016. The notices convening the General Meetings are set out at the end of this document. The General Meetings will be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ.

A description of the special resolutions to be proposed at the First General Meeting and the Second General Meeting is set out in Part II of this document.

All Shareholders and Unitholders are entitled to attend and vote at the General Meetings.

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

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

In accordance with the Articles there shall be weighted voting rights on all the special resolutions to be proposed at the General Meetings such that the aggregate number of votes cast in favour of each special resolution is four times the aggregate number of votes cast against the special resolution and all such resolutions will be taken on a poll. The effect of the weighted voting rights is to ensure that each of the special resolutions will be passed provided that at least one Shareholder votes in favour.

If the Scheme is not approved at the First General Meeting or if the Scheme does not become unconditional, the Winding-up Resolution will, in any event, be put to Shareholders at the Second General Meeting. The Second General Meeting will be convened on 30 November 2016 and as set out above there shall be weighted voting rights for the Winding-up Resolution and the vote of those Shareholders entitled to vote shall be taken on a poll.

Forms of Proxy

Shareholders and Unitholders will find enclosed with this document a white Form of Proxy for use at the First General Meeting and a white Form of Proxy for use at the Second General Meeting.

Whether or not you intend to be present at the General Meetings, you are requested to complete and sign the applicable Forms of Proxy and return them, in accordance with the instructions printed thereon, to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom as soon as possible, but in any event so as to be received by no later than 12.30 p.m. on 17 November 2016 in respect of the First General Meeting and by no later than 10.30 a.m. on 28 November 2016 in respect of the Second General Meeting.

As an alternative to completing a hard copy Form of Proxy, a proxy may be appointed electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder reference number (this is the series of numbers printed under your name on the Form of Proxy). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.

CREST members who wish to appoint a proxy for the General Meetings through the CREST electronic proxy appointment service are referred to Note (ix) to the Notice of the First General Meeting and Note (ix)

to the Notice of the Second General Meeting. Completion and return of a Form of Proxy (including online) or the giving of a CREST Proxy Instruction will not preclude a Shareholder from attending the General Meetings in person if he or she so wishes. Proxies submitted via CREST for the General Meetings must be transmitted so as to be received by Equiniti Limited by no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting or (as the case may be) the adjourned meeting.

Making an Election

Action for holders of Shares or Units in certificated form

The personalised Form of Election enclosed with this document is for use by Shareholders and Unitholders (other than Restricted Shareholders) who hold their Shares or Units in certificated form and allows such Shareholders or Unitholders to indicate whether they wish to receive Managed Income Shares, Managed Growth Shares, Managed Cash Shares and/or cash under the Scheme in respect of their investment in the Company.

Shareholders and Unitholders (other than Restricted Shareholders) should read the Form of Election carefully, complete the appropriate boxes and return it by post in the enclosed reply-paid envelope for Shareholders and Unitholders with a UK registered address only or by post or by hand using your own envelope (during normal business hours) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom as soon as possible but in any event so as to arrive by no later than 6.00 p.m. on 18 November 2016.

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

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

If you hold your Shares or Units in certificated form, but under different designations, you should complete a separate Form of Election in respect of each designation.

If you have any queries relating to the completion of Form(s) of Election and/or require additional form(s) please contact the Shareholder Helpline between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0333 207 6505 (from within the UK) and + 44 121 415 0974 (from outside the UK). Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline can only provide information regarding the completion of Forms of Proxy and/or Forms of Election but cannot provide you with investment or tax advice.

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

Action for holders of Shares or Units in uncertificated form

If your Shares or Units are held in uncertificated form, you should not complete a Form of Election in respect of such Shares or Units. Instead, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares or Units in respect of which you are choosing one or more of the Options available under the Scheme to an escrow balance, specifying Equiniti Limited in its capacity as escrow agent under its participant ID referred to below, as soon as possible and in any event so that the transfer to escrow settles not later than 6.00 p.m. on 18 November 2016. You should send (or, if you are a CREST sponsored member procure that your CREST sponsor sends) a TTE Instruction to Euroclear which may be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number of Shares or Units to be transferred to an escrow balance;
- your member account ID;
- your participant ID;

- the participant ID of Equiniti Limited in its capacity as CREST receiving agent, which is:
 - Income Shares – 6RA44
 - Capital Shares – 6RA45
 - Units – 6RA50
- the member account ID of Equiniti Limited, which for these purposes is:
 - Managed Income Shares Option – MINCOME
 - Managed Growth Shares Option – MGROWTH
 - Managed Cash Shares Option – MCASHSHS
 - Cash Option – CASH
- the ISIN number for the Income Shares which is GB00B1G3N114, for the Capital Shares which is GB00B1G3N007 and for the Units which is GB00B1G3N221, as applicable;
- the corporate action number for the Elections, which is allocated by Euroclear and can be found by viewing the relevant corporate actions details in CREST;
- a contact name and number, which should be inserted in the shared note field of the TTE Instruction;
- the intended settlement date for the transfer to escrow, which should be as soon as possible and in any event by no later than 6.00 p.m. on 18 November 2016; and
- the standard delivery instruction priority, which is 80.

Any Shareholder or Unitholder who is a CREST sponsored member, should refer to its CREST sponsor before taking any action. A Shareholder's/Unitholder's CREST sponsor will be able to confirm details of such Shareholder's/Unitholder's participant ID and member account ID under which the Shares or Units are held. In addition, only a Shareholder's/Unitholder's CREST sponsor will be able to send the TTE Instruction in relation to the Shares or Units for which they wish to choose one or more of the Options available under the Scheme.

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

The last date for receipt of Forms of Election and TTE Instructions is 18 November 2016. The Record Date, being the date for determining which Shareholders are entitled to make Elections under the Scheme, is 6.00 p.m. on 18 November 2016.

Shareholders and Unitholders should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will, therefore, apply in connection with the TTE Instruction and its settlement. Shareholders and Unitholders should therefore ensure that all necessary action is taken by them (or by their CREST sponsor) to enable a TTE Instruction relating to the Shares or Units to settle prior to 6.00 p.m. on 18 November 2016. Shareholders and Unitholders are referred in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

Failure to make an Election

In the event that Shareholders or Unitholders do not return a Form of Election by 6.00 p.m. on 18 November 2016 or the Form of Election is not validly completed, such Shareholders or Unitholders (except Restricted Shareholders who will be deemed to have chosen the Cash Option) will be deemed to have chosen the applicable Default Option(s) in respect of their entire holding.

The Default Option in respect of Units and Income Shares is the Managed Income Shares Option and the Default Option in respect of Capital Shares is the Managed Growth Shares Option.

Under Elections

If, on any Form of Election a Shareholder or Unitholder chooses one or more Options and the total of his Elections is less than his total holding shown on the Form of Election or, if different, his actual holding as at the Record Date, he shall be deemed to have chosen the applicable Default Option(s) in respect of the balance of his holding.

Excess Elections

If, on any Form of Election, a Shareholder or Unitholder chooses one or more Options and the total of his Elections exceeds his total holding shown on the Form of Election or, if different, his actual holding as at the Record Date, each Election made by such Shareholder or Unitholder on that Form of Election shall be decreased *pro rata* in respect of the relevant Election (subject to rounding at the discretion of the Directors so as to avoid fractions), so that the total of such Elections shall equate to his total holding and, in any such case, such decreased Election shall be deemed to be the Election made by such Shareholder or Unitholder on the Form of Election for all purposes of the Scheme.

Plan Participants

Voting at the Meetings

Arrangements have been made for Plan Participants holding Shares and/or Units to receive Voting Forms of Direction. Plan Participants should read carefully the letter accompanying this document from JPMAM and indicate their voting instructions by completing the enclosed Voting Forms of Direction for each of the General Meetings. Please complete and return the appropriate Voting Forms of Direction for each of the First General Meeting and Second General Meeting. The Voting Forms of Direction are for use by Plan Participants. Plan Participants are requested to complete the Voting Forms of Direction and return them to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom in accordance with the instructions printed thereon, so as to be received by no later than 6.00 p.m. on 11 November 2016 in respect of the Voting Instruction Form for the First General Meeting and by no later than 6.00 p.m. on 23 November 2016 in respect of the Voting Instruction Form for the Second General Meeting.

Plan Participants who wish to attend the General Meetings may do so by completing the Admission Card on the relevant Voting Form of Direction.

Making an Election

Enclosed is a yellow Plan Form of Instruction for use by Plan Participants who hold their Shares or Units through the JPMorgan – Investment Account, an orange Plan Form of Instruction for use by Plan Participants who hold their Shares or Units through the JPMorgan ISA and a blue Plan Form of Instruction for use by Plan Participants who hold their Shares or Units through the JPMorgan Junior ISA.

Plan Participants are requested to complete the appropriate Plan Form of Instruction and return it to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom in accordance with the instructions printed thereon, so as to be received by no later than 6.00 p.m. on 11 November 2016.

Failure to make an Election

Plan Participants who do not make a valid Election for the purposes of the Scheme will be deemed to have chosen the applicable Default Option(s) in respect of their entire holding. The Default Option in respect of Units and Income Shares is the Managed Income Shares Option and the Default Option in respect of Capital Shares is the Managed Growth Shares Option.

Under Elections

If, on any Plan Form of Instruction, a Plan Participant chooses one or more Options and the total of his Elections is less than his total holding shown on the Plan Form of Instruction or, if different, his actual holding as at the Record Date, he shall be deemed to have chosen the applicable Default Option in respect of the balance of his holding.

Excess Elections

If, on any Plan Form of Instruction, a Plan Participant chooses one or more Options and the total of his Elections exceeds his total holding shown on the Plan Form of Instruction or, if different, his actual holding as at the Record Date, each Election made by such Plan Participant on that Plan Form of Instruction shall be decreased *pro rata* in respect of the relevant Election (subject to rounding at the discretion of the Directors so as to avoid fractions), so that the total of such Elections shall equate to his total holding and, in any such case, such decreased Election shall be deemed to be the Election made by such Plan Participant on the Plan Form of Instruction for all purposes of this Scheme.

Restricted Shareholders and Overseas Shareholders

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

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

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

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

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

PART IV

THE SCHEME

1. DEFINITIONS AND INTERPRETATION

Words and expressions defined on pages 50 to 55 have the same meanings when used in this Scheme. Save as otherwise provided in this Scheme, any Shares (whether held separately or in the form of Units) held by persons who validly exercise their rights under section 111(2) of the Insolvency Act, shall be disregarded for the purposes of this Scheme. Nothing in this Scheme or in any document executed under or in connection with this Scheme shall affect the rights of any persons who have validly exercised their rights under section 111(2) of the Insolvency Act.

2. ELECTIONS AND ENTITLEMENTS UNDER THE SCHEME

2.1 Subject to the Resolutions contained in the notice of the First General Meeting being passed at such General Meeting, or at any adjournment thereof, and becoming unconditional:

- (a) the Income Shares in respect of which the holders have made, or are deemed to have made, valid Elections for Managed Income Shares will be reclassified as Income Shares with "A1" rights;
- (b) the Capital Shares in respect of which the holders have made, or are deemed to have made, valid Elections for Managed Income Shares will be reclassified as Capital Shares with "A2" rights,
(both Income Shares with "A1" rights and Capital Shares with "A2" rights shall be collectively referred to as **Shares with "A" rights**);
- (c) the Income Shares in respect of which the holders have made valid Elections for Managed Growth Shares will be reclassified as Income Shares with "B1" rights;
- (d) the Capital Shares in respect of which the holders have made, or are deemed to have made valid Elections for Managed Growth Shares will be reclassified as Capital Shares with "B2" rights,
(both Income Shares with "B1" rights and Capital Shares with "B2" rights shall be collectively referred to as **Shares with "B" rights**);
- (e) the Income Shares in respect of which the holders have made valid Elections for Managed Cash Shares will be reclassified as Income Shares with "C1" rights;
- (f) the Capital Shares in respect of which the holders have made valid Elections for Managed Cash Shares will be reclassified as Capital Shares with "C2" rights,
(both Income Shares with "C1" rights and Capital Shares with "C2" rights shall be collectively referred to as **Shares with "C" rights**);
- (g) the Income Shares in respect of which the holders have made, or are deemed to have made, valid Elections for the Cash Option will be reclassified as Income Shares with "D1" rights; and
- (h) the Capital Shares in respect of which the holders have made, or are deemed to have made, valid Elections for the Cash Option will be reclassified as Capital Shares with "D2" rights,
(both Income Shares with "D1" rights and Capital Shares with "D2" rights shall be collectively referred to as **Shares with "D" rights**).

2.2 Whether or not such Shares are held in the form of Units, the rights of the Income Shares and the Capital Shares following the passing of such Resolutions will be the rights attaching to the new classes of Shares with "A" rights, Shares with "B" rights, Shares with "C" rights and Shares with "D" rights all as set out in Articles 10A and 10B to be inserted in the Articles of Association of the Company pursuant to the first Resolution contained in the notice of the First General Meeting and references to Shareholders shall be construed accordingly.

2.3 On or as soon as practicable after the Calculation Date, JPMF, as the Company's Alternative Investment Fund Manager, in consultation with the Liquidators, shall calculate, for the purposes of

determining the Final Capital Entitlement per Income Share, the Terminal Asset Value per Income Share and the Terminal Asset Value (if any) per Capital Share, the total assets of the Company (the **Total Assets**) as being the aggregate value thereof as valued in accordance with paragraph 4.1 below as at 5.00 p.m. on the Calculation Date. Specified testing procedures will be carried out on the net value calculation and the calculations of the Final Capital Entitlement per Income Share, the Terminal Asset Value per Income Share and the Terminal Asset Value per Capital Share by Ernst & Young LLP, the Company's independent auditors.

- 2.4 In advance of the Calculation Date, JPMF (or its agent) will have, to the extent practicable and required, realised or realigned the undertaking and businesses carried on by the Company in accordance with the Scheme and the Elections made, or deemed to have been made, by Shareholders, Unitholders and Plan Participants so that, so far as practicable, the Company will hold, in addition to the assets to be appropriated to the Liquidation Fund, a separate investment portfolio in the Rollover Fund as will, on or before the Scheme Effective Date, be suitable for transfer to JPMorgan Elect and will be so transferred on the Scheme Effective Date, by virtue of the Transfer Agreement.
- 2.5 The Form of Election and the Plan Forms of Instruction and the provisions set out thereon shall form part of this Scheme. Forms of Election and Plan Forms of Instruction submitted by facsimile shall not be valid and effective.
- 2.6 If no number of Managed Income Shares, Managed Growth Shares or Managed Cash Shares is set out in the Form of Election or Plan Form of Instruction, then any Election made or deemed to have been made by any such holder shall operate in accordance with the provisions set out in paragraphs 2.9 and 2.10 below in respect of the Shareholder's, Unitholder's or Plan Participant's actual holding.
- 2.7 If, on any Form of Election or Plan Form of Instruction, a Shareholder, Unitholder or Plan Participant makes an Election for one or more of the Options and the total of his Elections is less than his total holding shown on the Form of Election or Plan Form of Instruction or, if different, his actual holding as at the Record Date, he shall be deemed to have elected for the applicable Default Option(s) in respect of the balance of his holding.
- 2.8 If, on any Form of Election or Plan Form of Instruction, a Shareholder, Unitholder or Plan Participant makes an Election for one or more of the Options and the total of his Elections exceeds his total holding shown on the Form of Election or Plan Form of Instruction or, if different, his actual holding as at the Record Date, each Election made by such Shareholder, Unitholder or Plan Participant on that Form of Election/Plan Form of Instruction shall be decreased *pro rata* in respect of the relevant Election (subject to rounding at the discretion of the Directors so as to avoid fractions), so that the total of such Elections shall equate to his total holding and, in any such case, such decreased Election shall be deemed to be the Election made by such Shareholder, Unitholder or Plan Participant on the Form of Election or Plan Form of Instruction for all purposes of this Scheme.
- 2.9 Income Shareholders and Unitholders who do not validly complete and return a Form of Election or send a TTE instruction in respect of their Elections in accordance with the instructions set out in Part III of this document by 6.00 p.m. on 18 November 2016 (in the circumstances set out in paragraph 2.6 above) will be deemed to have elected for the Managed Income Shares Option in respect of their entire holding of Income Shares or Units, as applicable, (or such part of their holding as shall not be subject to an Election for any of the other Options which has been made and accepted).
- 2.10 Capital Shareholders who do not validly complete and return a Form of Election or send a TTE Instruction in respect of their Elections in accordance with the instructions set out in Part III of this document by 6.00 p.m. on 18 November 2016 (in the circumstances set out in paragraph 2.6 above) will be deemed to have elected for the Managed Growth Shares Option in respect of their entire holding of Capital Shares (or such part of their holding as shall not be subject to an Election for any of the other Options which has been made and accepted).
- 2.11 By signing and delivering a Form of Election, a Plan Form of Instruction or sending a TTE Instruction through CREST and in consideration of the Company agreeing to process the Form of Election, a Plan Form of Instruction or TTE Instruction (as the case may be), each Shareholder, Unitholder and Plan Participant agrees that an Election made on a Form of Election, a Plan Form of Instruction or in a TTE Instruction will be irrevocable (other than with the consent of the Directors) and, by signature and delivery or by such despatch thereof, such Shareholder,

Unitholder or Plan Participant, as applicable, represents and warrants that the Election is valid and binding and is made in accordance with all applicable legal requirements.

- 2.12 The Directors reserve the right to accept, at their sole discretion, delivery of Forms of Election after 6.00 p.m. on 18 November 2016.

3. APPORTIONMENT OF THE COMPANY'S TOTAL ASSETS

- 3.1 On the Calculation Date, or as soon as practicable thereafter, JPMF, as the Company's Alternative Investment Fund Manager, in consultation with the Liquidators, shall procure that the Company finalises the division of the Total Assets and appropriates them to three separate and distinct funds, the Liquidation Fund, the Rollover Fund and the Cash Fund as provided for and in the order specified below:

- (a) there shall be appropriated to the Liquidation Fund such of the cash, undertaking and other assets of the Company (including receivables and contingent assets) of a value calculated in accordance with paragraph 4.1 and estimated by the Directors in consultation with the Liquidators, to be sufficient to meet the current and future, actual and contingent liabilities of, and any other amounts payable by the Company (as provided in paragraphs (i) to (ix) below) which shall include, but not be limited to (without prejudice to the generality of the foregoing and save to the extent that the same have already been paid or already deducted in calculating the total net assets):
- (i) the administration costs of the Company that are expected to be incurred during the period commencing on the Calculation Date and ending on the Scheme Effective Date;
 - (ii) the costs and expenses incurred and to be incurred by the Company and the Liquidators in formulating, preparing and implementing the Proposals, the Scheme and in preparing this document and all associated documents, in each case as not otherwise paid prior to the liquidation;
 - (iii) the costs and expenses incurred and to be incurred by the Company and the Liquidators in preparing and implementing the Scheme, including the Transfer Agreement;
 - (iv) the costs of purchasing (or making provision for the purchase of) the interests of Shareholders who have validly exercised their rights to dissent from this Scheme under section 111(2) of the Insolvency Act;
 - (v) the costs and expenses of winding-up the Company (which includes the costs and expenses in relation to the Liquidators maintaining the Company in liquidation until the date of final dissolution of the Company), including the fees and expenses of the Liquidators;
 - (vi) any declared but unpaid dividends of the Company;
 - (vii) any tax and contingent liabilities of the Company;
 - (viii) the management fee payable to JPMF under the Investment Management Agreement up to the Scheme Effective Date; and
 - (ix) any amounts considered by the Liquidators to be appropriate to provide for any unknown, unascertained, unrecorded or contingent liabilities (such amount not expected to exceed £50,000),

in each case including any VAT in respect thereof.

For the avoidance of doubt, stamp duty and stamp duty reserve tax (or other similar transfer taxes or duties) payable on the transfer of the assets from the Company to JPMorgan Elect shall not be borne by the Liquidation Fund;

- (b) there shall also be appropriated to the Liquidation Fund such assets of the Company which either cannot be transferred or are not suitable for transfer to JPMorgan Elect;
- (c) there shall then be appropriated to the Cash Fund such cash, undertaking, assets and other rights of the Company from the remaining assets of the Company after the appropriation referred to in sub-paragraphs (a) and (b) above which amount to the aggregate Terminal

Asset Value of all Income Shares with “D1” rights (including where the Income Shares are held in the form of Units and those Income Shares held by Restricted Shareholders) and the aggregate Terminal Asset Value, if any, of all Capital Shares with “D2” rights (including where Capital Shares are held in the form of Units and those Capital Shares held by Restricted Shareholders) (which are Shares in respect of which Elections have been made, or are deemed to have been made, for the Cash Option), in each case calculated as at the Calculation Date in accordance with paragraph 4.1 below; and

- (d) there shall then be appropriated to the Rollover Fund such cash, undertaking, assets and other rights of the Company from the remaining assets of the Company after the appropriations referred to in sub-paragraphs (a), (b) and (c) above, which amount to the aggregate Terminal Asset Value of all Income Shares with “A1” rights, “B1” rights and “C1” rights (including where the Income Shares are held in the form of Units) and the aggregate Terminal Asset Value, if any, of all Capital Shares with “A2” rights, “B2” rights and “C2” rights (including where Capital Shares are held in the form of Units) (which are Shares in respect of which successful Elections have been made, or are deemed to have been made, for JPMorgan Elect Securities), in each case calculated as at the Calculation Date in accordance with paragraph 4.1 below.
- 3.2 Interest, income and other rights or benefits accruing in respect of any of the undertaking, cash or other assets comprised in any of the Liquidation Fund, the Cash Fund or the Rollover Fund shall form part of that fund, provided that any income, dividend, distribution, interest or other right or benefit on any investment marked “ex” the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Scheme Effective Date shall be deemed to form part of the Rollover Fund.
 - 3.3 In advance of the Scheme Effective Date, JPMF shall afford JPMorgan Elect (or its agents) a reasonable opportunity prior to the Transfer Date to satisfy itself that the securities and other assets intended to form part of the Rollover Fund can be accepted by JPMorgan Elect without infringing the investment objectives and policies applicable to the JPMorgan Elect Securities and, in particular, so as not to cause infringement of such investment objectives, policies or restrictions contained in the JPMorgan Elect Prospectus.
 - 3.4 Any class action rights or similar rights in respect of present or past investments of the Company shall accrue to the Liquidation Fund, the Cash Fund or the Rollover Fund in accordance with the Elections made, or deemed to have been made, by Shareholders (whether held separately or in the form of Units) pursuant to the Proposals.
 - 3.5 Any transaction taxes, stamp duty/stamp duty reserve tax payable on the transfer of assets to JPMorgan Elect shall be borne by JPMorgan Elect and shall not be for the account of the Company as a whole.
 - 3.6 The Liquidators retain the right to adjust the value of the Liquidation Fund on the Scheme Effective Date by way of a *pro-rata* adjustment to the Cash Fund and the Rollover Fund should the value of the Company’s liabilities increase between the Calculation Date and the Scheme Effective Date.

4. CALCULATIONS OF VALUE OF THE TOTAL ASSETS

- 4.1 For the purposes of the calculation of the value of the total assets required to be made on the Calculation Date when appropriating assets to the Liquidation Fund, the Cash Fund and the Rollover Fund and also the calculation of the Final Capital Entitlement per Income Share, the Terminal Asset Value per Income Share and the Terminal Asset Value per Capital Share, the assets of the Company will be valued on the basis that:
 - (a) investments of the Company which are listed, quoted or traded on a recognised stock exchange other than the London Stock Exchange shall be valued by reference to the bid prices on the principal stock exchange where the relevant investment is listed, quoted or dealt in as at the Calculation Date, as shown by the relevant exchange’s recognised method of publication of prices for such investments or, in the absence of any such recognised method, by the latest quoted price on the Calculation Date. Investments of the Company which are listed on the London Stock Exchange will be valued according to the prices issued by the London Stock Exchange as at the Calculation Date, being the bid prices (or in the case of investments temporarily suspended from listing on the Calculation Date, the suspension price). If any such investments are traded under SETS and the latest recorded

prices at which such investments have been traded as shown in the Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Date, the value of such investments will be adjusted to reflect fair realisable value as determined by the Directors. Debt related securities will be valued by reference to the bid price, subject to any adjustment to exclude any accrual of interest which may be included in the quoted price, as at the Calculation Date;

- (b) unlisted investments or quoted investments of the Company which are subject to restrictions on transferability will be valued at their fair value which shall be determined by the Directors. If in any case the Directors determine that fair value cannot be readily measured, the valuation will be the same as at the previous reported value unless there is evidence that the asset has been since impaired, in which case the Directors will reduce the value;
- (c) cash and deposits with, or balances at, banks together with all bills receivable, Money Market Instruments and other debt securities not included in paragraphs (a) or (b) above and held by the Company as at the Calculation Date will be valued at par (together with interest accrued up to the Calculation Date);
- (d) any sums owing from debtors (including any dividends due but not yet received and any accrual of interest on debt related securities to the extent not already taken into account under paragraphs (a) or (b) above) on the Calculation Date will be valued at their actual amount less such provision for diminution of value (including provisions for bad or doubtful debts or discount to reflect the time value of money) as may be appropriate;
- (e) assets denominated in currencies other than Sterling will be converted into Sterling at the closing mid-point rate of exchange of Sterling and such other currencies prevailing on the Calculation Date as may be determined by the Directors;
- (f) any securities issued by an issuer which is in liquidation, administration, receivership, Chapter 11 or any analogous proceedings shall be valued at a price determined by the Directors; and
- (g) any debtors or contingent assets will be valued in accordance with the Company's normal accounting policy.

4.2 For the purposes of this Scheme:

- (a) the **Final Capital Entitlement per Income Share** shall be 103.4 pence plus the amount per Income Share to which the holder is entitled in respect of the undistributed revenue profits (including accumulated revenue reserves) of the Company as determined in accordance with the Articles and which is payable to such holder on the liquidation of the Company;
- (b) the **Terminal Asset Value** shall be the net asset value of the Company on the basis that the assets of the Company are valued in accordance with paragraph 4.1 above less the Liquidation Fund as calculated in accordance with paragraphs 3.1(a) and 3.1(b) above;
- (c) the **Terminal Asset Value per Income Share** shall be the Terminal Asset Value divided by the total number of Income Shares in issue on the Calculation Date (excluding any Income Shares held in treasury), subject to a maximum Terminal Asset Value per Income Share equal to the Final Capital Entitlement per Income Share; and
- (d) the **Terminal Asset Value per Capital Share** shall be the Terminal Asset Value less an amount equal to the aggregate Terminal Asset Value of all the Income Shares divided by the total number of Capital Shares in issue on the Calculation Date (excluding any Capital Shares held in treasury).

4.3 Notwithstanding the foregoing, the Directors (or a duly authorised committee thereof), may, in their absolute discretion, permit an alternative method of valuation to be used if they, acting in good faith, consider that such valuation better reflects the fair value of any asset or security. None of the Company, the Directors, JPMF, JPMAM, JPMorgan Elect nor the Liquidators shall be under any liability by reason of the fact that a valuation believed to be appropriate may subsequently be found not to have been appropriate.

4.4 The Liquidation Fund shall be applied by the Liquidators in discharging the liabilities of the Company (including those referred to in paragraph 3.1(a) above).

5. PROVISION OF INFORMATION BY LIQUIDATORS

On the Scheme Effective Date (prior to the transfer of the Rollover Fund under this Scheme), the Liquidators shall deliver to JPMF and JPMorgan Elect the particulars of the assets comprised in the Rollover Fund, together with a list certified by the Registrars of the names and addresses of, and the numbers of Shares with “A” rights, “B” rights and “C” rights held (whether held separately or in the form of Units) by, Shareholders on the Register on the Scheme Effective Date.

6. DISTRIBUTION OF THE CASH FUND

6.1 On or following the Scheme Effective Date or as soon as practicable thereafter, the Liquidators shall procure the payment out of the Cash Fund:

- (a) to each holder of Income Shares with “D1” rights of an amount of cash equal to the Terminal Asset Value per Income Share multiplied by the number of Income Shares with “D1” rights held by such holder (whether held separately or in the form of Units);
- (b) to each holder of Capital Shares with “D2” rights of an amount of cash equal to the Terminal Asset Value per Capital Share (if any) multiplied by the number of Capital Shares with “D2” rights held by such holder (whether held separately or in the form of Units),

with entitlements being rounded down to the nearest £0.01.

6.2 The Registrars shall provide to the Liquidators a certified list of holders of Shares with “D” rights as at the Scheme Effective Date. In relation to any distribution, no single payment of less than £5.00 will be made to any Shareholder but instead shall be paid to the Nominated Charity.

7. TRANSFER OF ASSETS PURSUANT TO THE TRANSFER AGREEMENT

7.1 On the Scheme Effective Date or as soon as practicable thereafter the Liquidators shall, and shall procure that the Company shall, enter into and implement the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto) whereby the Liquidators shall procure the transfer of the Rollover Fund to JPMorgan Elect in exchange for the allotment of JPMorgan Elect Securities to the Liquidators as nominees for the holders of Shares with “A” rights, Shares with “B” rights and Shares with “C” rights on the basis set out in paragraph 8 below.

7.2 In accordance with the Transfer Agreement, the undertaking and assets to be transferred to JPMorgan Elect shall be transferred with such rights and title as the Company may have in respect of the same or any part thereof subject to and with the benefit of all and any rights, restrictions, obligations, conditions and agreements affecting the same or any part thereof, including the right to all income, dividends, distributions, interest and other rights and benefits attaching thereto or accruing therefrom. Further, in accordance with the Transfer Agreement, the Company, acting by the Liquidators, shall, insofar as it is reasonably able to do so by law or otherwise, comply with all reasonable requests made by JPMorgan Elect in respect of vesting in JPMorgan Elect the title to and enjoyment of the Rollover Fund to be transferred to it and shall, in particular, account to JPMorgan Elect for all income, dividends, distributions, interest and other rights and benefits in respect of such assets received after the Scheme Effective Date.

7.3 If, on or prior to the Scheme Effective Date, the Company is informed in writing by JPMF that the issue of JPMorgan Elect Securities will not proceed on or prior to 1 December 2016 (or such later date as may be agreed between the Company, JPMorgan Elect and Winterflood, not being later than 16 December 2016), the Liquidators shall not enter into a Transfer Agreement with JPMorgan Elect but instead shall procure the transfer of the Rollover Fund into the Liquidation Fund as soon as reasonably practicable.

7.4 In the event that Admission does not become effective on or prior to 2 December 2016 (or such later date as may be agreed between the Company, JPMorgan Elect and Winterflood, not being later than 16 December 2016) and the Rollover Fund has been transferred to JPMorgan Elect, JPMorgan Elect shall retransfer the Rollover Fund to the Company on demand by the Liquidators and the Liquidators shall proceed with the voluntary liquidation of the Company.

8. ISSUE OF JPMORGAN ELECT SECURITIES PURSUANT TO THE SCHEME

8.1 Upon the transfer of the Rollover Fund in accordance with paragraph 7.1 above, JPMorgan Elect Securities shall be allotted to the Liquidators as nominees for the holders of Shares with “A” rights, Shares with “B” rights and Shares with “C” rights on the basis set out in paragraph 8.3 below.

- 8.2 The JPMorgan Elect Securities to be issued pursuant to paragraph 8.1 above shall be allotted to the Liquidators as nominees for the Shareholders and Unitholders holding Shares with “A” rights, Shares with “B” rights and Shares with “C” rights as soon as practicable after the delivery by JPMF and JPMorgan Elect of the particulars referred to in paragraph 5 above whereupon the Liquidators shall renounce the allotments of the relevant JPMorgan Elect Securities in favour of the Reclassified Shareholders entitled to them in accordance with this Scheme. On such renunciation, JPMorgan Elect will issue the relevant JPMorgan Elect Securities to the Reclassified Shareholders entitled thereto. The registrar of JPMorgan Elect will arrange for the despatch of certificates in relation to such JPMorgan Elect Securities to the Reclassified Shareholders entitled to them at their respective addresses appearing in the Register (and in the case of joint holders, the address of the first named) or in the case of Reclassified Shareholders previously holding uncertificated Shares or Units, JPMorgan Elect’s registrar will procure that Euroclear is instructed to credit the appropriate stock accounts in CREST of such Reclassified Shareholders with such Reclassified Shareholders’ respective entitlements to the relevant JPMorgan Elect Securities in each case at the risk of the person entitled thereto. JPMorgan Elect shall be entitled to assume that all information delivered to it in accordance with paragraph 5 above is correct and to utilise the same in procuring registration of the relevant JPMorgan Elect Securities issued pursuant to this Scheme.
- 8.3 The issue of JPMorgan Elect Securities pursuant to the allotment referred to in paragraph 8.1 above shall be made to or on behalf of holders of Reclassified Shares (other than Restricted Holders), who have elected or are deemed to have elected for Managed Income Shares, Managed Growth Shares and Managed Cash Shares on the basis that:
- (a) in respect of Reclassified Shareholders holding reclassified Income Shares with “A1” rights (whether held separately or in the form of Units), the number of Managed Income Shares to which they shall be entitled in respect of such Income Shares shall be determined:
 - (i) by multiplying the number of Income Shares with “A1” rights held by the Terminal Asset Value per Income Share; and
 - (ii) dividing the result by the NAV per Managed Income Share as at the Calculation Date plus the applicable Issue Premium to produce the appropriate number of Managed Income Shares to be issued by JPMorgan Elect;
 - (b) in respect of Reclassified Shareholders holding reclassified Capital Shares with “A2” rights (whether held separately or in the form of Units), the number of Managed Income Shares to which they shall be entitled in respect of such Capital Shares shall be determined:
 - (i) by multiplying the number of Capital Shares with “A2” rights held by the Terminal Asset Value per Capital Share; and
 - (ii) dividing the result by the NAV per Managed Income Share on the Calculation Date plus the applicable Issue Premium to produce the appropriate number of Managed Income Shares to be issued by JPMorgan Elect;
 - (c) in respect of Reclassified Shareholders holding reclassified Income Shares with “B1” rights (whether held separately or in the form of Units), the number of Managed Growth Shares to which they shall be entitled in respect of such Income Shares shall be determined:
 - (i) by multiplying the number of Income Shares with “B1” rights held by the Terminal Asset Value per Income Share; and
 - (ii) dividing the result by the NAV per Managed Growth Share on the Calculation Date plus the applicable Issue Premium to produce the appropriate number of Managed Growth Shares to be issued by JPMorgan Elect;
 - (d) in respect of Reclassified Shareholders holding reclassified Capital Shares with “B2” rights (whether held separately or in the form of Units), the number of Managed Growth Shares to which they shall be entitled in respect of such Capital Shares shall be determined:
 - (i) by multiplying the number of Capital Shares with “B2” rights held by the Terminal Asset Value per Capital Share; and
 - (ii) dividing the result by the NAV per Managed Growth Share on the Calculation Date plus the applicable Issue Premium to produce the appropriate number of Managed Growth Shares to be issued by JPMorgan Elect;

- (e) in respect of Reclassified Shareholders holding reclassified Income Shares with “C1” rights (whether held separately or in the form of Units), the number of Managed Cash Shares to which they shall be entitled in respect of such Income Shares shall be determined:
 - (i) by multiplying the number of Income Shares with “C1” rights held by the Terminal Asset Value per Income Share; and
 - (ii) dividing the result by the NAV per Managed Cash Share on the Calculation Date plus the applicable Issue Premium to produce the appropriate number of Managed Cash Shares to be issued by JPMorgan Elect; and
- (f) in respect of Reclassified Shareholders holding reclassified Capital Shares with “C2” rights (whether held separately or in the form of Units), the number of Managed Cash Shares to which they shall be entitled in respect of such Capital Shares shall be determined:
 - (i) by multiplying the number of Capital Shares with “C2” rights held by the Terminal Asset Value per Capital Share; and
 - (ii) dividing the result by the NAV per Managed Cash Share plus the applicable Issue Premium to produce the appropriate number of Managed Cash Shares to be issued by JPMorgan Elect.

In each case, the number of Managed Income Shares, Managed Growth Shares or Managed Cash Shares to be issued shall be rounded down to the nearest whole number and fractional entitlements shall not be issued.

8.4 For the purposes of determining the number of Managed Income Shares, Managed Growth Shares and Managed Cash Shares to be issued in accordance with paragraph 8.3 above:

- (a) the NAV per Managed Income Share shall exclude the value of any dividends payable in respect of the Managed Income Shares that will not be payable to Shareholders or Unitholders who have elected (or are deemed to have elected) for Managed Income Shares Option; and
- (b) the applicable Issue Premium shall be calculated as follows:
 - (i) if the value of the Rollover Fund calculated in accordance with paragraph 4.1 above is less than £40 million, the Issue Premium will be 1 per cent. of the NAV per Managed Income Share, 1 per cent. of the NAV per Managed Growth Share or 1 per cent. of the NAV per Managed Cash Share, as applicable; and
 - (ii) if the value of the Rollover Fund calculated in accordance with paragraph 4.1 equals or exceeds £40 million, the Issue Premium will reduce on a straight line basis so that at a value of £70 million or more, the Issue Premium will be 0.65 per cent. of the NAV per Managed Income Share, 0.65 per cent. of the NAV per Managed Growth Share or 0.65 per cent. of the NAV per Managed Cash Share, as applicable.

9. OVERSEAS SHAREHOLDERS AND RESTRICTED SHAREHOLDERS

9.1 Overseas Shareholders (who are not Restricted Shareholders) are entitled to participate in the Scheme. However, where the Directors and/or the JPMorgan Elect Directors, acting reasonably, consider that any offer or issue of JPMorgan Elect Securities to those Overseas Shareholders would or may involve a breach of the securities laws or regulations of any jurisdiction, or if the Directors and/or the JPMorgan Elect Directors reasonably believe that the same may violate any applicable legal or regulatory requirements or may require JPMorgan Elect to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Directors and/or the JPMorgan Elect Directors have not been provided with evidence reasonably satisfactory to them that the relevant Overseas Shareholders are permitted to be offered, issued or to hold JPMorgan Elect Securities under any relevant securities laws or regulations of such overseas jurisdictions (or that JPMorgan Elect would be subject to any additional regulatory requirements to which it would not have been subject but for such issue), such Overseas Shareholders will be deemed to have elected for the Cash Option.

9.2 Subject as provided in paragraph 9.3 below, Restricted Shareholders shall not be entitled to receive JPMorgan Elect Securities, but shall instead be deemed to have elected for cash pursuant to the Cash Option under the Scheme and shall be entitled to receive payment in cash out of the Cash Fund for their Shares, save that any amount otherwise payable to a Restricted Shareholder

that is less than £5.00 will not be paid to such Restricted Shareholder but will be transferred by the Liquidators to the Nominated Charity.

- 9.3 The provisions of this Scheme relating to Overseas Shareholders and Restricted Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Directors and the JPMorgan Elect Directors in their absolute discretion.

10. APPLICATION OF LIQUIDATION FUND

- 10.1 On and following the Scheme Effective Date, the Liquidation Fund shall be applied by the Company (acting by the Liquidators) in discharging the liabilities of the Company (including those referred to in paragraph 3.1(a) above).
- 10.2 Any surplus in the Liquidation Fund shall be paid in cash to Reclassified Shareholders who are on the Company's register of members at the close of business on the Scheme Effective Date (excluding Dissenting Shareholders) on a *pari passu* basis *pro rata* to their respective holdings of the relevant class of Shares, prior to the reclassification of the Shares, in the following order of priority:
- (a) to the holders of Income Shares (whether held separately or in the form of Units) if and to the extent that the Terminal Asset Value per Income Share as at the Calculation Date was lower than the Final Capital Entitlement per Income Share; and
 - (b) thereafter to the holders of Capital Shares (whether held separately or in the form of Units), provided that if any such amount otherwise payable to a Shareholder or Unitholder is less than £5.00, it will not be paid to such Shareholder or Unitholder but will be transferred by the Liquidators to the Nominated Charity.
- 10.3 To the extent that the Liquidators are required to make interim payments, any such interim payments to Reclassified Shareholders will be made in accordance with paragraph 10.2.

11. MODIFICATIONS

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

12. RELIANCE ON INFORMATION

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

13. LIQUIDATORS' LIABILITY

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

14. CONDITIONS

- 14.1 This Scheme is conditional, among other things, upon:
- (a) the passing of all the Resolutions to be proposed at: (i) the First General Meeting; and (ii) the Second General Meeting (or, in each case, any adjournment thereof) and all conditions to such Resolutions (excluding any condition relating to the passing of any other Resolution) being fulfilled;
 - (b) the passing of the JPMorgan Elect Resolutions;

- (c) the UK Listing Authority agreeing to amend the listing of the Shares to reflect their reclassification as Reclassified Shares;
- (d) the UK Listing Authority having agreed to admit the JPMorgan Elect Securities to be issued pursuant to this Scheme to the premium segment of the Official List and the London Stock Exchange having agreed to admit such JPMorgan Elect Securities to trading on its main market for listed securities; and
- (e) the Directors not resolving to abandon this Scheme pursuant to paragraph 14.2 below.

In the event that any of the conditions specified above fails to be satisfied the Scheme will not become effective, but subject to the passing of the Winding-up Resolution at the Second General Meeting the Company will be placed into voluntary liquidation.

- 14.2 The Directors have the discretion to determine that this Scheme should not proceed if they consider that it is no longer in Shareholders' best interests.
- 14.3 Subject to paragraph 14.1 above, this Scheme shall become effective on the date on which the special resolution to be proposed at the Second General Meeting for the winding-up of the Company is passed.
- 14.4 If approved, this Scheme shall, subject to the rights of any Shareholders and Unitholders who have validly exercised their rights under section 111(2) of the Insolvency Act, be binding on all Shareholders and Unitholders and on all persons claiming through or under them.
- 14.5 Unless this Scheme shall have become effective on or before 16 December 2016, this Scheme shall not become effective.
- 14.6 Subject to paragraph 14.1(a) and 14.1(e) above, an application will be made to the UK Listing Authority for the listing of the Reclassified Shares to be suspended at 7.30 a.m. on 30 November 2016 and it is intended that such listing will be cancelled with effect from such date as the Liquidators will determine.

15. GENERAL

- 15.1 Each mandate in force duly notified to the Company as at the Record Date relating to payment of dividends in relation to the Income Shares and each instruction relating to the Income Shares and the Capital Shares then in force as to notices and communication preferences from the Company will, unless and until varied or revoked, be deemed, from and including the Scheme Effective Date, to be a valid and effective mandate or instruction to JPMorgan Elect in relation to the JPMorgan Elect Securities issued to the holders of such Income Shares and/or Capital Shares.
- 15.2 This Scheme shall, in all respects, be governed by, and construed in accordance with, the laws of England and Wales.

PART V

THE ROLLOVER VEHICLE – JPMORGAN ELECT PLC

Any investment in JPMorgan Elect will be governed by the JPMorgan Elect Prospectus which accompanies this document (except where this document has been sent to Restricted Shareholders). Accordingly Shareholders are required to read the JPMorgan Elect Prospectus and in particular the risk factors contained therein prior to deciding whether or not to make an Election for any of the JPMorgan Elect Securities.

Introduction

JPMorgan Elect is an investment trust company whose shares are admitted to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange. JPMorgan Elect has three share classes, Managed Income Shares, Managed Growth Shares and Managed Cash Shares, each with distinct investment policies, objectives and underlying investment portfolios. Each share class is listed separately and traded on the London Stock Exchange.

JPMorgan Elects' capital structure allows its shareholders the opportunity, in February, May, August and November, to convert part or all of their shareholdings into shares of JPMorgan Elect's other share classes so that shareholders may benefit from greater investment flexibility in a tax-efficient manner. It is also possible for holders of Managed Cash Shares to elect to have all or part of their holding of those shares repurchased by the Company for cash at a price close to net asset value at each conversion date.

JPMorgan Elect employs JPMF which, in turn, delegates portfolio management to JPMAM to manage its assets actively.

The JPMorgan Elect Board has determined investment policies and related guidelines and limits for each class of share. These objectives, investment policies and related guidelines and limits are detailed below. Compliance with the JPMorgan Elect Board's investment restrictions and guidelines for all three portfolios is monitored continuously by JPMF and is reported to the JPMorgan Elect Board on a monthly basis.

In connection with the Scheme, it is proposed that the Chairman of the Company, Karl Sternberg, will be appointed to the JPMorgan Elect Board shortly following Admission. A resolution for Mr Sternberg's appointment as a director will then follow at the next annual general meeting of JPMorgan Elect in 2017.

Managed Income

Objective

The objective of the Managed Income portfolio is to achieve a growing income return with potential for long term capital growth by investing in equities, investment companies and fixed income securities.

Investment Policy and Risk Management

In order to achieve its stated investment policy and to seek to manage investment risks, the Managed Income portfolio is invested in a diversified portfolio of UK equities (including investment companies) and open-ended funds. The number of investments in the portfolio will normally range between 50 and 80.

Investment Restrictions and Guidelines

- The portfolio does not invest more than 10 per cent. of its gross assets in any company that itself may invest more than 15 per cent. of its gross assets in UK listed investment companies.
- The portfolio will be between 90-100 per cent. invested in equities (including investment companies) and fixed interest securities.
- The investment managers, John Baker and Sarah Emly, may write options within parameters set by the JPMorgan Elect Board. Prior approval is required from the JPMorgan Elect Board for investment in all other derivative instruments. Permission of the JPMorgan Elect Board has been granted for the limited use of futures for tactical asset allocation purposes.
- The JPMorgan Elect Board does not intend to utilise borrowings to increase the funds available for investment.

The above limits and restrictions may be varied by the JPMorgan Elect Board at any time at its discretion.

Benchmark

The Managed Income portfolio's benchmark is a composite comprising 85 per cent. FTSE All-Share Index and 15 per cent. Barclays Capital Global Corporate Bond Index (hedged) in sterling terms.

Management Fee

The management fee payable in respect of the Managed Income portfolio is 0.6 per cent. per annum on assets invested in non-JPMorgan managed funds and direct investments. No management fee is payable on assets invested in JPMorgan managed funds. Investments in JPMorgan's retail open-ended pooled funds qualify for a partial rebate of the underlying fee. The management fee is calculated and paid quarterly in arrears.

Managed Growth

Objective

The objective of the Managed Growth portfolio is to achieve long term capital growth from investing in a range of investment trusts and open-ended funds managed principally by JPMAM.

Investment Policy and Risk Management

In order to achieve its stated investment policy and to seek to manage investment risks, the Managed Growth portfolio is invested in a diversified range of investment trusts and open-ended funds, which themselves invest in the UK and overseas. The number of investments in the Managed Growth portfolio will normally range between 30 and 50.

Investment Restrictions and Guidelines

- The investment manager, Katy Thorneycroft, must obtain JPMorgan Elect Board approval for any new investment in excess of 10 per cent. of the portfolio's gross assets.
- The portfolio does not invest more than 10 per cent. of its gross assets in any company that itself may invest more than 15 per cent. of its gross assets in UK listed investment companies.
- An investment in any open-ended fund will not exceed 25 per cent. of the market capital of the investee fund.
- Investments in third party managed funds will not normally exceed 30 per cent. of the portfolio's gross assets.
- Permission of the JPMorgan Elect Board has been granted for the limited use of futures for tactical asset allocation purposes. Other than this, the portfolio will not normally invest in derivative instruments – prior approval is required from the JPMorgan Elect Board if such an investment is desired.
- The JPMorgan Elect Board does not intend to utilise borrowings to increase the funds available for investment. The JPMorgan Elect Board monitors closely the level of indirect gearing through the underlying investments. The underlying portfolio should be invested 95-120 per cent.

These above limits and restrictions may be varied by the JPMorgan Elect Board at any time at its discretion.

Benchmark

The Managed Growth portfolio's benchmark is a composite comprising 50 per cent. FTSE All-Share Index and 50 per cent. FTSE World Index (ex-UK).

Management Fee

The management fee payable in respect of the Managed Growth portfolio is 0.3 per cent. per annum on assets invested in JPMorgan managed funds and 0.6 per cent. per annum on assets invested in non-JPMorgan managed funds and direct investments. Investments in JPMorgan's retail open-ended pooled funds qualify for a partial rebate of the underlying fee which is paid back to JPMorgan Elect. The management fee is calculated and paid quarterly in arrears.

Managed Cash

Objective

The objective of the Managed Cash portfolio is to provide preservation of capital with a yield based on short term interest rates by investing in a range of sterling liquidity funds, selected for their yield and credit rating, and short dated AAA-rated UK or G7 government securities hedged into sterling.

Investment Policies and Risk Management

In order to achieve its stated investment policy and to seek to manage investment risks, the Managed Cash portfolio invests no more than 20 per cent. of the value of the portfolio in any one liquidity fund or short dated (i.e. with a maturity of less than two years) UK or G7 government security hedged into sterling.

All liquidity funds or government securities shall have a AAA credit rating (as measured by Standard & Poor's) or equivalent rating from a recognised credit rating agency.

Investment Restrictions and Guidelines

- No more than 20 per cent. of the value of the portfolio is to be invested in any one sterling liquidity fund.
- No more than 15 per cent. of gross assets is to be invested in other UK listed companies (including investment companies).
- The JPMorgan Elect Board does not intend to utilise borrowings to increase the funds available for investment.

The above limits and restrictions may be varied by the JPMorgan Elect Board at any time at its discretion.

Benchmark

There is no benchmark for the Managed Cash portfolio, other than to maintain the net asset value as close to 100p per share as possible.

Management Fee

No management fee is charged for the management of the Managed Cash portfolio.

Capital Structure

As at the date of this Circular, JPMorgan Elect's share capital, excluding, in each case, any shares held in treasury, comprised the following:

- 51,434,324 Managed Income Shares;
- 33,674,617 Managed Growth Shares; and
- 3,731,318 Managed Cash Shares.

In addition to the Managed Growth Shares, Managed Income Shares and Managed Cash Shares, there are also 50,000 founder shares of £1 each in issue, partly paid as to 25p each. The founder shares are non-voting and carry the right to receive a fixed dividend at the rate of 0.01 per cent. on their nominal value. However, the holders of the founder shares have waived the right to receive such dividends.

Further issues of shares

In accordance with the requirements of the Companies Act and the Prospectus Rules, JPMorgan Elect is required to seek its shareholder authority to issue JPMorgan Elect Securities pursuant to the Scheme and to disapply pre-emption rights in respect of such issue of such shares. In accordance with the JPMorgan Elect Articles, it is also necessary to obtain the consent of each class of the JPMorgan Elect Securities at the separate JPMorgan Elect Class Meetings. Accordingly, the Scheme is conditional upon the JPMorgan Elect Resolutions being passed at the JPMorgan Elect General Meeting and the JPMorgan Elect Class Meetings. If the JPMorgan Elect Resolutions are passed, JPMorgan Elect will be authorised to issue up to 67,658,252 Managed Income Shares, 10,480,425 Managed Growth Shares and 70,750,628 Managed Cash Shares pursuant to the Scheme.

In addition, pursuant to resolutions passed at the annual general meeting of JPMorgan Elect held on 11 December 2015, the JPMorgan Elect Board was granted authority to issue for cash or by way of sale out of treasury on a non pre-emptive basis up to 3,516,714 Managed Growth Shares, up to 5,185,963

Managed Income Shares and up to 380,037 Managed Cash Shares (such maximum numbers being equivalent to approximately 10 per cent. of the issued share capital of each class as at the latest practicable date prior to publication of JPMorgan Elect's annual report and accounts for the financial year ended 31 August 2015). Given that the size of JPMorgan Elect and the number of JPMorgan Elect Securities of each class in issue may (depending on the level of Elections to rollover into JPMorgan Elect Securities made under the Scheme) be significantly enlarged, the JPMorgan Elect Board is seeking to renew this authority at the JPMorgan Elect General Meeting so that it will be able to issue the equivalent of 10 per cent. of the number of each class of JPMorgan Elect Securities in issue following Admission.

Any such issues would only be made at prices greater than the net asset value thereby increasing the NAV per share of the relevant class and spreading JPMorgan Elect's administrative expenses, other than the management fee which is charged on the value of JPMorgan Elect's net assets over a greater number of shares. The issue proceeds would be available for investment in line with JPMorgan Elect's investment policies. No issue of shares will be made which would effectively alter the control of JPMorgan Elect without the prior approval of JPMorgan Elect shareholders in general meeting.

Repurchase of shares

Pursuant to a special resolution passed at the annual general meeting of JPMorgan Elect held on 11 December 2015, the JPMorgan Elect Board was granted authority to repurchase up to 5,271,554 Managed Growth Shares, up to 7,773,759 Managed Income Shares and up to 569,676 Managed Cash Shares (such maximum numbers representing approximately 14.99 per cent. of the issued share capital of each class as at the latest practicable date prior to publication of JPMorgan Elect's annual report and accounts for the financial year ended 31 August 2015). For the same reason set out above, the JPMorgan Elect Board is seeking to renew this authority at the JPMorgan Elect General Meeting so that it will be able to repurchase Managed Growth Shares, Managed Income Shares and Managed Cash Shares up to a maximum number per class representing 14.99 per cent. of the issued share capital of the relevant class in issue following Admission.

Managed Growth Shares, Managed Income Shares and Managed Cash Shares may be repurchased for cancellation or to be held in treasury. The JPMorgan Elect Board would only reissue shares from treasury at a premium to NAV and does not intend to seek authority to reissue shares from treasury at a discount to NAV.

Further information on JPMorgan Elect and each class of the JPMorgan Elect Securities is set out in the JPMorgan Elect Prospectus.

PART VI

ADDITIONAL INFORMATION

1. DIRECTORS

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

Karl Sternberg (Chairman)
Nicholas Craig Harvey
Jane Tozer OBE
David Watts
Ian Scott-Gall

all of 60 Victoria Embankment, London EC4Y 0JP.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 61,747,803 Income Shares and 64,527,781 Capital Shares.

3. DISCLOSURE OF INTERESTS

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

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

Name of Director	Income Shares held	Capital Shares held	Units held
Karl Sternberg (Chairman)	23,000	6,825	3,479
Nicholas Craig Harvey	–	13,310	4,760
Jane Tozer OBE	61,063	44,592	21,869
David Watts	251,507	–	–
Ian Scott-Gall	26,200	20,000	–

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

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

Name of Shareholder	Income Shares	% of Income Shares	Capital Shares	% of Capital Shares
JPMorgan Asset Management	5,856,618	9.48	12,287,351	19.04
Investec Wealth & Investment Limited	14,875,751	24.09	332,569	0.52
Rathbone Brothers plc	2,835,265	4.59	1,117,561	1.73
Citigroup	–	–	4,690,000	7.27
Nortrust Nominees Limited (Armstrong Investments Limited)	–	–	2,800,000	4.34

4. TRANSFER AGREEMENT

Provided that all the conditions to the Scheme are satisfied and the Scheme becomes effective, the Company will enter into the Transfer Agreement with the Liquidators (in their personal capacity) and JPMorgan Elect pursuant to the Scheme. The Transfer Agreement is, as at the date of this document, in

a form agreed between the Company, the Liquidators and JPMorgan Elect. The Transfer Agreement provides, among other things, that the assets of the Company in the Rollover Fund are to be transferred to JPMorgan Elect in consideration for the allotment by JPMorgan Elect of JPMorgan Elect Securities to the Liquidators, as nominees for Reclassified Shareholders entitled to them in accordance with the Scheme. Thereafter, the Liquidators will renounce the allotments of the JPMorgan Elect Securities in favour of such Reclassified Shareholders and such JPMorgan Elect Securities will be issued by JPMorgan Elect to such Reclassified Shareholders pursuant to the Scheme. The Transfer Agreement excludes any liability on the part of the Liquidators for entering into and carrying into effect the Transfer Agreement.

The Transfer Agreement will be available for inspection as stated in paragraph 8 below.

5. DISSENTING SHAREHOLDERS

The Scheme is a reconstruction to which section 111(2) of the Insolvency Act applies. Under section 111(2) of the Insolvency Act, any Shareholder or Unitholder who does not vote in favour of the special resolution to approve the Scheme to be proposed at the First General Meeting may, within seven days of such special resolution being passed at the First General Meeting, express his dissent in writing to the proposed Liquidators at the registered office of the Company at 60 Victoria Embankment, London EC4Y 0JP for the attention of the proposed Liquidators (such Shareholder or Unitholder being a **Dissenting Shareholder**). The purchase price for such Dissenting Shareholders' Shares will not exceed that which the Dissenting Shareholder(s) would receive on a straightforward winding-up of the Company and will be paid once all liabilities have been settled or provided for to the Liquidators' satisfaction.

6. TAXATION IN THE UNITED KINGDOM

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

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

The Company

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

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

Shareholders and Unitholders

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

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

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

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

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

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

Stamp Duty and Stamp Duty Reserve Tax

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

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

ISAs and Junior ISAs

JPMorgan Elect Securities are eligible for inclusion within a stocks and shares component of an ISA or Junior ISA.

Accordingly where Shares are currently held within an ISA or Junior ISA, JPMorgan Elect Securities obtained pursuant to the Scheme in respect of those Shares can be retained, subject to the specific terms applicable to the ISA or Junior ISA.

Any cash received under the Scheme may also be held within the ISA or Junior ISA pending reinvestment, subject to the specific terms applicable to the ISA or Junior ISA.

Shareholders who hold their Shares within an ISA or Junior ISA should, before making any Election, consult with their plan manager as regards their own position.

7. MISCELLANEOUS

- 7.1 Winterflood, which is authorised and regulated in the UK by the Financial Conduct Authority, has given and not withdrawn its written consent to the inclusion of its name and references to it in this document in the form and context in which they appear.
- 7.2 The Liquidators have given and not withdrawn their written consent to the inclusion of their names and references to them in this document in the form and context in which they appear.
- 7.3 The auditors of the Company for the last three financial years to 31 January 2016 were Ernst & Young LLP, who have audited the Company's accounts and have given an unqualified report in respect of the accounts for each of those years.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the offices of Norton Rose Fulbright LLP at 3 More London Riverside, London SE1 2AQ from the date of this document up to and including the close of business on the Scheme Effective Date:

- (a) the Articles of Association of the Company (containing the full terms of the amendments proposed to be made at the First General Meeting);
- (b) the audited report and accounts of the Company for the years ended 31 January 2014, 31 January 2015 and 31 January 2016;

- (c) the JPMorgan Elect Prospectus;
- (d) the JPMorgan Elect Articles;
- (e) letters of undertaking for the Liquidators and JPMorgan Elect to enter into the Transfer Agreement;
- (f) the Transfer Agreement, in a form agreed between the Company, the Liquidators and JPMorgan Elect as at the date of this document;
- (g) the letters of consent from Winterflood and the Liquidators referred to in paragraphs 7.1 and 7.2 respectively;
- (l) the Form of Election, Plan Forms of Instruction, the Forms of Proxy and Voting Forms of Direction; and
- (m) this document.

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

25 October 2016

DEFINITIONS

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

“A” rights	the rights attaching to Shares in respect of which the holders have made or are deemed to have made valid Elections for the Managed Income Shares Option;
Admission	admission of the JPMorgan Elect Securities to be issued pursuant to the Scheme to listing on the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange;
Articles of Association or Articles	the articles of association of the Company;
“B” rights	the rights attaching to Shares in respect of which the holders have made or are deemed to have made valid Elections for the Managed Growth Shares Option;
Board or Directors	the directors of the Company;
Business Day	a day on which the London Stock Exchange is open for business;
“C” rights	the rights attaching to Shares in respect of which the holders have made valid Elections for the Managed Cash Shares Option;
Calculation Date	5.00 p.m. on 28 November 2016, being the time and date on which the value of the Company’s assets will be determined for the creation of the Liquidation Fund, the Cash Fund and the Rollover Fund and the Final Capital Entitlement per Income Share, the Terminal Asset Value per Income Share and the Terminal Asset Value per Capital Share will be calculated;
Capital Shareholders	holders of Capital Shares;
Capital Shares	capital shares of 1p each in the capital of the Company;
Cash Fund	the fund comprising the pool of assets attributable to the Shares in respect of which Elections are made or deemed to have been made for the Cash Option;
Cash Option	the Option for Shareholders and Unitholders under the Scheme to elect to receive cash in respect of some or all of their holding of Shares or Units on the winding-up of the Company;
certificated or in certificated form	not in uncertificated form;
Company	JPMorgan Income & Growth Investment Trust plc;
Conversion Ratio	the applicable ratio at which Income Shares and Capital Shares convert into the relevant class of JPMorgan Elect Securities which shall be determined in accordance with paragraph 8.3 of Part IV of this document;
CREST	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations;
CREST Manual	the compendium of documents entitled the “CREST Manual” issued by Euroclear from time to time;
CREST Regulations	The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“D” rights	the rights attaching to Shares in respect of which the holders have made or are deemed to have made valid Elections for the Cash Option;

Default Options	the Option for which a Shareholder, Unitholder or Plan Participant will be deemed to have chosen if they fail to submit a Form of Election, Plan Form of Instruction or TTE instruction (being the Managed Income Shares Option in the case of Units and Income Shares and the Managed Growth Shares Option in the case of Capital Shareholders);
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA under section 73A of FSMA;
Dissenting Shareholder	a Shareholder or Unitholder who has validly dissented from the Scheme pursuant to section 111(2) of the Insolvency Act;
EEA	the European Economic Area;
EEA State	a member state of the European Economic Area;
Election	the choice made by a Shareholder, a Unitholder or a Plan Participant for one or more of the Options available under the Scheme (being to receive JPMorgan Elect Securities and/or cash under the Proposals (including, where the context so permits, a deemed choice for the relevant class of JPMorgan Elect Securities or the Cash Option));
Euroclear	Euroclear UK & Ireland Limited;
FCA	the United Kingdom Financial Conduct Authority;
Final Capital Entitlement per Income Share	has the meaning given to that term in paragraph 4.2(a) of Part IV of this document and references to the Final Capital Entitlement shall be construed accordingly;
First General Meeting	the general meeting of the Company convened for 12.30 p.m. on 21 November 2016, notice of which is set out at the end of this document;
Form of Election	the form of election for use by Shareholders and Unitholders (but not Plan Participants) holding their Shares or Units in certificated form in relation to the Scheme which accompanies this document;
Forms of Proxy	the forms of proxy accompanying this document for use by Shareholders and Unitholders (but not Plan Participants) in relation to voting at the General Meetings;
FSMA	the Financial Services and Markets Act 2000, as amended from time to time;
General Meetings	the First General Meeting and/or the Second General Meeting, as the context requires;
HMRC	HM Revenue & Customs;
Income Shareholders	holders of Income Shares;
Income Shares	income shares of 1p each in the capital of the Company;
Insolvency Act	the Insolvency Act 1986, as amended;
Investment Management Agreement	the investment management agreement dated 1 July 2014 between the Company and JPMF;
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time);
Issue Premium	the applicable premium to the NAV per the relevant class of JPMorgan Elect Securities at which such JPMorgan Elect Securities will be issued pursuant to the Scheme, as calculated in accordance with paragraph 8.4 of Part IV of this document;
JPMAM	JPMorgan Asset Management (UK) Limited;

JPMorgan Elect	JPMorgan Elect plc;
JPMorgan Elect Articles	the articles of association of JPMorgan Elect;
JPMorgan Elect Board or JPMorgan Elect Directors	the directors of JPMorgan Elect;
JPMorgan Elect Class Meetings	the JPM Elect Managed Cash Class Meeting, the JPM Elect Managed Growth Class Meeting and/or the JPM Elect Managed Income Class Meeting;
JPMorgan Elect General	the general meeting of JPMorgan Elect to be held at 2.45 p.m. on Tuesday, 22 November 2016 at Trinity House, Tower Hill, London EC3N 4DH (or any adjournment thereof);
JPM Elect Managed Cash Class Meeting	the separate class meeting of the Managed Cash Shareholders to be held at 2.30 p.m. on Tuesday, 22 November 2016 at Trinity House, Tower Hill, London EC3N 4DH (or any adjournment thereof);
JPM Elect Managed Growth Class Meeting	the separate class meeting of the Managed Growth Shareholders to be held at 2.35 p.m. on Tuesday, 22 November 2016 at Trinity House, Tower Hill, London EC3N 4DH (or any adjournment thereof)
JPM Elect Managed Income Class Meeting	the separate class meeting of Managed Income Shareholders to be held at 2.40 p.m. on Tuesday, 22 November 2016 at Trinity House, Tower Hill, London EC3N 4DH (or any adjournment thereof);
JPMorgan Elect Prospectus	the prospectus relating to the issue of JPMorgan Elect Securities pursuant to the Scheme;
JPMorgan Elect Resolutions	the special resolutions to be proposed at the JPMorgan Elect General Meeting and the JPMorgan Elect Class Meetings to sanction the issue of JPMorgan Elect Securities pursuant to the Scheme;
JPMorgan Elect Securities	Managed Income Shares, Managed Growth Shares and/or Managed Cash Shares;
JPMF	JPMorgan Funds Limited;
Junior ISA	a junior individual savings account maintained in accordance with the Individual Savings Account Regulations 1998 (SI 1998/1870) (as amended from time to time);
Latest Practicable Date	19 October 2016, being the latest practicable date prior to the publication of this document;
Liquidation Fund	the liquidation fund to be retained by the Liquidators to meet all known and unknown liabilities of the Company and other contingencies as provided in paragraph 10.1 of Part IV of this document;
Liquidators	the proposed joint liquidators of the Company, namely Patrick Brazzill and Richard Barker of Ernst & Young LLP;
Listing Rules	the Listing Rules made by the FCA under section 73A of FSMA;
London Stock Exchange	London Stock Exchange plc;
Managed Cash Shares	ordinary shares in the capital of JPMorgan Elect designated as Managed Cash shares;
Managed Cash Shareholders	holders of Managed Cash Shares;
Managed Cash Shares Option	the Option for Shareholders and Unitholders under the Scheme to elect to receive Managed Cash Shares in respect of some or all of their holding of Shares or Units on the winding-up of the Company;
Managed Growth Shares	ordinary shares in the capital of JPMorgan Elect designated as Managed Growth shares;
Managed Growth Shareholders	holders of Managed Growth Shares;

Managed Growth Shares Option	the Option for Shareholders and Unitholders under the Scheme to elect to receive Managed Growth Shares in respect of some or all of their holding of Shares or Units on the winding-up of the Company;
Managed Income Shares	ordinary shares in the capital of JPMorgan Elect designated as Managed Income shares;
Managed Income Shareholders	holders of Managed Income Shares;
Managed Income Shares Option	the Option for Shareholders and Unitholders under the Scheme to elect to receive Managed Income Shares in respect of some or all of their holding of Shares or Units on the winding-up of the Company;
member account ID	the identification code or number attached to any member account in CREST;
Money Market Instruments	instruments normally dealt in on the money market which: (i) are liquid (i.e. capable of being converted to cash within seven Business Days at a price closely approximating their current value); and (ii) have a value which can be accurately determined at any time;
NAV per Managed Cash Share	the net asset value of a Managed Cash Share being the value of the portfolio of assets attributable to the Managed Cash Shares less any liabilities attributable to the Managed Cash Shares, calculated in accordance with JPMorgan Elect's normal accounting policies, on a cum-income debt at par basis, and adjusted to take into account any dividends declared but not paid prior to the Scheme Effective Date by JPMorgan Elect to holders of Managed Cash Shares;
NAV per Managed Growth Share	the net asset value of a Managed Growth Share being the value of the portfolio of assets attributable to the Managed Growth Shares less any liabilities attributable to the Managed Growth Shares, calculated in accordance with JPMorgan Elect's normal accounting policies, on a cum-income debt at par basis, and adjusted to take into account any dividends declared but not paid prior to the Scheme Effective Date by JPMorgan Elect to holders of Managed Growth Shares;
NAV per Managed Income Share	the net asset value of a Managed Income Share being the value of the portfolio of assets attributable to the Managed Income Shares less any liabilities attributable to the Managed Income Shares, calculated in accordance with JPMorgan Elect's normal accounting policies, on a cum-income debt at par basis, and adjusted to take into account any dividends declared but not paid prior to the Scheme Effective Date by JPMorgan Elect to holders of Managed Income Shares;
Nominated Charity	Ovarian Cancer Action, 8-12 Camden High Street, London NW1 0JH (Registered Charity Number 1109743);
NAV	net asset value;
Notice of the First General Meeting	the notice of the First General Meeting set out on pages 56 to 61 of this document;
Notice of the General Meetings	the Notice of the First General Meeting and/or the Notice of the Second General Meeting, as the context requires;
Notice of the Second General	the notice of the Second General Meeting set out on pages 62 to 64 of this document;
Official List	the Official List maintained by the FCA;
Options	the options available to Shareholders, Unitholders and Plan Participants under the Scheme, being any combination of the Cash Option, the Managed Cash Shares Option, the Managed Growth Shares Option and/or the Managed Income Shares Option;

Overseas Shareholder	a Shareholder or Unitholder who has a registered address outside the United Kingdom, the Channel Islands and the Isle of Man or who is a citizen of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands and the Isle of Man;
Plan Participants	holders of Shares and/or Units via the Plans;
Plans	together the J.P. Morgan ISA, the J.P. Morgan Investment Account and the J.P. Morgan Junior ISA;
Plan Forms of Instruction	the forms of instruction to be used by Plan Participants to elect to receive JPMorgan Elect Securities and/or cash in respect of their Shares or Units under the Proposals;
Proposals	the proposals and the Resolutions described in this document for the scheme of reconstruction of the Company under section 110 of the Insolvency Act and the winding-up of the Company which require the passing of the Resolutions;
Reclassified Shares	the Income Shares reclassified under the Scheme as Income Shares with “A1” rights, “B1” rights, “C1” rights or “D1” rights and the Capital Shares reclassified under the Scheme as Capital Shares with “A2” rights, “B2” rights, “C2” rights or “D2” rights;
Reclassified Shareholders	holders of Reclassified Shares;
Record Date	the record date for making Elections under the Scheme, being 6.00 p.m. on 18 November 2016;
Register	the register of members of the Company;
Registrars	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom;
Regulatory Information Service	one of the service providers listed in Appendix 3 of the Listing Rules;
Resolutions	the resolutions set out in the Notices of the General Meetings;
Restricted Shareholder	a Shareholder or Unitholder with a registered address in the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa, any EEA State (other than the United Kingdom) or any other jurisdiction where in the view of the Board and the JPMorgan Elect Directors, the offer or issue of the JPMorgan Elect Securities pursuant to the Scheme may violate the relevant laws and/or regulations of that jurisdiction;
Rollover Fund	the fund comprising the pool of assets attributable to the Shares in respect of which Elections are made or deemed to have been made for JPMorgan Elect Securities;
Rollover Price	the issue price for each class of JPMorgan Elect Securities to be issued pursuant to the Scheme calculated in accordance with paragraph 8.4 of Part IV of this document;
Rollover Vehicle	JPMorgan Elect;
SDRT	stamp duty reserve tax;
Scheme	the proposed scheme of reconstruction under section 110 of the Insolvency Act, as contained in Part IV of this document;
Scheme Effective Date	the date on which the Scheme becomes effective, which is expected to be 1 December 2016;
Second General Meeting	a general meeting of the Company convened for 10.30 a.m. on 30 November 2016, notice of which is set out at the end of this document;
SETS	the London Stock Exchange Daily Electronic Trading Service;

Shareholders	holders of Shares (and where such Shares are held in the form of Units shall, if the context so requires, include Unitholders);
Shares	Income Shares and/or Capital Shares, as the context permit (whether held separately or in the form of Units);
TCGA	Taxation of Chargeable Gains Act 1992;
Terminal Asset Value	has the meaning given to that term in paragraph 4.2(b) of Part IV of this document;
Terminal Asset Value per Capital Share	has the meaning given to that term in paragraph 4.2(d) of Part IV of this document;
Terminal Asset Value per Income Share	has the meaning given to that term in paragraph 4.2(c) of Part IV of this document;
Transfer Agreement	the agreement to be entered into between the Company (acting through the Liquidators), the Liquidators (in their personal capacity) and JPMorgan Elect providing, <i>inter alia</i> , for the transfer of the Rollover Fund from the Company to JPMorgan Elect;
TTE Instruction	a transfer to escrow instruction (as described in the CREST Manual);
UK	the United Kingdom of Great Britain and Northern Ireland;
UK Listing Authority	the FCA, in its capacity as the United Kingdom Listing Authority;
uncertificated or in uncertificated form	recorded in the Company's register of members as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
United States	the United States of America, its territories, possessions, any state of the United States of America, and the District of Columbia;
Unitholders	holders of Units;
Units	Units in the Company each comprising one Income Share and one Capital Share;
VAT	Value Added Tax;
Voting Forms of Direction	the voting forms for use by Plan Participants at the General Meetings;
Winding-up Resolution	the special resolution to place the Company into members' voluntary liquidation and to appoint the Liquidators to be proposed at the Second General Meeting; and
Winterflood	Winterflood Securities Limited, which is authorised and regulated in the United Kingdom in the conduct of investment business by the FCA.

NOTICE OF FIRST GENERAL MEETING

JPMorgan Income & Growth Investment Trust plc

(Registered in England and Wales with registered number 05973571 and registered as an investment company under section 833 of the Companies Act 2006)

NOTICE IS HEREBY GIVEN that a General Meeting of JPMorgan Income & Growth Investment Trust plc (the **Company**) will be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ on Monday, 21 November 2016 at 12.30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions, both of which will be proposed as Special Resolutions, namely:

SPECIAL RESOLUTIONS

1. **THAT:**

- 1.1 with effect from the date on which the amendment to the Official List of the UK Listing Authority to reflect the reclassification of the Shares becomes effective but subject always to paragraph 1.5 of this resolution, each of the Income Shares and Capital Shares in issue (whether held separately or in the form of Units) shall be reclassified as Shares the holders of which have (or are deemed to have) elected to have reclassified as Shares of the relevant class with “A1” rights, “A2” rights, “B1” rights, “B2” rights, “C1” rights, “C2” rights, “D1” rights or “D2” rights in such respective numbers as may be required to give effect to any Election validly made (or deemed to have been made) by the holder of the relevant Income Shares or Capital Shares (whether held separately or in the form of Units) and otherwise in accordance with the terms of the Scheme set out in Part IV of the circular dated 25 October 2016 to the Shareholders of the Company of which this notice forms part (the **Circular**), a copy of which has been laid before the meeting and signed for the purpose of identification by the Chairman of the meeting (together the **Reclassified Shares**);
- 1.2 for the purposes of this special resolution:
 - 1.2.1 to the extent that holders of Income Shares shall have validly elected (or shall be deemed to have validly elected) for, and under the terms of the Scheme will become entitled to receive, Managed Income Shares, such Income Shares shall be reclassified as Income Shares with “A1” rights;
 - 1.2.2 to the extent that holders of Capital Shares shall have validly elected (or shall be deemed to have validly elected) for, and under the terms of the Scheme will become entitled to receive, Managed Income Shares, such Capital Shares shall be reclassified as Capital Shares with “A2” rights,

(both Income Shares with “A1” rights and Capital Shares with “A2” rights shall be collectively referred to as **Shares with “A” rights**);
 - 1.2.3 to the extent that holders of Income Shares shall have validly elected for, and under the terms of the Scheme will become entitled to receive, Managed Growth Shares, such Income Shares shall be reclassified as Income Shares with “B1” rights;
 - 1.2.4 to the extent that holders of Capital Shares shall have validly elected (or shall be deemed to have validly elected) for, and under the terms of the Scheme will become entitled to receive, Managed Growth Shares, such Capital Shares shall be reclassified as Capital Shares with “B2” rights,

(both Income Shares with “B1” rights and Capital Shares with “B2” rights shall be collectively referred to as **Shares with “B” rights**);
 - 1.2.5 to the extent that holders of Income Shares shall have validly elected for, and under the terms of the Scheme will become entitled to receive, Managed Cash Shares, such Income Shares shall be reclassified as Income Shares with “C1” rights;
 - 1.2.6 to the extent that holders of Capital Shares shall have validly elected for, and under the terms of the Scheme will become entitled to receive, Managed Cash Shares, such Capital Shares shall be reclassified as Capital Shares with “C2” rights,

(both Income Shares with “C1” rights and Capital Shares with “C2” rights shall be collectively referred to as **Shares with “C” rights**);

- 1.2.7 to the extent that holders of Income Shares shall have validly elected (or shall be deemed to have validly elected) for, and under the terms of the Scheme will become entitled to receive, cash pursuant to the Cash Option, such Income Shares shall be reclassified as Income Shares with “D1” rights;
- 1.2.8 to the extent that holders of Capital Shares shall have validly elected (or shall be deemed to have validly elected) for, and under the terms of the Scheme will become entitled to receive, cash pursuant to the Cash Option, such Capital Shares shall be reclassified as Capital Shares with “D2” rights,
- (both Income Shares with “D1” rights and Capital Shares with “D2” rights shall be collectively referred to as **Shares with “D” rights**);
- 1.3 holders of Shares with “A1” rights, “A2” rights, “B1” rights, “B2” rights, “C1” rights, “C2” rights, “D1” rights or “D2” rights shall have the respective rights set out in the Articles of Association of the Company, as amended by this special resolution;
- 1.4 the Articles of Association of the Company be and are hereby amended by:
- 1.4.1 the insertion of the following new Articles 10A and 10B:
- “10A Every reference in these Articles to the Income Shares shall be construed as a reference to the Income Shares of 1 pence each in the capital of the Company which are designated as shares with either “A1” rights, “B1” rights, “C1” rights or “D1” rights and every reference in these Articles to the Capital Shares shall be construed as a reference to the Capital Shares of 1 pence each in the capital of the Company which are designated as shares with either “A2” rights, “B2” rights, “C2” rights or “D2” rights as set out in Article 10B below. Notwithstanding anything to the contrary in these Articles, each class of Income Share and Capital Share will have attached to it the respective rights and privileges and be subject to the respective limitations and restrictions set out in Article 10B.
- 10B
- 10B.1 Words and expressions defined in the circular to shareholders of the Company dated 25 October 2016 (the **Circular**) shall bear the same meanings in this Article 10B, save where the context otherwise requires.
- 10B.2 In addition to any rights under Article 10B.3 below, on a winding-up of the Company for the purpose of the scheme of reconstruction as described in the Circular:
- (a) the rights of holders of Income Shares with “A1” rights or Capital Shares with “A2” rights (together Shares with “A” rights) in respect of the assets of the Company, notwithstanding anything to the contrary in the Articles of Association, shall be satisfied by the issue to such holders of the numbers of Managed Income Shares to which they shall be respectively entitled in accordance with the Scheme;
- (b) the rights of holders of Income Shares with “B1” rights or Capital Shares with “B2” rights (together Shares with “B” rights) in respect of the assets of the Company, notwithstanding anything to the contrary in the Articles of Association, shall be satisfied by the issue to such holders of the numbers of Managed Growth Shares to which they shall be respectively entitled in accordance with the Scheme;
- (c) the rights of holders of Income Shares with “C1” rights or Capital Shares with “C2” rights (together Shares with “C” rights) in respect of the assets of the Company, notwithstanding anything to the contrary in the Articles of Association, shall be satisfied by the issue to such holders of the numbers of Managed Cash Shares to which they shall be respectively entitled in accordance with the Scheme; and
- (d) the rights of holders of Income Shares with “D1” rights or Capital Shares with “D2” rights (together Shares with “D” rights) in respect of the assets of the Company, notwithstanding anything to the contrary in

the Articles of Association, shall be satisfied by the payment to such holders of cash in such amount as they shall be respectively entitled to in accordance with the Scheme.

10B.3 Income Shareholders and/or Capital Shareholders (other than Dissenting Shareholders) on the Company's register of members on the Scheme Effective Date shall be entitled to any relevant surplus remaining in the Liquidation Fund on a *pari passu* basis *pro rata* to their respective holdings of Income Shares or Capital Shares, as applicable, as provided in the Scheme.

10B.4 Subject to the special rights set out in Articles 10B.2 above, for all other purposes of these Articles, the Income Shares with "A1" rights, "B1" rights, "C1" rights and "D1" rights shall continue to be Income Shares with the rights attaching to Income Shares under these Articles, and the Capital Shares with "A2" rights, "B2" rights, "C2" rights and "D2" rights shall continue to be Capital Shares with the rights attaching to Capital Shares under these Articles, and the Articles of Association shall be construed accordingly.;"

1.4.2 the insertion of the following new Article as Article 142A:

"142A Notwithstanding the provisions of the Articles, upon the winding-up of the Company in connection with the scheme (the **Scheme**) set out in Part IV of the circular dated 25 October 2016 to Shareholders of the Company (the **Circular**), the liquidators of the Company will give effect to the Scheme and will enter into and give effect to the transfer agreement with JPMorgan Elect plc), a draft of which was produced to the general meeting of the Company convened for 21 November 2016 by the notice attached to the Circular, in accordance with the provisions of this Article and Article 10B, and the holders of Shares with "A" rights shall be entitled to Managed Income Shares, the holders of Shares with "B" rights shall be entitled to Managed Growth Shares, the holders of Shares with "C" rights shall be entitled to Managed Cash Shares and the holders of Shares with "D" rights shall be entitled to receive cash, in each case in accordance with the Scheme. The definitions in the Circular have the same meanings in this Article 142A, save where the context otherwise requires.;" and

1.4.3 by way of such further amendments to the Articles of Association of the Company as may be required to give full effect to this special resolution;

1.5 if the Scheme does not become unconditional by the end of the Second General Meeting, the amendments to the Articles of Association of the Company effected by paragraph 1.4 of this special resolution shall be further amended such that the insertions of Articles 10A, 10B and 142A shall cease to have effect as from the close of that meeting (or any adjournment thereof), the reclassification of the Income Shares and Capital Shares provided for by this special resolution shall be reversed and each Reclassified Share shall revert to being either an Income Share ranking *pari passu* in all respects with the other Income Shares or a Capital Share ranking *pari passu* in all respects with the other Capital Shares; and

1.6 the definitions contained in the Circular have the same meanings in this special resolution.

2. **THAT**, subject to: (i) the passing of resolution 1 above at this meeting (or at any adjournment hereof), and it becoming unconditional; (ii) the Scheme becoming unconditional in accordance with its terms; and (iii) the passing at the Second General Meeting (or any adjournment thereof) of a resolution for the voluntary winding-up of the Company and the appointment of the Liquidators:

2.1 notwithstanding anything to the contrary in the Articles of Association of the Company, the scheme (the **Scheme**) set out in Part IV of the circular dated 25 October 2016 to Shareholders of the Company (the **Circular**), a copy of which has been produced to the Meeting and signed for the purpose of identification by the chairman thereof be and is hereby approved and the liquidators of the Company when appointed (jointly and severally the **Liquidators**), be and are hereby authorised to implement the Scheme and to execute any document and do anything for the purpose of carrying the Scheme into effect;

2.2 in particular but without prejudice to the generality of sub-paragraph 2.1 above, the Liquidators, when appointed, be and are hereby authorised and directed, pursuant to

section 110 of the Insolvency Act and/or this special resolution and/or the Articles of Association of the Company, as amended by resolution 1 above:

- 2.2.1 to enter into and give effect to the Transfer Agreement referred to in the Circular with JPMorgan Elect, in the form of the draft produced to the Meeting and signed for the purpose of identification by the chairman thereof with such amendments as the parties may from time to time agree;
 - 2.2.2 to request that, in accordance with the Scheme, JPMorgan Elect issue and distribute Managed Income Shares to the holders of Shares with "A" rights to which such holders are entitled in accordance with the Scheme by way of satisfaction and discharge of their interests in as much of the property and assets of the Company as will be so transferred to JPMorgan Elect in accordance with the Scheme;
 - 2.2.3 to request that, in accordance with the Scheme, JPMorgan Elect issue and distribute Managed Growth Shares to the holders of Shares with "B" rights to which such holders are entitled in accordance with the Scheme by way of satisfaction and discharge of their interests in as much of the property and assets of the Company as will be so transferred to JPMorgan Elect in accordance with the Scheme;
 - 2.2.4 to request that, in accordance with the Scheme, JPMorgan Elect issue and distribute Managed Cash Shares to the holders of Shares with "C" rights to which such holders are entitled in accordance with the Scheme by way of satisfaction and discharge of their interests in as much of the property and assets of the Company as will be so transferred to JPMorgan Elect in accordance with the Scheme;
 - 2.2.5 to arrange for the distribution among the holders of Shares with "D" rights of the amounts of cash to which such holders are entitled in accordance with the Scheme by way of satisfaction and discharge of their interests in as much of the property and assets of the Company comprising the Cash Fund;
 - 2.2.6 pending distributions being made by the Liquidators to the persons entitled thereto, to invest the funds of the Company in such manner as they deem expedient having regard in particular to the requirements of Chapter 4 of Part 24 of the Corporation Tax Act 2010 and any regulations made thereunder;
 - 2.2.7 to convert into cash any asset in the Liquidation Fund and to raise money to purchase the interests of any members of the Company who shall have validly exercised their rights under section 111(2) of the Insolvency Act 1986, as amended, out of the Liquidation Fund;
 - 2.2.8 to distribute any surplus in the Liquidation Fund in accordance with the Scheme; and
 - 2.2.9 to apply for cancellation of the Reclassified Shares' listing on the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange with effect from such date as the Liquidators may determine; and
- 2.3 the definitions contained in the Circular have the same meanings in this special resolution.

25 October 2016

Registered office:

60 Victoria Embankment
London
EC4Y 0JP

By Order of the Board,

Divya Amin, for and on behalf of
JPMorgan Funds Limited,
Secretary

Notes:

- (i) A member entitled to attend and vote at the First General Meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company.
- (ii) To appoint a proxy you may use the Form of Proxy enclosed with this Notice of First General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to the Company's

Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom, or delivered by hand during office hours to the same address as soon as possible and in any event by 12.30 p.m. on 17 November 2016.

- (iii) Completion of the Form of Proxy will not prevent you from attending and voting in person.
- (iv) Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a **Nominated Person**) should note that the provisions in Notes (i) to (iii) above concerning the appointment of a proxy or proxies to attend the First General Meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the First General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the First General Meeting.
- (v) Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (vi) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered in the register of members of the Company by not later than 6.30 p.m. two Business Days prior to the time fixed for the First General Meeting shall be entitled to attend and vote at the First General Meeting in respect of the number of Shares registered in their name at such time. If the First General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.30 p.m. two Business Days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the First General Meeting (or any adjournment thereof).
- (vii) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (viii) Holders of Shares or Units held through the Plans are entitled to attend and vote at the First General Meeting if the applicable Voting Form of Direction, which is enclosed with this document, is correctly completed and returned in accordance with the instructions printed thereon.
- (ix) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by following the procedures described in the CREST manual which can be viewed at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA19) by 12.30 p.m. on 17 November 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (x) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
- (xi) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.
- (xii) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of those voting rights and so would otherwise have notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (xiii) As at 19 October 2016, being the last business day prior to the printing of this document, the Company's issued share capital (excluding any shares held in treasury) consisted of 61,747,803 Income Shares and 64,527,781 Capital Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 19 October 2016 were 126,275,584.

- (xiv) The proposed new Articles of Association are available for inspection at the registered office of the Company, 60 Victoria Embankment, London EC4Y 0JP during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this document until the conclusion of the First General Meeting and will be available for inspection at the place of the First General Meeting for at least 15 minutes prior to and during the First General Meeting.
- (xv) Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the First General Meeting any question relating to the business being dealt with at the First General Meeting which is put by a member attending the First General Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the First General Meeting or if it would involve the disclosure of confidential information.
- (xvi) In accordance with Section 311A of the Companies Act 2006, the contents of this notice of First General Meeting, details of the total number of Shares in respect of which members are entitled to exercise voting rights at the First General Meeting, the total voting rights members are entitled to exercise at the First General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmincomeandgrowth.co.uk.
- (xvii) You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF SECOND GENERAL MEETING

JPMorgan Income & Growth Investment Trust plc

(Registered in England and Wales with registered number 05973571 and registered as an investment company under section 833 of the Companies Act 2006)

NOTICE IS HEREBY GIVEN that a General Meeting of JPMorgan Income & Growth Investment Trust plc (the **Company**) will be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ on Wednesday, 30 November 2016 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a Special Resolution, namely:

SPECIAL RESOLUTION

THAT:

- (a) the Company be and is hereby wound up voluntarily under the provisions of the Insolvency Act 1986, as amended, and that Patrick Brazzill and Richard Barker of Ernst & Young LLP, 1 More London Place, London SE1 2AF be and are hereby appointed as joint liquidators (the **Liquidators**) of the Company for the purposes of such winding up, including realising and distributing the Company's assets in accordance with the Scheme (subject to the Scheme becoming effective and unconditional in accordance with its terms), and any power conferred on them by law, the Articles of Association or by this special resolution and any act required or authorised under any enactments may be exercised or undertaken by them jointly or by each of them alone;
- (b) the remuneration of the Liquidators be determined by reference to the time properly given by them and their staff in attending to matters prior to and during the winding up of the Company (including, without limitation, the implementation of the Scheme and any matters outside the statutory duties of the Liquidators and undertaken at the request of members or a majority of them) and they be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine and to pay any expenses properly incurred by them to give effect to the Scheme;
- (c) the Company's books and records be held by the Company Secretary to the order of the Liquidators until the expiry of twelve months after the date of dissolution of the Company, when they may be disposed of, save for financial and trading records which shall be kept for a minimum of six years following the vacation of the Liquidators from office;
- (d) the Liquidators be empowered and directed to carry into effect the provisions of the Articles of Association of the Company as amended by the special resolution as set out in the notice convening the First General Meeting of the Company contained in the Circular; and
- (e) the definitions contained in the circular dated 25 October 2016 to Shareholders of the Company have the same meanings in this special resolution.

25 October 2016

Registered office:

60 Victoria Embankment
London
EC4Y 0JP

By Order of the Board,

Divya Amin, for and on behalf of
JPMorgan Funds Limited,
Secretary

Notes:

- (i) A member entitled to attend and vote at the Second General Meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company.
- (ii) To appoint a proxy you may use the Form of Proxy enclosed with this Notice of Second General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom, or delivered by hand during office hours to the same address as soon as possible and in any event by 10.30 a.m. on 28 November 2016.
- (iii) Completion of the Form of Proxy will not prevent you from attending and voting in person.

- (iv) Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a **Nominated Person**) should note that the provisions in Notes (i) to (iii) above concerning the appointment of a proxy or proxies to attend the Second General Meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the Second General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the Second General Meeting.
- (v) Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (vi) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered in the register of members of the Company by not later than 6.30 p.m. two Business Days prior to the time fixed for the Second General Meeting shall be entitled to attend and vote at the Second General Meeting in respect of the number of Shares registered in their name at such time. If the Second General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.30 p.m. two Business Days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Second General Meeting (or any adjournment thereof).
- (vii) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (viii) Holders of Shares or Units held through the Plans are entitled to attend and vote at the Second General Meeting if the applicable Voting Form of Direction, which is enclosed with this document, is correctly completed and returned in accordance with the instructions printed thereon.
- (ix) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by following the procedures described in the CREST manual which can be viewed at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA19) by 10.30 a.m. on 28 November 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (x) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
- (xi) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.
- (xii) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of those voting rights and so would otherwise have notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (xiii) As at 19 October 2016, being the last business day prior to the printing of this document, the Company's issued share capital (excluding any shares held in treasury) consisted of 61,747,803 Income Shares and 64,527,781 Capital Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 19 October 2016 were 126,275,584.
- (xiv) Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the Second General Meeting any question relating to the business being dealt with at the Second General Meeting which is put by a member

attending the Second General Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Second General Meeting or if it would involve the disclosure of confidential information.

- (xv) In accordance with Section 311A of the Companies Act 2006, the contents of this notice of Second General Meeting, details of the total number of Shares in respect of which members are entitled to exercise voting rights at the Second General Meeting, the total voting rights members are entitled to exercise at the Second General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmincomeandgrowth.co.uk.
- (xvi) You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated.

