

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

If you have sold or otherwise transferred all of your Ordinary Shares in BlackRock Frontiers Investment Trust plc, you should pass this document, together with all of the accompanying documents (but not the accompanying personalised Form of Proxy or any personalised Tender Form), as soon as possible, to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. This document and all accompanying documents should not, however, be forwarded or transmitted in or into any of the Restricted Territories.

Winterflood Securities Limited ("**Winterflood**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Winterflood or for providing advice in relation to the Proposals. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Winterflood may have under the FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, which may be imposed on Winterflood by the FSMA or the regulatory regime established thereunder, Winterflood accepts no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it or on its behalf in connection with the Company or the Proposals. Winterflood accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement. Winterflood has given and not withdrawn its written consent to the inclusion of its letter in Part 1 hereof and to the references to its name in the form and context in which it is included in this document.

BLACKROCK FRONTIERS INVESTMENT TRUST PLC

(incorporated in England and Wales with registered number 7409667 and registered as an investment company under section 833 of the Companies Act 2006)

Tender Offer for Ordinary Shares and approval of buy back authority Approval of waiver of obligation to make a Mandatory Offer under Rule 9 of the Takeover Code and Notice of General Meeting

The Tender Offer will close at 1.00 p.m. on 19 February 2021. The Tender Offer is only available to Shareholders on the Register at 6.00 p.m. on 19 February 2021 in respect of the Ordinary Shares held at such time. Shareholders holding Ordinary Shares in certificated form and who wish to tender Ordinary Shares for purchase in the Tender Offer should ensure that their completed Tender Forms are returned by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH so as to arrive by no later than 1.00 p.m. on 19 February 2021. Shareholders who hold their Ordinary Shares in certificated form should also return their share certificate(s) and/or other documents of title in respect of the Ordinary Shares tendered. Shareholders who hold Ordinary Shares in uncertificated form (that is, in CREST) should not return a Tender Form but should transmit the appropriate TTE Instruction in CREST as set out in sub-paragraph 3.2(b) of Part 2 of this document as soon as possible but in any event so as to be received by no later than 1.00 p.m. on 19 February 2021.

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

Notice of a General Meeting of BlackRock Frontiers Investment Trust plc to be held at 12 Throgmorton Avenue, London EC2N 2DL at 12 noon on 23 February 2021 is set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval of the Resolutions at the General Meeting. Restrictions on public gatherings are in place in England as at the date of this document made pursuant to the Public Health (Control of Disease) Act 1984. Under these restrictions, limits apply to the size of public gatherings and it is not clear how this legislation will have evolved by the time that the General Meeting is held. Accordingly, Shareholders will not be able to attend the General Meeting in person and they are therefore advised to submit their votes by proxy. The only attendees who will be permitted entry to the meeting will be those who will need to be present to form the quorum to allow the business to be conducted.

Shareholders are requested to complete and return the Form of Proxy accompanying this document for use at the General Meeting. In order to ensure their vote will count, Shareholders should appoint the Chairman of the General Meeting as their proxy. This is because the General Meeting will be held as a closed meeting as described above, meaning that any other person attempting to attend the General Meeting will be refused admission and will therefore be unable to vote. To be valid, the Form of Proxy must be completed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Registrar, Computershare Investor Services PLC, by no later than 12 noon on 19 February 2021. The Form of Proxy can be returned by delivery to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH, by completing it online at www.eproxyappointment.com, or in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of General Meeting and the CREST Manual on the Euroclear website (www.euroclear.com). Further instructions relating to the Form of Proxy are set out in the Notice of General Meeting and the Form of Proxy.

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EXPECTED TIMETABLE

Latest time and date for receipt of Forms of Proxy or transmission of CREST Proxy Instructions for the General Meeting	12 noon on 19 February 2021
Tender Closing Date: latest time and date for receipt of Tender Forms and TTE Instructions in CREST	1.00 p.m. on 19 February 2021
Record Date for participation in the Tender Offer	6.00 p.m. on 19 February 2021
General Meeting	12 noon on 23 February 2021
Results of General Meeting announced	23 February 2021
Results of Tender Offer announced	23 February 2021
Calculation Date	close of business on 23 February 2021
Tender Offer FAV announced	25 February 2021
Establishment of Tender Pool and Continuing Pool	25 February 2021
Realisation of the Tender Pool commences	25 February 2021
Tender Price announced; final distribution under the Tender Offer of assets in the Tender Pool announced; cheques despatched and payments through CREST made	as soon as practicable after commencement of the realisation of the Tender Pool

All references are to London time unless otherwise stated.

Dates and times are indicative only and may be subject to change. In particular, in the event that the Company has insufficient distributable reserves to effect the purchase of all the Tender Shares pursuant to the Repurchase Agreement and subject to the resolution to cancel the Company's share premium account being passed at the 2021 Annual General Meeting, the Tender Offer timetable will be extended to allow time for the Court to consent to the cancellation of the Company's share premium account. Any changes will be notified via an RIS.

LETTER FROM THE CHAIRMAN

BLACKROCK FRONTIERS INVESTMENT TRUST PLC

(incorporated and registered in England and Wales with registered number 7409667. An investment company within the meaning of section 833 of the Companies Act 2006)

Directors:

Audley Twiston-Davies (Chairman)
Katrina Hart
Nick Pitts-Tucker
Stephen White
Sarmad Zok

Registered Office:

12 Throgmorton Avenue
London
EC2N 2DL

29 January 2021

Dear Shareholder

TENDER OFFER FOR ORDINARY SHARES AND APPROVAL OF THE BUY BACK AUTHORITY APPROVAL OF WAIVER OF OBLIGATIONS TO MAKE A MANDATORY OFFER UNDER RULE 9 OF THE TAKEOVER CODE

AND

NOTICE OF GENERAL MEETING

1. INTRODUCTION

At the time of the Company's launch in December 2010, the Board stated its intention to offer Shareholders opportunities to realise the value of their investment in the Company at Net Asset Value less applicable costs at five yearly intervals. The Company's tenth annual general meeting is due to be held on 2 February 2021. Accordingly, your Board has determined to implement the Tender Offer in accordance with its commitment to Shareholders.

SHAREHOLDERS ARE NOT OBLIGED TO TENDER ANY ORDINARY SHARES AND IF THEY DO NOT WISH TO PARTICIPATE IN THE TENDER OFFER, THEY SHOULD NOT COMPLETE OR RETURN THEIR TENDER FORM OR SUBMIT A TTE INSTRUCTION IN CREST.

THE DIRECTORS WILL NOT TENDER ANY OF THEIR OWN ORDINARY SHARES UNDER THE TENDER OFFER AS THEY BELIEVE THAT THE COMPANY'S MANDATE AND THE APPROACH OF THE INVESTMENT MANAGER REMAINS RELEVANT AND THE FRONTIERS UNIVERSE WILL CONTINUE TO PROVIDE ATTRACTIVE OPPORTUNITIES.

I am writing to you to provide further details of the Proposals which, in summary:

- provide Shareholders the opportunity to tender for sale none, some or all of their Ordinary Shares; and
- approve the waiver granted by the Takeover Panel of the obligation that would otherwise arise on any member of the BlackRock Concert Party to make a general offer to Shareholders pursuant to Rule 9 of the Takeover Code as a result of the implementation of the Tender Offer.

Under the 2006 Act, the Listing Rules and the Takeover Code, the Proposals require Shareholder approval which will be sought at the General Meeting to be held on 23 February 2021. Shareholder approval will be sought at the General Meeting to grant the Directors authority to repurchase a maximum of 241,210,518 Ordinary Shares, being the number of Ordinary Shares in issue as at the date of this document, or such other number as shall be equal to the number of Ordinary Shares in issue immediately prior to the commencement of the General Meeting (in each case excluding those held in treasury, if any) and the implementation of the Tender Offer is conditional on this approval being obtained.

The purpose of this document is to set out the background to and reasons for, and provide further details of, the Proposals and why the Board is unanimously recommending that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document. This document contains, *inter alia*, the formal terms of the Tender Offer, together with details of how Shareholders can tender Ordinary Shares for purchase, if they wish to do so.

2. INVESTMENT OUTLOOK

Definitions used by index providers to distinguish between developed, emerging, and frontier markets continue to blur. This has led many investors unintentionally to under-allocate to smaller, yet attractive, markets, potentially missing out on opportunities unique to a sub-set of emerging market and frontier market countries.

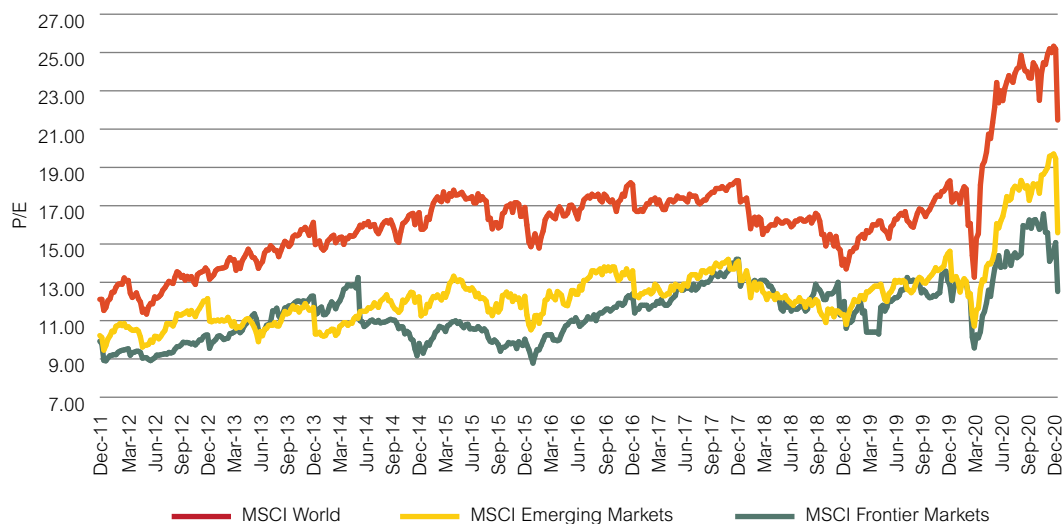
The Company aims to address this by helping investors access the world's smallest economies, as well as the growth and thematic investment profiles that come with them. Consistent with this theme, in March 2018 the Board approved a benchmark change from the MSCI Frontier Markets Index to the MSCI Emerging Markets (ex-Selected Countries) + Frontier Markets Index. The new benchmark excludes exposure to the eight largest economies by market capitalisation within the MSCI Emerging Markets Index (Brazil, China, India, Korea, Mexico, Russia, South Africa, and Taiwan), and more accurately represents the Company's full investable universe.

The Board is of the view that the Company's mandate remains relevant. In particular, in a world where growth looks challenged and sources of yield are increasingly scarce, the Board believes that the Company's investment universe continues to represent an attractive long-term investment opportunity. Frontier markets remain some of the fastest growing economies in the world and many of the countries within the investible universe have supportive demographic profiles with a younger population and low levels of external debt. This provides what the Directors, as advised by the Investment Manager, believe are opportunities to invest in companies that are cash flow generative and have relatively high dividend yields, on some of the lowest valuations in the world. Although income is not the driving factor in the decision to invest in a portfolio company, the Company's holdings generate an attractive yield, which is also illustrated in the Company's underlying yield premium relative to its benchmark (3.3 per cent. vs 3.0 per cent as at 31 December 2020). Furthermore, the Investment Manager believes that frontier markets continue to offer access to key mega-trends such as de-carbonisation (the focus on driving down carbon-dioxide emissions over time in an effort to battle climate change), urbanisation (facilitating an improvement in living conditions for some of the world's poorest populations by moving people from rural to more urban areas), and emerging global wealth (investing in businesses that have embraced technological advancements to expand access to financial services, which can subsequently help raise people out of poverty by enabling entrepreneurship and promoting greater economic self-sufficiency). Increasing recognition that these themes could dominate the investment climate for years to come may provide additional opportunities for the Company. Many of the constituents of the Frontiers Universe have remained out of favour over the last couple of years, enabling the Investment Manager to find companies with strong earnings growth profiles, trading on attractive valuations.

The Directors remain optimistic about the prospects of the markets in the Frontiers Universe for the following reasons:

- the potential to offer investors growth and yield in an environment where both have become increasingly scarce, particularly in the developed world;
- undervalued currencies and lower external debt levels, as well as the long-term positives of favourable demographics, provide a strong foundation for a broader economic recovery;
- low correlations to developed markets and to each other can provide investors with much needed diversification. This has become even more important as many investors' portfolios remain focused on a few dominant countries and stocks, which are increasingly vulnerable to rotation;
- decreasing sell-side research coverage may increase pricing inefficiency and long-term alpha potential; and

- emerging markets and markets in the Frontiers Universe are still trading at a significant discount to the developed world as shown in the Price/Earnings Ratio chart below.



Source: MSCI.

3. FURTHER INFORMATION IN RESPECT OF THE TENDER OFFER

3.1 Key Points of the Tender Offer

The key points of the Tender Offer are as follows:

- the Tender Offer will provide Shareholders (other than Restricted Shareholders) the opportunity to tender for sale none, some or all of their Ordinary Shares;
- after the realisation of the Tender Pool, which will be established on the basis set out under paragraph 9 of Part 1 of this document, Tendering Shareholders shall receive the Tender Price in cash in consideration for the purchase of Ordinary Shares tendered by them; and
- the Tender Price shall be the Final Tender Offer Asset Value of the Tender Pool divided by the total number of Tender Shares expressed in Sterling, rounded down to two decimal places.

If the number of Ordinary Shares tendered is such that the Board is of the view that the continuance of the Company is not in the best interests of the continuing Shareholders, it reserves the right to terminate the Tender Offer. **Additionally, if the Tender Offer were to result in the BlackRock Concert Party (as defined in paragraph 4.2 below) being interested in Ordinary Shares which, in aggregate, carry more than 50 per cent. of the voting rights of the Company, the Board will terminate the Tender Offer.** If the Tender Offer is terminated, the Board will put forward revised proposals as soon as practicable and, in any event, within three months of termination of the Tender Offer, which proposals will allow Shareholders to realise the value of their investment in the Company at Net Asset Value less applicable costs. If the Tender Offer is terminated, the Company will make an announcement through an RIS that such is the case.

Shareholders (other than Restricted Shareholders) on the Register on the Record Date will be invited to tender for sale some or all of their Ordinary Shares held on the Record Date to Winterflood who will, as principal, purchase at the Tender Price the Ordinary Shares validly tendered.

The tendered Ordinary Shares will be repurchased by the Company pursuant to the Repurchase Agreement (details of which are set out in paragraph 6.3 of Part 4 of this document). Tendering Shareholders will receive the full Tender Price in cash only once all of the assets in the Tender Pool have been fully realised.

The Tender Offer is subject to certain conditions being satisfied by the Long Stop Date (as defined below) and may be terminated in certain circumstances as set out in paragraph 7 of Part 2 of this document.

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

Shareholders' (other than Restricted Shareholders) attention is drawn to the letter from Winterflood set out in Part 1 of this document and to Part 2 of this document which, together with the Tender Form, constitute the terms and conditions of the Tender Offer. Details of how Shareholders will be able to tender Ordinary Shares can be found in paragraph 3 of Part 2 of this document.

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

Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately consult a suitable qualified independent financial adviser authorised under the FSMA if in the United Kingdom, or from another appropriately authorised independent financial adviser if in a territory outside of the United Kingdom.

3.2 **Restricted Shareholders and Other Overseas Shareholders**

The Tender Offer is not being made to Shareholders who are resident in, or citizens of, Restricted Territories. Restricted Shareholders are being excluded from the Tender Offer in order to avoid offending applicable local laws relating to the implementation of the Tender Offer. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Tender Offer.

3.3 **Tender Pool**

Save as set out below, all of the Company's assets and liabilities will, following valuation on the Calculation Date, be allocated between the Continuing Pool and the Tender Pool on the basis set out under paragraph 9 of Part 1 of this document. The net value of the assets and liabilities allocated on the establishment of the Tender Pool will equal the Tender Offer FAV (calculated in accordance with paragraph 7 of Part 1 of this document). The Tender Pool assets (other than cash) will be realised and the liabilities settled and the net cash proceeds paid in satisfaction of the Tender Price to Shareholders who successfully tender their Ordinary Shares.

The Tender Pool will bear the costs of realising the assets in the Tender Pool and the amount of stamp duty or stamp duty reserve tax payable on the repurchase by the Company of the Ordinary Shares acquired from Winterflood. Shareholders who successfully tender their Ordinary Shares will receive a *pro rata* share of the net proceeds of the Tender Pool. The assets of the Tender Pool will be fully realised as soon as practicable after the commencement of the realisation of the Tender Pool such that final cash payments can be made to the Tendering Shareholders as soon as practicable thereafter. The Board may at its discretion make interim distributions from the Tender Pool. However, under the Tender Offer the Company reserves the right to defer the Tender Pool realisations and/or cash payments if the Board believes this to be in the best interests of Shareholders as a whole.

Shareholders shall note that the Tender Price will only be determined finally once all the assets of the Tender Pool have been realised.

The Board retains the discretion to allocate only cash and near cash assets of the Company to the Tender Pool. In such circumstances there will be no or minimal costs of realising the assets in the Tender Pool. It is the Board's current intention only to exercise such discretion where the number of Ordinary Shares that the Company is required to repurchase pursuant to the Tender Offer is such that allocating only cash and near cash to the Tender Pool is in the best interests of Shareholders as a whole.

3.4 **Conditions of the Tender Offer**

The Tender Offer is conditional on the following (together the “**Conditions**”) being satisfied on or before 30 April 2021 (the “**Long Stop Date**”):

- (a) the passing of Resolution 1 and the Waiver Resolution by not later than twenty Business Days after the date of the General Meeting;
- (b) the Directors and Winterflood being satisfied that the Company has sufficient distributable reserves (as defined in section 830 of the 2006 Act) to effect the purchase of all the Tender Shares pursuant to the Repurchase Agreement;
- (c) the Tender Offer not having been terminated in accordance with paragraph 7 of Part 2 of this document prior to the fulfilment of the conditions referred to in sub-paragraphs 3.4(a) and (b) above;
- (d) Winterflood being satisfied, acting in good faith, that (i) at all times up to and immediately prior to the date on which conditions (a), (b) (c), (e) and (f) become satisfied, the Company has complied with its obligations under the Repurchase Agreement and (ii) as at the date on which conditions (a), (b) (c), (e) and (f) become satisfied the Company is not in breach of any of the representations and warranties given under the Repurchase Agreement;
- (e) the Tender Offer not resulting in the BlackRock Concert Party being interested in Ordinary Shares which, in aggregate, carry more than 50 per cent. of the voting rights of the Company; and
- (f) the Tender Offer not having been withdrawn.

For more information about the potential impact of condition (b) above on the timing of, or the ability to conclude, the Tender Offer please refer to paragraph 2 of Part 2.

4 PROPOSED APPROVAL FOR WAIVER OF OBLIGATION UNDER RULE 9 OF THE TAKEOVER CODE

4.1 **Rule 9 of the Takeover Code**

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, when taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all remaining shareholders to acquire their shares.

Similarly, where any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company, but does not hold shares carrying more than 50 per cent. of the voting rights of a company, a general offer will be required if any further interest in shares is acquired by any such person, or any person acting in concert with him.

A general offer, if required under Rule 9 of the Takeover Code, must be in cash and at not less than the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares of the company during the 12 months prior to announcement of the offer. Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an

acquisition for the purposes of Rule 9 of the Takeover Code (although a person who is neither a director (which for this purpose includes any investment manager of an investment trust and the exception to Rule 37 would, therefore, not apply in the case of the members of the BlackRock Concert Party (as defined below)) nor acting (or presumed to be acting) in concert with a director will not normally incur an obligation to make a general offer under Rule 9 of the Takeover Code). However, this exception will not normally apply when a shareholder not acting in concert with a director or investment manager of an investment trust has purchased shares at a time when he had reason to believe that such a purchase of its own shares by the company would take place.

Therefore, in respect of the Tender Offer, a Shareholder not acting in concert with the Directors, the Manager or the Investment Manager may incur an obligation under Rule 9 of the Takeover Code to make a general offer to Shareholders to acquire their Ordinary Shares if, as a result of the purchase by the Company of its Ordinary Shares from other Shareholders, it comes to hold or acquire 30 per cent. or more of the Ordinary Shares following the Tender Offer and it has purchased Ordinary Shares when it had reason to believe that the Company would purchase its own Ordinary Shares.

4.2 **Background to the Rule 9 Waiver**

For the purposes of the Takeover Code, BlackRock, Inc. and its subsidiaries (which include BIM UK, to whom certain day to day portfolio and risk management services in respect of the Company's assets and other ancillary services has been delegated by BlackRock Fund Managers Limited, the Company's alternative investment fund manager for the purposes of the AIFMD, and BA UK) (the "**BlackRock Concert Party**") are deemed to be acting in concert. As at the close of business on 27 January 2021 (being the latest practicable date prior to the publication of this document), BIM UK and BA UK, being the only members of the BlackRock Concert Party interested in Ordinary Shares, were interested for the purposes of the Takeover Code in 38,871,031 Ordinary Shares, as set out in paragraph 3.6 of Part 4 of this document. This is as a result of discretionary investment management agreements entered into by BIM UK and/or BA UK with or in respect of BlackRock Clients. Such Ordinary Shares represent, in aggregate, approximately 16.11 per cent. of the Company's Voting Rights as at the close of business on 27 January 2021 (being the latest practicable date prior to the publication of this document).

Further information on the BlackRock Concert Party is set out in Part 4 of this document.

If the Tender Offer were to result in the BlackRock Concert Party being interested in more than 50 per cent. of the Company's total Voting Rights, the Board will terminate the Tender Offer. By way of illustration, in order for the Tender Offer to result in the BlackRock Concert Party being so interested, on the assumption that no members of the BlackRock Concert Party tender any Ordinary Shares under the Tender Offer, other Shareholders would need to tender 67.8 per cent. or more of the issued Ordinary Share capital under the Tender Offer.

However, if the Tender Offer were to result in the BlackRock Concert Party being interested in not less than 30 per cent. and not more than 50 per cent. of the Company's total Voting Rights, one or more members of the BlackRock Concert Party would, in the absence of a waiver under Rule 9 of the Takeover Code, be required to make a general offer for the balance of the Ordinary Shares. By way of illustration, if other Shareholders tender 46.3 per cent. or more, but less than 67.8 per cent., of the issued Ordinary Share capital under the Tender Offer, and again on the assumption that no members of the BlackRock Concert Party tender any Ordinary Shares under the Tender Offer, one or more members of the BlackRock Concert Party would, in the absence of a waiver under Rule 9 of the Takeover Code, be required to make a general offer for the balance of the Ordinary Shares.

In circumstances where the BlackRock Concert Party is interested in not less than 30 per cent. and not more than 50 per cent. of Company's total Voting Rights as a result of the repurchase by the Company of its shares pursuant to the Tender Offer, the Takeover Panel has agreed to waive the obligation to make a general offer under Rule 9 of the Takeover

Code that would otherwise arise on any member of the BlackRock Concert Party, subject to the approval by the Independent Shareholders on a poll. Accordingly, the Waiver Resolution is being proposed at the General Meeting and will be taken on a poll. The members of the BlackRock Concert Party will not be entitled to vote on the Waiver Resolution and BIM UK and BA UK have undertaken to the Company that they will not vote on the Waiver Resolution.

If the interest in the Voting Rights of the members of the BlackRock Concert Party at any point in the future, as a result of the implementation of the Tender Offer or otherwise, is not more than 50 per cent. of the Company's total Voting Rights, but not less than 30 per cent. of the Company's total Voting Rights, then for so long as the parties are deemed to be acting in concert, any subsequent increase in such parties' interests in Ordinary Shares would be subject to Rule 9 of the Takeover Code.

In the event that the Waiver Resolution is passed, no member of the BlackRock Concert Party will be restricted from making an offer for the Company.

4.3 Winterflood Rule 9 Waiver

In addition, under the Tender Offer, Winterflood will purchase, as principal, voting shares in the Company which could result in Winterflood coming to have an interest in such Ordinary Shares carrying 30 per cent. or more of the Voting Rights of the Company. Winterflood has unconditionally undertaken that, promptly following such purchase, it will sell all those Ordinary Shares, acquired pursuant to the Tender Offer, to the Company for cancellation or to hold in treasury and the Company has unconditionally undertaken to buy all such Ordinary Shares. Winterflood has undertaken that so far as it is interested in the tendered Ordinary Shares that it will not exercise any rights attached to those Ordinary Shares. Accordingly, the Takeover Panel has agreed that Rule 9 of the Takeover Code will not apply to the purchase by Winterflood of the Ordinary Shares under the Tender Offer.

5. EXPENSES AND FOREIGN EXCHANGE MOVEMENTS

The costs and expenses incurred in relation to the Tender Offer, including financial advice and other professional advice, but excluding stamp duty or stamp duty reserve tax payable by the Company on the acquisition of the Tender Shares and the costs of realising the Tender Pool, are expected to be approximately £300,000 including VAT. Such costs will be borne by Shareholders as a whole. The quantum of the remaining costs will vary depending on how many Ordinary Shares are tendered and the extent of the realisation costs and will be borne only by the Tendering Shareholders.

The Manager has agreed that no management fee will be levied in respect of the management of the assets of the Tender Pool which are held in cash.

Shareholders should note that the Final Tender Offer Asset Value may be impacted positively or negatively as the assets in the Tender Pool are realised and will be particularly exposed to any changes in asset values, the costs associated with realising the assets and foreign exchange movements as assets denominated in foreign currencies are realised and the proceeds converted into Sterling in order to pay the Tender Price which is payable in Sterling.

6. TREASURY SHARES

Ordinary Shares repurchased by the Company pursuant to the Tender Offer or the general authority to buy back Ordinary Shares referred to below may be held in treasury or cancelled.

At the annual general meeting of the Company held on 4 February 2020, the Company was authorised: (i) to sell equity securities (as defined in section 560 of the 2006 Act) held by the Company as treasury shares (as defined in section 724 of the 2006 Act) for cash; and (ii) to repurchase 36,076,852 Ordinary Shares (representing 14.99 per cent. of its issued Ordinary Shares (excluding treasury shares)) either to be held in treasury or to be cancelled.

Renewal of the buy-back authority and the authority to sell Ordinary Shares out of treasury will be sought at each annual general meeting of the Company, and the Company is seeking authority

to (i) buy back up to 14.99 per cent. of the issued Ordinary Share capital of the Company (excluding any shares held in treasury) and (ii) to issue new Ordinary Shares or sell Ordinary Shares from treasury for cash at the 2021 Annual General Meeting.

Both the repurchase for cancellation and the use of treasury shares should assist the Board in the objective of providing liquidity in the Company's Ordinary Shares and provide the Board with additional flexibility to manage the Company's capital base.

The Board currently intends only to authorise the sale of Ordinary Shares from treasury, subject to having Shareholder authority to sell the Ordinary Shares from treasury, at prices at or above the prevailing Net Asset Value per Ordinary Share (plus costs of the relevant sale).

7. TAXATION

Shareholders who sell Ordinary Shares in the Tender Offer may, depending on their individual circumstances, incur a liability to taxation. **UK individual Shareholders and trustee Shareholders should be aware that HMRC may seek to treat part of the disposal proceeds of their Ordinary Shares as income.**

The attention of Shareholders is drawn to Part 3 of this document which sets out a general guide to certain aspects of current UK law and HMRC practice.

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

8. RISK FACTORS

Before deciding whether or not to tender all or any Ordinary Shares, Shareholders should read this document in its entirety and particularly the Risk Factors set out in Part 5 of this document.

9. GENERAL MEETING

The Proposals are subject to Shareholder approval. A notice convening the General Meeting to be held at 12 Throgmorton Avenue, London EC2N 2DL on 23 February 2021 at 12 noon is set out at the end of this document.

Restrictions on public gatherings are in place in England as at the date of this document under regulations made pursuant to the Public Health (Control of Disease) Act 1984. Under these restrictions, limits apply to the size of public gatherings and it is not clear how this legislation will have evolved by the time that the General Meeting is held. Accordingly, it will not be possible for Shareholders to attend the General Meeting in person and they are therefore advised to submit their votes by proxy. The only attendees who will be permitted entry to the meeting will be those who will need to be present to form the quorum to allow the business to be conducted.

At the General Meeting, the following resolutions will be proposed:

- (i) to give the Company authority to make market purchases pursuant to the Tender Offer (referred to in this document as Resolution 1); and
- (ii) the Waiver Resolution (also referred to in this document as Resolution 2).

Should Resolution 1 or the Waiver Resolution fail to be passed, the Tender Offer will not proceed.

In order to be passed: (i) Resolution 1, which is to be proposed as a special resolution and taken on a poll, will require the approval of Shareholders representing at least 75 per cent. of the votes cast at the General Meeting; and (ii) the Waiver Resolution, which is to be proposed as an ordinary resolution, will require the approval of more than 50 per cent. of the votes cast at the General Meeting by the Independent Shareholders on a poll. The members of the BlackRock Concert Party will not be entitled to vote on the Waiver Resolution and BIM UK and BA UK have undertaken to the Company that they will not vote on the Waiver Resolution.

The Articles provide that at the General Meeting each Shareholder present in person or by proxy or who (being a corporation) is present by a representative shall on a show of hands have one vote and on a poll shall have one vote for each Ordinary Share of which he is a holder.

The Rule 9 Waiver, if approved, would not be valid if any member of the BlackRock Concert Party becomes interested (for the purposes of the Takeover Code) in any additional Ordinary Shares between the date of this document and the General Meeting.

The quorum for the General Meeting shall be two persons entitled to attend and to vote, each being a Shareholder or a proxy of a Shareholder or a duly authorised representative of a corporation which is a Shareholder. In the event that the General Meeting is adjourned and the above-mentioned quorum is not present, at such adjourned General Meeting the quorum shall be one.

10. ACTION TO BE TAKEN

10.1 General Meeting

Shareholders will find enclosed with this document a personalised Form of Proxy for use in connection with the General Meeting. Submission of the Form of Proxy will enable your vote to be counted at the General Meeting in the event of your absence.

Shareholders are asked to complete and return the Form of Proxy, in accordance with the instructions printed thereon as soon as possible, and in any event, so as to reach the Registrar, Computershare Investor Services PLC, by no later than 12 noon on 19 February 2021. The Form of Proxy can be returned by delivery to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH, by completing it online at www.eproxyappointment.com, or in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of General Meeting and the CREST Manual on the Euroclear website (www.euroclear.com).

Restrictions on public gatherings are in place in England as at the date of this document under regulations made pursuant to the Public Health (Control of Disease) Act 1984. Under these restrictions, limits apply to the size of public gatherings and it is not clear how this legislation will have evolved by the time that the General Meeting is held. Accordingly, Shareholders will not be able to attend the General Meeting in person and they are therefore advised to submit their votes by proxy. The only attendees who will be permitted entry to the meeting will be those who will need to be present to form the quorum to allow the business to be conducted.

In order to ensure their vote will count, Shareholders should appoint the Chairman of the General Meeting as their proxy. This is because the General Meeting is to be held as a closed meeting as described above, meaning that any other person attempting to attend the General Meeting will be refused admission and will therefore be unable to vote.

10.2 Tender Offer

Shareholders are not obliged to tender any Ordinary Shares and if they do not wish to participate in the Tender Offer, they should not complete or return their Tender Form or submit a TTE Instruction in CREST.

Should you wish to tender any Ordinary Shares, the procedure for tendering your Ordinary Shares depends on whether Ordinary Shares are held in certificated or uncertificated form.

Ordinary Shares held in certificated form

Shareholders (other than Restricted Shareholders) holding Ordinary Shares in certificated form who wish to participate in the Tender Offer should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH so as to arrive as soon as possible after receipt of the Tender Form and in any event by no later than 1.00 p.m. on 19 February 2021. A reply-paid envelope is enclosed with the Tender Form for your convenience.

Shareholders who hold their Ordinary Shares in certificated form should also return their Ordinary Share certificate(s) and/or other documents of title in respect of the Ordinary Shares

tendered with their Tender Form. In circumstances where the number of Ordinary Shares represented by the share certificate(s) enclosed exceeds the number of Ordinary Shares acquired under the Tender Offer the Company will procure that a new share certificate for the balance will be sent to the first named Shareholder and address by first class post at such Shareholder's risk.

Ordinary Shares held in uncertificated form (i.e. CREST)

Shareholders (other than Restricted Shareholders) who hold their Ordinary Shares in uncertificated form (that is, in CREST) and who wish to participate in the Tender Offer should not return a Tender Form but should transmit the appropriate TTE Instruction in CREST as set out in sub-paragraph 3.2(b) of Part 2 of this document as soon as possible and in any event so as to be received by no later than 1.00 p.m. on 19 February 2021.

The extent to which Shareholders participate in the Tender Offer is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and their investment objectives. Shareholders should seek advice from a suitably qualified independent financial adviser authorised under the FSMA if in the United Kingdom, or from another appropriately authorised independent financial adviser if in a territory outside of the United Kingdom without delay.

11. RECOMMENDATION

The Board, which has been so advised by Winterflood in respect of the Proposals, considers that the Proposals are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. In providing advice to the Board, Winterflood has taken into account the commercial assessment of the Board. Accordingly, the Board recommends unanimously that Shareholders vote in favour of Resolution 1 to be proposed at the General Meeting and Independent Shareholders vote in favour of the Waiver Resolution to be proposed at the General Meeting.

The Directors intend to vote in favour, or procure the vote in favour, of the Resolutions at the General Meeting in respect of their own beneficial holdings of Ordinary Shares which, in aggregate, amount to 299,092 Ordinary Shares representing approximately 0.12 per cent. of the issued Ordinary Share capital of the Company as at the date of this document (excluding any shares held in treasury).

The Directors will not tender any of their own Ordinary Shares.

The Directors make no recommendation to Shareholders as to whether or not they should tender all or any of their Ordinary Shares in the Tender Offer. Whether or not Shareholders decide to tender their Ordinary Shares will depend, amongst other factors, on their view of the Company's prospects and their own individual circumstances, including their own tax position.

Yours sincerely

Audley Twiston-Davies
Chairman

PART 1

LETTER FROM WINTERFLOOD SECURITIES LIMITED

Winterflood Securities Limited
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA

29 January 2021

Dear Shareholder

1. TENDER OFFER

As explained in the Letter from the Chairman, Shareholders (other than Restricted Shareholders) are being given the opportunity to tender for sale none, some or all of their Ordinary Shares for purchase in the Tender Offer. The purpose of this letter is to summarise the principal terms and conditions of the Tender Offer.

Winterflood hereby invites Shareholders (other than Restricted Shareholders) on the Register on the Record Date to tender some or all of their Ordinary Shares held on the Record Date for purchase by Winterflood for cash at the Tender Price.

This letter is not a recommendation to Shareholders to sell or tender their Ordinary Shares and Shareholders are not obliged to tender any Ordinary Shares. Shareholders who wish to continue their investment in the Company should not return their Tender Form or submit a TTE Instruction.

Ordinary Shares will be repurchased by the Company pursuant to the Repurchase Agreement (details of which are set out in paragraph 6.3 of Part 4 of this document). All transactions will be carried out on the London Stock Exchange.

Shareholders should note that Winterflood will not be liable to pay the Tender Price to Tendering Shareholders in respect of the Tender Shares unless and until the Company has paid to the Receiving Agent to the order of Winterflood the net proceeds of the realisation of the Tender Pool in consideration for the purchase of the Tender Shares from Winterflood pursuant to the Repurchase Agreement.

The Tender Offer is made on the terms and subject to the conditions set out in Part 2 of this document and, where applicable, in the case of Shareholders holding their Ordinary Shares in certificated form, in the accompanying Tender Form, the terms of which will be deemed to be incorporated in this document and form part of the Tender Offer.

Winterflood is acting exclusively for the Company and no-one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Winterflood or for providing advice in relation to the Proposals. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Winterflood may have under the FSMA or the regulatory regime established thereunder. Winterflood has given and not withdrawn its written consent to the inclusion of the references to its name in the form and context in which it is included in this document.

2. PROCEDURE FOR TENDERING ORDINARY SHARES

The procedure for tendering your Ordinary Shares depends on whether Ordinary Shares are held in certificated or uncertificated form and is summarised below.

Ordinary Shares held in certificated form

Shareholders (other than Restricted Shareholders) who hold Ordinary Shares in certificated form and wish to tender Ordinary Shares should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post to Computershare Investor Services

PLC, Corporate Actions Projects, Bristol BS99 6AH so as to arrive by no later than 1.00 p.m. on 19 February 2021.

Shareholders (other than Restricted Shareholders) who hold their Ordinary Shares in certificated form should also return the Ordinary Share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered with their Tender Form. In circumstances where the number of Ordinary Shares represented by the share certificate(s) or other document(s) of title enclosed exceeds the number of Ordinary Shares acquired under the Tender Offer the Company will procure that a new share certificate for the balance will be sent to the first named Shareholder and address by first class post at such Shareholder's risk.

Ordinary Shares held in uncertificated form (i.e. CREST)

Shareholders (other than Restricted Shareholders) who hold Ordinary Shares in uncertificated form (i.e. in CREST) and who wish to tender some or all of their Ordinary Shares should not complete a Tender Form and should instead arrange for their Ordinary Shares to be transferred to escrow by sending a TTE Instruction in respect of such Ordinary Shares, and follow the procedures set out in paragraph 3.2(b) of Part 2 this document, as soon as possible and in any event so as to settle by no later than 1.00 p.m. on 19 February 2021.

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

Shareholders should also note that although the Tender Form must be returned by and TTE Instruction transmitted by 1.00 p.m. on 19 February 2021, the purchase of Ordinary Shares by Winterflood will not be effected until after the realisation of the Tender Pool.

Once a Tender Form has been returned, a Shareholder is deemed to accept that such a tender application may not be withdrawn or cancelled, save with the consent of the Company, before the Tender Closing Date.

Full details of the procedure for tendering Ordinary Shares are set out in Part 2 of this document and, where applicable, on the Tender Form.

3. VALIDITY OF TENDERS

Tender Forms and TTE Instructions which are received by the Receiving Agent after 1.00 p.m. on 19 February 2021 or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to Shareholders or their appointed agent, together with any accompanying Ordinary Share certificate(s) and/or other document(s) of title.

Winterflood reserves the right to treat as valid Tender Forms or TTE Instructions received by the Receiving Agent after the deadline specified above and/or which are not entirely in order and which are not accompanied (in the case of Ordinary Shares held in certificated form) by the relevant Ordinary Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

4. SHAREHOLDERS IN RESTRICTED TERRITORIES AND OTHER OVERSEAS SHAREHOLDERS

The Tender Offer is not available to Shareholders with registered or mailing addresses in Restricted Territories, or who are citizens or nationals of, or resident in, a Restricted Territory and such Shareholders should read paragraph 9 of Part 2 of this document and the relevant provisions of the Tender Form.

Overseas Shareholders (not being Shareholders in Restricted Territories or the UK) who wish to accept the Tender Offer should also read paragraph 9 of Part 2 and satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.

5. CONDITIONS

The Tender Offer is conditional on the terms specified in paragraph 2 of Part 2 of this document.

6. TERMINATION OF TENDER OFFER

The Tender Offer may be terminated in the circumstances described in paragraph 7 of Part 2 of this document.

7. CALCULATION OF THE TENDER OFFER FORMULA ASSET VALUE

The Tender Offer Formula Asset Value is an amount representing the proportionate value of the Company attributable to the Tender Shares and will be calculated on the Calculation Date on the following basis:

Tender Offer FAV = (i) NAV per Ordinary Shares on Calculation Date
multiplied by
(ii) the number of Tender Shares

The Tender Offer FAV determines the initial allocation of assets to the Tender Pool after which it will be operated as described in the section headed "Continuing Pool and the Tender Pool" below.

8. CONTINUING POOL AND THE TENDER POOL

The Company's assets and liabilities will, following valuation on the Calculation Date, be allocated between the Continuing Pool and the Tender Pool on the basis set out under "Allocation of Assets and Liabilities" below. The net value of the assets allocated on the establishment of the Tender Pool will equal the Tender Offer FAV and the net assets attributable to the Continuing Pool will be equal to the Net Asset Value of the Company less the Tender Offer FAV.

Following the allocation of assets and liabilities to the Continuing Pool and the Tender Pool, the assets of the Tender Pool (other than cash) will be fully realised. The Tender Pool will bear all costs associated with the realisation of such assets, including an amount equal to the stamp duty or stamp duty reserve tax payable in respect of the subsequent repurchase of Tender Shares by the Company from Winterflood. The Tender Pool will bear its share of the operating costs of the Company on a *pro rata* basis. All changes in value of the assets allocated to the Tender Pool will be attributable solely to the Tender Pool. The Final Tender Offer Asset Value will equal the unaudited Net Asset Value of the assets in the Tender Pool on the Tender Pool Determination Date (which for the avoidance of doubt will take account of the costs of realisation of the Tender Pool) less any stamp duty or stamp duty reserve tax arising on the repurchase of Ordinary Shares by the Company from Winterflood pursuant to the Tender Offer but plus any monies paid to Tendering Shareholders by way of an interim distribution(s) as described in paragraph 11 below. The Tender Pool Determination Date will be the date specified by the Directors being as soon as practicable following the date on which all assets in the Tender Pool (other than contingent assets, if any) have been fully realised and settled and liabilities (other than stamp duty or stamp duty reserve tax to be payable) have been met.

If prior to the Tender Pool Determination Date the non-cash assets remaining in the Tender Pool represent 10 per cent. or less of the Tender Pool's initial value and the Directors believe that it would be in the best interests of the Tendering Shareholders to complete the realisation of the Tender Pool, they will direct the Investment Manager to sell the remaining assets of the Tender Pool at the best price available, failing which such assets will be transferred to the Continuing Pool at a price to be determined by the Directors taking into account the fact that the assets cannot otherwise be fully realised in a timely and value-effective manner.

9. ALLOCATION OF ASSETS AND LIABILITIES

The assets and liabilities of the Company will be allocated between the Tender Pool and the Continuing Pool at the Calculation Date on the following basis:

- (a) save as provided in paragraph 8 of this Part 1 of this document, all liabilities recognised in the Company's accounting records will be allocated to the Continuing Pool;
- (b) all debtors and other receivables will be allocated to the Continuing Pool;

- (c) any investments whose quotation has been suspended and any other assets which the Directors consider it would be inappropriate to transfer to the Tender Pool (e.g. stocks subject to corporate actions) will be allocated to the Continuing Pool at the value reflected in the accounting records (which will reflect the Directors' assessment of fair value);
- (d) all quoted investments, other than those included under paragraph 9(c) above, and such other investments as the Directors determine, will be allocated *pro rata* between the Tender Pool and the Continuing Pool by reference to the respective values of each pool unless otherwise determined by the Directors. For such purposes the calculations will be rounded to the nearest whole number of securities for each security so allocated or otherwise as the Directors determine; and
- (e) the cash and near cash assets of the Company will be divided in whatever proportion is necessary such that the net assets attributable to the Tender Pool are equal to the Tender Offer FAV and the net assets attributable to the Continuing Pool are equal to the Net Asset Value of the Company less the Tender Offer FAV.

The Board also retains the discretion to allocate only cash and near cash assets of the Company to the Tender Pool. In such circumstances there will be no or minimal costs of realising the assets in the Tender Pool. It is the Board's current intention only to exercise such discretion where the number of Ordinary Shares that the Company is required to repurchase pursuant to the Tender Offer is such that allocating only cash and near cash to the Tender Pool is in the best interests of Shareholders as a whole.

10. TENDER PRICE

The Tender Price will be determined once the Company's assets have been allocated between the Continuing Pool and the Tender Pool, the assets contained in the Tender Pool have been fully realised and all the liabilities to be borne by the Tender Pool have been accounted for. The Tender Price will be an amount equal to the Final Tender Offer Asset Value divided by the total number of Tender Shares (rounded down to two decimal places), in each case on the Tender Pool Determination Date.

Shareholders should note that the Final Tender Offer Asset Value may be impacted positively or negatively as the assets in the Tender Pool are realised and will be particularly exposed to any changes in asset values, the costs associated with realising the assets and foreign exchange movements as assets denominated in foreign currencies are realised and the proceeds converted into Sterling in order to pay the Tender Price which is payable in Sterling.

11. INTERIM DISTRIBUTIONS

Interim distributions from the Tender Pool shall be made at the discretion of the Board. In respect of any first interim distribution, the aggregate cash amount of any such distribution shall equal the proceeds of all assets in the Tender Pool which have been fully realised as at 5.00 p.m. two Business Days prior to the date on which the first interim distribution is made (the "**Distribution Reference Date**") less any amounts necessary to pay stamp duty or stamp duty reserve tax payable by the Company or any outstanding liabilities of the Tender Pool. Further interim distributions may be made at the discretion of the Board. The aggregate cash amount of any such further distribution shall equal the proceeds of all assets in the Tender Pool which have been fully realised since the Distribution Reference Date (or any equivalent such date for any further distributions) up to 5.00 p.m. two Business Days prior to the date on which the further interim distribution is made, less the costs of realisation of the Tender Pool and any amounts necessary to pay stamp duty or stamp duty reserve tax payable by the Company or any outstanding liabilities of the Tender Pool. Any such distributions shall be paid to Tendering Shareholders in part satisfaction of the Tender Price and will be paid to Tendering Shareholders on a *pro rata* basis.

12. GENERAL

In allocating and/or valuing assets and liabilities pursuant to paragraph 9 under "Allocation of Assets and Liabilities" above, the Directors after consultation with a suitable independent third party, shall be entitled, in any case where the proper allocation of an asset or liability is in doubt or where the

valuation of any asset or liability in accordance with any of the above provisions is, in the opinion of the Directors, incorrect or unfair, to adopt an alternative basis of allocation or method of valuation (as the case may be).

The Manager will prepare, or procure the preparation of, the calculation of the Net Asset Value, the Tender Offer Formula Asset Value, the value of the Tender Pool, the Final Tender Offer Asset Value and the Tender Price, all of which calculations shall (in respect of the Net Asset Value, where necessary) be subject to approval by the Board. Such calculations will be reviewed by a suitable independent third party. In the event of a dispute regarding any such calculations, such dispute will be determined by a chartered accountant selected by agreement between the Company and the Manager, or, in default of such agreement within 14 days of the relevant date on which the calculation is made, selected by the President for the time being of the Institute of Chartered Accountants in England and Wales. Such chartered accountant will act as an expert and not as an arbitrator and their determination shall be final and legally binding on all parties, provided that any such chartered accountant will be bound by any basis of allocation or method of valuation agreed between the Manager and the Company.

13. SETTLEMENT

Subject to the Tender Offer becoming unconditional and save as set out below, final cash payments due to Shareholders whose tenders under the Tender Offer have been accepted will be made (by a Sterling cheque or by a CREST payment, as appropriate) after the Tender Pool has been fully realised. Under the Tender Offer the Company reserves the right to defer the Tender Pool realisations and/or cash payments if the Board believes this to be in the interests of Shareholders as a whole.

14. FURTHER INFORMATION

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part 2 of this document.

Yours faithfully,

Joe Winkley

For and on behalf of Winterflood Securities Limited

PART 2

TERMS AND CONDITIONS OF THE TENDER OFFER

1. TENDERS

- 1.1 All Shareholders (other than Restricted Shareholders) on the Register on the Record Date may tender Ordinary Shares held on the Record Date for purchase by Winterflood on the terms and subject to the conditions set out in this document and, in the case of Shareholders holding Ordinary Shares in certificated form, the accompanying Tender Form (which, together with this document constitute the Tender Offer). Shareholders are not obliged to tender any Ordinary Shares.
- 1.2 If Shareholders wish to continue their existing investment in the Company at the same level, they should not return a Tender Form or TTE Instruction.
- 1.3 The Tender Offer is made at the Tender Price which shall be determined following the realisation of all the assets in the Tender Pool as described in paragraph 8 of Part 1 of this document.
- 1.4 The consideration for each tendered Ordinary Share acquired by Winterflood pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in sub-paragraph 4.5 below. Winterflood will not be liable to pay the Tender Price to Tendering Shareholders unless and until the Company has paid to the Receiving Agent to the order of Winterflood the net proceeds of the realisation of the Tender Pool in consideration for the Company's purchase of the Tender Shares from Winterflood pursuant to the Repurchase Agreement.
- 1.5 Upon the Tender Offer becoming unconditional and unless the Tender Offer has lapsed or terminated in accordance with the provisions of paragraph 2 or paragraph 7 of this Part 2, Winterflood will accept the offers of Shareholders validly made in accordance with this Part 2 subject as explained below, on the basis that each Shareholder (other than a Restricted Shareholder) on the Register at the Record Date will be entitled to sell to Winterflood some or all of such Shareholder's holding of Ordinary Shares entered on the Register as at the Record Date.

2. CONDITIONS

- 2.1 The Tender Offer is conditional on the following (together the "**Conditions**") being satisfied on or before the Long Stop Date:
 - (a) the passing of Resolution 1 and the Waiver Resolution by not later than twenty Business Days after the date of the General Meeting;
 - (b) the Directors and Winterflood being satisfied that the Company has sufficient distributable reserves (as defined in section 830 of the 2006 Act) to effect the purchase of all the Tender Shares pursuant to the Repurchase Agreement;
 - (c) the Tender Offer not having been terminated in accordance with paragraph 7 of this Part 2 of this document prior to the fulfilment of the conditions referred to in sub-paragraphs 2.1(a) and (b) above;
 - (d) Winterflood being satisfied, acting in good faith, that: (i) at all times up to and immediately prior to the date on which conditions (a), (b) (c), (e) and (f) become satisfied, the Company has complied with its obligations under the Repurchase Agreement; and (ii) as at the date on which conditions (a), (b) (c), (e) and (f) become satisfied the Company is not in breach of any of the representations and warranties given under the Repurchase Agreement;

- (e) the Tender Offer not resulting in the BlackRock Concert Party being interested in Ordinary Shares which, in aggregate, carry more than 50 per cent. of the voting rights of the Company; and
- (f) the Tender Offer not having been withdrawn.

2.2 If the Conditions are not satisfied by the Long Stop Date the Tender Offer will terminate and Winterflood will not purchase any Ordinary Shares pursuant to the Tender Offer. The Conditions, other than that contained in sub-paragraph 2.1(d), may not be waived by Winterflood.

With reference to condition (b) above, the Company's distributable reserves vary over time, however, as at 30 September 2020 the Company's distributable reserves available for this purpose were US\$131,784,000. There is therefore the possibility that the number of Ordinary Shares tendered by Shareholders may result in the Company having insufficient distributable reserves to effect the purchase of all the Tender Shares pursuant to the Repurchase Agreement.

Accordingly, the Company will propose a special resolution at the 2021 Annual General Meeting to cancel its share premium account. The share premium account is a non-distributable reserve and the Company is therefore unable to use the amount standing to the credit of this account for the purpose of, amongst other things, buying back Ordinary Shares. However, the 2006 Act permits the Company (subject to the approval of Shareholders and the consent of the Court) to cancel some or all of its share premium account and credit the resulting sum to the Company's distributable reserves, which, amongst other things may be used for the buy-back of Ordinary Shares. The Company's share premium account has built up over time and there is currently approximately US\$165,984,000 standing to the credit of this account.

In the event that the Company has insufficient distributable reserves to effect the purchase of all the Tender Shares pursuant to the Repurchase Agreement and subject to the resolution to cancel the Company's share premium account being passed at the 2021 Annual General Meeting, the Tender Offer timetable will be extended to allow time for the Court to consent to the cancellation of the Company's share premium account. In such circumstances it is expected that the Calculation Date, announcement of the Tender Offer FAV, establishment of the Tender Pool and Continuing Pool and commencement of the realisation of the Tender Pool will be delayed by up to 10 weeks.

In the event that the Company has insufficient distributable reserves to effect the purchase of all the Tender Shares pursuant to the Repurchase Agreement and either the resolution to cancel the Company's share premium account is not passed at the 2021 Annual General Meeting or the Court does not consent to the cancellation of the share premium account, the Tender Offer will not proceed and the Company will explore alternative options to allow Shareholders to realise the value of their investment in the Company at Net Asset Value less applicable costs.

If the number of Ordinary Shares tendered is such that the Board is of the view that the continuance of the Company is not in the best interests of the continuing Shareholders, it reserves the right to terminate the Tender Offer. If the Board exercises this right it will put forward revised proposals as soon as practicable and, in any event, within three months of termination of the Tender Offer, which proposals will allow Shareholders to realise the value of their investment in the Company at Net Asset Value less applicable costs. If the Tender Offer is terminated, the Company will make an announcement through an RIS that such is the case.

3. PROCEDURE FOR TENDERING ORDINARY SHARES

3.1 Overview

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

Shareholders (other than Restricted Shareholders) who hold Ordinary Shares in certificated form must complete, sign and return the Tender Form in accordance with sub-paragraph 3.2(a) below and the instructions printed on the Tender Form. Shareholders (other than Restricted Shareholders) should complete separate Tender Forms for Ordinary Shares held in certificated form but under different designations. The share certificate(s) should be returned with the relevant Tender Form.

Additional Tender Forms are available from Computershare Investor Services PLC at Corporate Actions Projects, Bristol BS99 6AH or by telephone on 0370 707 4027 or +44 370 707 4027 if calling from overseas. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If the Ordinary Shares are held in uncertificated form (i.e. in CREST), they may be tendered only by sending a TTE Instruction in accordance with the procedure set out in sub-paragraph 3.2(b) below. Shareholders should send separate TTE Instructions for Ordinary Shares held under different member account IDs.

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

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

The completed and signed Tender Form should be delivered by post to Computershare Investor Services PLC at Corporate Actions Projects, Bristol BS99 6AH so as to arrive by no later than 1.00 p.m. on 19 February 2021.

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

The completed and signed Tender Form should be accompanied by the relevant Ordinary Share certificate(s) and/or other document(s) of title. If some or all of your Ordinary Share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent), or are lost, the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by Computershare Investor Services PLC by not later than 1.00 p.m. on 19 February 2021 together with any Ordinary Share certificate(s) and/or other document(s) of title you may have available, accompanied by a letter stating that the (remaining) Ordinary Share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 19 February 2021.

The Registrar will effect such procedures as are required to transfer your Ordinary Shares to Winterflood under the Tender Offer.

If you have lost your Ordinary Share certificate(s) and/or other document(s) of title, you should write to the Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, for a letter of indemnity in respect of the lost Ordinary Share certificate(s) which, when completed in accordance with the instructions given, should be returned to Computershare Investor Services PLC at the address referred to at the beginning of this sub-paragraph 3.2(a) so as to be received by no later than 1.00 p.m. on 19 February 2021.

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

If the Ordinary Shares which you wish to tender are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which you wish to tender in the Tender Offer to an escrow balance, specifying Computershare Investor Services PLC in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles by no later than 1.00 p.m. on 19 February 2021.

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

You should send (or, if you are a CREST sponsored member, procure that your CREST Sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the ISIN number for the Ordinary Shares. This is GB00B3SXM832;
- the number of Ordinary Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, Computershare Investor Services PLC, in its capacity as a CREST receiving agent. This is: 3RA08;
- the member account ID of the escrow agent, Computershare Investor Services PLC. This is BLKFRN01;
- the Corporate Action Number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event by no later than 1.00 p.m. on 19 February 2021;
- priority number 80; and
- a contact name and telephone number in the shared note field.

After settlement of the TTE Instruction, you will not be able to access the Ordinary Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Computershare Investor Services PLC as your escrow agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, Computershare Investor Services PLC will transfer the Ordinary Shares which are accepted for purchase by Winterflood to itself as your escrow agent for onward sale to Winterflood.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST Sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 19 February 2021. In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(c) Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the

conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of Ordinary Share certificates and/or other documents of title or transfer to an escrow balance as described above) prior to 1.00 p.m. on 19 February 2021.

3.3 Validity of Tender Forms

Notwithstanding the powers in paragraph 8.5 below, Winterflood reserves the right to treat as valid only Tender Forms or TTE Instructions which are received entirely in order by 1.00 p.m. on 19 February 2021, and which are accompanied (in the case of Ordinary Shares held in certificated form) by the relevant Ordinary Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu in respect of the entire number of Ordinary Shares tendered. The Record Date for the Tender Offer is 6.00 p.m. on 19 February 2021.

Notwithstanding the completion of a valid Tender Form or sending of a TTE Instruction, the Tender Offer may be suspended, may be terminated or may lapse in accordance with the Terms and Conditions set out in this Part 2. The decision of Winterflood as to which Ordinary Shares have been validly tendered shall be conclusive and binding on Shareholders who participate in the Tender Offer.

If you are in any doubt as to how to complete the Tender Form or as to the procedures for tendering Ordinary Shares and you are a registered Shareholder, please contact Computershare Investor Services PLC by telephone on 0370 707 4027 or +44 370 707 4027 if calling from overseas. You are reminded that, if you are a CREST sponsored member, you should contact your CREST Sponsor before taking any action.

4. ANNOUNCEMENT OF THE TENDER PRICE, TENDER RESULTS AND SETTLEMENT

- 4.1 Unless terminated in accordance with the provisions of this Part 2, the Tender Offer will close for Shareholders at 1.00 p.m. on 19 February 2021 and it is expected that on 23 February 2021, the Company will make a public announcement of the total number of Ordinary Shares tendered.
- 4.2 Delivery of cash to Shareholders for the Ordinary Shares to be purchased pursuant to the Tender Offer will be made by the Receiving Agent at the direction of Winterflood but, subject to paragraph 4.4 below, only after the Tender Price has been finally determined in accordance with the terms of the Tender Offer and the Company has paid to the Receiving Agent to the order of Winterflood the net proceeds of the realisation of the Tender Pool. The Receiving Agent will act for Tendering Shareholders for the purpose of receiving the cash and transmitting such cash to Tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company, Winterflood or the Receiving Agent regardless of any delay in making such payment.
- 4.3 If any tendered Ordinary Shares are not purchased because of an invalid tender, the termination of the Tender Offer or otherwise, relevant certificates evidencing any such Ordinary Shares and other documents of title, if any, will be returned or sent as promptly as practicable, without expense to, but at the risk of, the Tendering Shareholder, or in the case of Ordinary Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow balances by TFE Instruction to the original available balances from which those Ordinary Shares came.
- 4.4 At the discretion of the Board, interim distributions of the consideration to any such Shareholders so entitled pursuant to valid tenders accepted by Winterflood may be made. Settlement of the final or sole distribution will be made after the Tender Pool has been fully realised.
- 4.5 Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Winterflood will be made as follows:

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

Where an accepted tender relates to Ordinary Shares held in certificated form, cheques for the consideration due will be dispatched by Computershare Investor Services PLC by first class post to the person or agent whose name and address is set out in Box 1 (or, if relevant, Box 5 of the Tender Form or, in the case of joint holders, the first named at his or her address as shown in Box 1 of the Tender Form (or, if relevant, Box 5). All cash payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank.

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

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

The payment of any consideration to Shareholders for Ordinary Shares pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) after timely receipt by the Receiving Agent of certificates and/or other requisite documents evidencing such Ordinary Shares, a properly completed and duly executed Tender Form and any other documents required by the Tender Offer or this Part 2.

If only part of a holding of Ordinary Shares is sold pursuant to the Tender Offer:

- (a) where the Ordinary Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Ordinary Shares; or
- (b) where the Ordinary Shares are held in uncertificated form (that is, in CREST) the unsold Ordinary Shares will be transferred by the Receiving Agent by means of a TFE Instruction to the original available balance from which those Ordinary Shares came.

- 4.6 The Tender Price will be announced once all the assets in the Tender Pool have been fully realised which will be as soon as practicable after the commencement of the realisation of the Tender Pool. The Board retains the discretion to allocate only cash and near cash assets of the Company to the Tender Pool. In such circumstances there will be no or minimal costs of realising the assets in the Tender Pool. It is the Board's current intention only to exercise such discretion where the number of Ordinary Shares that the Company is required to repurchase pursuant to the Tender Offer is such that allocating only cash and near cash to the Tender Pool is in the best interests of Shareholders as a whole.

5. REPRESENTATIONS AND WARRANTIES

5.1 Tender Form – Representations and warranties

Each Shareholder who holds Ordinary Shares in certificated form and by whom, or on whose behalf, a Tender Form is executed or made irrevocably undertakes, represents, warrants and agrees to and with Winterflood (for itself and as trustee for the Company) (so as to bind him, her or its and his, her or its personal representatives, heirs, successors and assigns) that:

- (a) the execution of the Tender Form shall constitute an offer to sell to Winterflood such Shareholder's number of Ordinary Shares specified in Box 2A or 2B of the Tender Form on and subject to the terms and conditions set out or referred to in this document and the Tender Form and that, once lodged, such offer shall be irrevocable;
- (b) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Winterflood, Winterflood will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Tender Closing

Date, including the right to receive all dividends and other distributions declared, paid or made after that date;

- (c) the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Winterflood as such Shareholder's attorney and/or agent ("attorney"), and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Ordinary Shares referred to in sub-paragraph 5.1(a) above in favour of Winterflood or such other person or persons as Winterflood may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the Ordinary Share certificate(s) and/or other document(s) relating to such Ordinary Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Winterflood or its nominee(s) or such other person(s) as Winterflood may direct such Ordinary Shares;
- (d) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Winterflood or any of its directors or any person nominated by Winterflood in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) he, she or it will deliver to Computershare Investor Services PLC their Ordinary Share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares referred to in sub-paragraph 5.1(a) above, or an indemnity acceptable to Winterflood in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, no later than the Tender Closing Date;
- (f) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Winterflood to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (g) if such Shareholder is an Overseas Shareholder; (a) he, she or it is not in any Restricted Territory or in any territory in which it is unlawful to make or accept the Tender Offer or to use the Tender Form in any manner in which such person has used or will use it, (b) he, she or it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the invitation under the Tender Offer may lawfully be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
- (h) such Shareholders' offer to sell Ordinary Shares to Winterflood, and any acceptance thereof, shall not be unlawful under the laws of any jurisdiction;
- (i) such Shareholder has not received or sent copies or originals of the Tender Form or any related documents (other than this document which may be sent for information purposes only) in or to a Restricted Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, that the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Territory and that such Shareholder is not accepting the Tender Offer from any Restricted Territory;
- (j) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (k) in the case of Ordinary Shares held in certificated form, the dispatch of a cheque in respect of any cash consideration to which he, she or it is entitled under the Tender Offer to a Shareholder at his, her or its registered address or such other address as is

specified in the Tender Form will constitute a complete discharge by Winterflood of its obligations to make such payment to such Shareholder;

- (l) on execution the Tender Form takes effect as a deed;
- (m) the execution of the Tender Form constitutes such Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form;
- (n) if the appointment of the attorney under sub-paragraph 5.1(c) above shall be unenforceable or invalid or shall not operate so as to afford to Winterflood the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Winterflood to secure the full benefits of sub-paragraph 5.1(c) above; and
- (o) such Shareholder shall not take any action which would prevent the Company or the Registrar from cancelling the Ordinary Shares to which the Tender Form relates.

A reference in this paragraph 5.1 to a Shareholder includes a reference to the person or persons executing the Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

5.2 **Tenders through CREST – Representations and warranties**

Each Shareholder who holds Ordinary Shares in uncertificated form (i.e. in CREST) and by whom, or on whose behalf, a tender through CREST is made, irrevocably undertakes, represents, warrants and agrees to and with Winterflood (for itself and as trustee for the Company) (so as to bind him, her or its and his, her or its personal representatives, heirs, successors and assigns) that:

- (a) the input of the TTE Instruction shall constitute an offer to sell to Winterflood the number of Ordinary Shares specified in the TTE Instruction on and subject to the terms and conditions set out or referred to in this document, and that once the TTE Instruction has settled such tender shall be irrevocable;
- (b) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Winterflood, Winterflood will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Tender Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (c) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as such Shareholder's escrow agent and an irrevocable instruction and authority to the escrow agent, to transfer to itself and then to transfer to Winterflood by means of CREST (or to such person or persons as Winterflood may direct) all of the Relevant Shares (as defined below) accepted under the Tender Offer or where there are Ordinary Shares which have not been successfully tendered under the Tender Offer, to transfer the Relevant Shares not successfully tendered to the original available balances from which those Ordinary Shares came. For the purposes of this paragraph 5.2(c), "**Relevant Shares**" means Ordinary Shares held in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part 2;
- (d) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Winterflood or the Receiving Agent or any of their respective directors or officers or any person nominated by Winterflood or the Receiving Agent in the proper exercise of its or his or her powers and/or authorities hereunder;

- (e) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Winterflood to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (f) if such Shareholder is an Overseas Shareholder, (a) he, she or it is not in any Restricted Territory or in any territory in which it is unlawful to make or accept the Tender Offer in any manner in which such person has used or will use it, (b) he, she or it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the invitation under the Tender Offer may lawfully be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
- (g) such Shareholder's offer to sell Ordinary Shares to Winterflood, including the input of the TTE Instruction, and any acceptance thereof, shall not be unlawful under the laws of any jurisdiction;
- (h) such Shareholder has not received or sent copies or originals of this document or any related documents in or to a Restricted Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, and that such Shareholder is not accepting the Tender Offer from any Restricted Territory;
- (i) the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4 above will, to the extent of the obligations so created, discharge fully any obligation of Winterflood to pay to such Shareholder the cash consideration to which he, she or it is entitled in the Tender Offer;
- (j) the input of the TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer;
- (k) if, for any reason any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to 1.00 p.m. on 19 February 2021, converted into certificated form, the tender(s) through CREST in respect of such Ordinary Shares shall cease to be valid;
- (l) if the appointment of the agent under sub-paragraph 5.2(c) above shall be unenforceable or invalid or shall not operate so as to afford to Winterflood or the Receiving Agent the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Winterflood and/or the Receiving Agent to secure the full benefits of sub-paragraph 5.2(c) above; and
- (m) such Shareholder shall not take any action which would prevent the Company or the Registrar from cancelling the Ordinary Shares to which the TTE Instructions relate.

6. ADDITIONAL PROVISIONS

- 6.1 Each Shareholder (other than a Restricted Shareholder) will be entitled to have accepted in the Tender Offer valid tenders to Winterflood. In respect of Ordinary Shares held in certificated form, if in Winterflood's determination (in its absolute discretion) Box 2 of the Tender Form has not been validly completed in respect of the number of Ordinary Shares to be tendered and provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, a Shareholder may be deemed to have accepted the Tender Offer in respect of all of the Ordinary Shares being tendered or held by the Tendering Shareholder as appropriate. For the avoidance of doubt, if the number of Ordinary Shares inserted in Box 2B of the Tender Form is higher than the number of Ordinary Shares actually held by the Tendering Shareholder

- on the Record Date or the Tender Closing Date, the Tendering Shareholder will be deemed to have tendered such lower number of Ordinary Shares.
- 6.2 Ordinary Shares acquired by Winterflood in the Tender Offer will be market purchases in accordance with the rules of the FCA and the London Stock Exchange.
 - 6.3 Ordinary Shares sold by Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Tender Closing Date, including the right to receive all dividends and other distributions made or declared by reference to a record date falling after the Tender Closing Date.
 - 6.4 Each Shareholder who tenders or procures the tender of Ordinary Shares will thereby be deemed to have agreed that, in consideration for Winterflood agreeing to process his, her or its tender, such Shareholder will not revoke his tender or withdraw his Ordinary Shares. Shareholders should note that once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of.
 - 6.5 Any omission to dispatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
 - 6.6 No acknowledgement of receipt of any Tender Form, TTE Instruction, Ordinary Share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.
 - 6.7 All powers of attorney and authorities on the terms conferred by or referred to in this Part 2 or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
 - 6.8 All tenders in respect of Ordinary Shares in certificated form, subject to paragraphs 9 and 10 below must be made on the relevant prescribed Tender Form, fully completed in accordance with the instructions set out thereon which constitute part of the terms of the Tender Offer. A tender in respect of Ordinary Shares held in certificated form will only be valid when the procedures contained in these terms and conditions and in the Tender Form are complied with.
 - 6.9 The Tender Offer will be governed by and construed in accordance with English law. Delivery or posting of a Tender Form or the transmission of a TTE Instruction in CREST will constitute submission to the jurisdiction of the Court.
 - 6.10 If the Tender Offer is terminated or lapses, all documents lodged pursuant to the Tender Offer will be returned or sent promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 1 (or, if relevant, Box 5) of the Tender Form or, in the case of joint holders, the first named at his or her address as shown in Box 1 (or, if relevant, Box 5) of the Tender Form. In the case of Ordinary Shares held in uncertificated form, Computershare Investor Services PLC, in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer lapsing, give instructions to CREST to transfer all Ordinary Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Ordinary Shares came.
 - 6.11 In the case of Ordinary Shares held in certificated form, the instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the terms of the Tender Offer.

- 6.12 The definitions set out in this document apply to the terms and conditions set out in this Part 2.
- 6.13 Subject to paragraphs 9 and 10 below, the Tender Offer is open to Shareholders on the Register on the Record Date in respect of Ordinary Shares held on the Record Date. No Tender Forms, Ordinary Share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after that time will be accepted, except at the sole discretion of Winterflood.
- 6.14 Further copies of this document and copies of the Tender Form may be obtained on request from Computershare Investor Services PLC (in the case of registered Shareholders) at the addresses set out on page 1 of the Tender Form.

7. TERMINATION OF THE TENDER OFFER

- 7.1 If the Company (acting through the Directors) shall, at any time prior to Winterflood effecting the purchase as principal of the tendered Ordinary Shares pursuant to the Tender Offer, notify Winterflood in writing that: (i) in its opinion as a result of any change in national or international financial, economic, political or market conditions, the cost of realisation of assets to fund the Tender Offer has become prohibitive or (ii) in its reasonable opinion the completion of the purchase of Ordinary Shares in the Tender Offer could have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed or (iii) it has become aware that if the Tender Offer were to proceed one or more continuing Shareholders would, as a result of the Tender Offer and the corresponding increase(s) in its or their shareholding(s), be required to make an offer under Rule 9 of the Takeover Code, Winterflood and/or the Company shall be entitled at their complete discretion by a public announcement and subsequent written notice to Shareholders to withdraw the Tender Offer, and in such event the Tender Offer shall cease and determine absolutely.
- 7.2 If the number of Ordinary Shares tendered is such that the Board is of the view the continuance of the Company is not in the best interests of the continuing Shareholders, it reserves the right to terminate the Tender Offer. **In addition, if the Tender Offer were to result in the BlackRock Concert Party being interested in Ordinary Shares which in aggregate carry more than 50 per cent. of the voting rights of the Company the Board will terminate the Tender Offer.** If the Board exercises this right it will put forward revised proposals as soon as practicable and, in any event, within three months of termination of the Tender Offer, which proposals will allow Shareholders to realise the value of their investment in the Company at Net Asset Value less applicable costs. If the Tender Offer is terminated, the Company will make an announcement through an RIS that such is the case.

8. MISCELLANEOUS

- 8.1 Any changes to the terms, or any extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than 1.00 p.m. on the Business Day following the date of such changes. In this case, the definitions, times and dates mentioned throughout this document shall be deemed to be adjusted accordingly. Such an announcement will be released to an RIS. References to the making of an announcement by the Company includes the release of an announcement to an RIS or otherwise on behalf of the Company by Winterflood.
- 8.2 Ordinary Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from Winterflood by the Company on the London Stock Exchange at the Tender Price pursuant to the Repurchase Agreement and such Ordinary Shares will subsequently be cancelled or held in treasury.
- 8.3 Tendering Shareholders will not be obliged to pay brokerage fees, commissions, transfer taxes, stamp duty or stamp duty reserve tax in the UK on the purchase by Winterflood of Ordinary Shares pursuant to the Tender Offer.

- 8.4 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Winterflood or the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 8.5 Winterflood reserves the absolute right to inspect (either itself or through its agents or through the Receiving Agent) all Tender Forms and TTE Instructions and may consider void and reject any tender that does not in Winterflood's sole judgement (acting reasonably) meet the requirements of the Tender Offer. Winterflood also reserves the absolute right to waive any defect or irregularity in the tender of any Ordinary Shares, including any Tender Form or TTE Instruction (in whole or in part) which is not entirely in order or which is not accompanied by (in the case of Ordinary Shares held in certificated form) the related Ordinary Share certificate(s) and/or other document(s) of title or an indemnity acceptable to Winterflood in lieu thereof. In that event, the consideration in the Tender Offer will only be dispatched when the Tender Form or TTE Instruction (as appropriate) is entirely in order and (in the case of Ordinary Shares held in certificated form) the Ordinary Share certificate(s) and/or other document(s) of title or indemnities satisfactory to Winterflood has/have been received. None of Winterflood, the Company, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Winterflood also reserves the right to treat as valid Tender Forms or TTE Instructions received by the Receiving Agent after the deadline specified for receipt of Tender Forms and TTE Instructions.
- 8.6 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.

9. RESTRICTED SHAREHOLDERS AND OTHER OVERSEAS SHAREHOLDERS

- 9.1 The provisions of this paragraph 9 and any other terms of the Tender Offer relating to Restricted Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Winterflood in consultation with the Company but only if Winterflood and the Company are satisfied that such a waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other laws.
- 9.2 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside of the United Kingdom or to custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Ordinary Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection herewith, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholders will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Winterflood and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extension of the Tender Offer or the distribution of the Tender Forms in any territory outside the United Kingdom.
- 9.3 In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and email) of interstate or foreign commerce of, or any facilities or national securities exchange of, a Restricted Territory and the Tender Offer cannot be accepted by any such means, instrumentality or facility of or from within a Restricted Territory.

Accordingly, save as provided in the next sentence, copies of this document, the Tender Form and any related documents are not being, and must not be, mailed, or otherwise distributed in or into a Restricted Territory, including to Shareholders with registered addresses in Restricted Territories. However, copies of this document may be mailed or otherwise distributed to Shareholders in a Restricted Territory or to persons who Winterflood knows to be custodians, nominees or trustees holding Ordinary Shares for persons in Restricted Territories for the purpose of voting at the General Meeting only. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, as so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked from a Restricted Territory or otherwise dispatched to or from a Restricted Territory and accepting Shareholders must not provide Restricted Territory addresses for the remittance of cash or return of Tender Forms.

- 9.4 A Shareholder will be deemed not to have made a valid tender if (i) such Shareholder is unable to make the representations and warranties set out (in respect of Ordinary Shares held in certificated form) in sub-paragraph 5.1(g) (if relevant) and sub-paragraph 5.1(h) or (in respect of Ordinary Shares held in uncertificated form) in sub-paragraph 5.2(f) (if relevant) and sub-paragraph 5.2(g) or (ii) in the case of Ordinary Shares held in certificated form, such Shareholder inserts in Box 1 or Box 5 of the Tender Form the name and address of a person or agent in a Restricted Territory to whom he wishes the consideration to which such Shareholder is entitled in the Tender Offer to be sent, or (iii) in the case of Ordinary Shares held in certificated form, the Tender Form received from him, her or it is in an envelope postmarked in, or which otherwise appears to Winterflood or its agents to have been sent from, a Restricted Territory. Winterflood reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in sub-paragraphs 5.1(g), 5.1(h), 5.2(f) and 5.2(g) above given by any Shareholder are correct and, if such investigation is undertaken and as a result Winterflood determines (for any reason) that such representations and warranties are not correct, such acceptance shall not be valid.
- 9.5 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related offering documents in or into a Restricted Territory or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in, a Restricted Territory in connection with such forwarding, such person should (i) inform the recipient of such fact (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient and (iii) draw the attention of the recipient to this paragraph 9.
- 9.6 Overseas Shareholders (who are not Restricted Shareholders) should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

10. MODIFICATIONS

The terms of the Tender Offer shall have effect subject to such non-material modifications or additions as the Company and Winterflood may from time to time approve in writing. The times and dates referred to in this document may be amended by agreement between the Company and Winterflood. Any such amendment shall be publicly announced as promptly as practicable by way of an RIS.

PART 3

TAXATION

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

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

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

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

Stamp duty or stamp duty reserve tax at the rate of 0.5 per cent. of the Tender Price (rounded up to the nearest £5 in the case of stamp duty only) will be payable by the Company on Ordinary Shares repurchased by it pursuant to the Tender Offer. The Tender Price will be determined once the Company's assets have been allocated between the Continuing Pool and the Tender Pool, the assets contained in the Tender Pool have been fully realised and all the liabilities to be borne by the Tender Pool have been accounted for. The Tender Price will be an amount equal to the Final Tender Offer Asset Value divided by the total number of Tender Shares.

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

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

PART 4

ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Directors, whose names and positions are set out in paragraph 2.1 of this Part 4 below, and the Company, accept responsibility for the information contained in this document (including any expressions of opinion) (other than information relating to the BlackRock Concert Party, the BlackRock Group and the BlackRock Directors). To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document (other than information relating to the BlackRock Concert Party, the BlackRock Group and the BlackRock Directors) is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The directors of BIM UK and BA UK, whose names are set out in paragraphs 2.2 and 2.3 of this Part 4 below respectively, accept responsibility for the information contained in this document (including any expressions of opinion) relating to the BlackRock Concert Party, the BlackRock Group and the BlackRock Directors. To the best of the knowledge and belief of the BlackRock Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. DIRECTORS

- 2.1 The Directors of the Company and their functions are as follows:

Director	Function
Audley Twiston-Davies	Chairman
Katrina Hart	Non-Executive Director
Nick Pitts-Tucker	Non-Executive Director
Stephen White	Non-Executive Director
Sarmad Zok	Non-Executive Director

all of 12 Throgmorton Avenue, London EC2N 2DL.

- 2.2 The Directors of BIM UK and their functions are as follows:

Director	Function
Nicholas Charrington	Chairman and Non-Executive Director
Rachel Lord	CEO and Executive Director
Christian Clausen	Non-Executive Director
Eleanor De Freitas	Executive Director
James Fishwick	Executive Director
Stacey Mullin Outhwaite	Executive Director
Margaret Young	Non-Executive Director

all of 12 Throgmorton Avenue, London EC2N 2DL.

- 2.3 The Directors of BA UK and their functions are as follows:

Director	Function
Nicholas Charrington	Chairman and Non-Executive Director
Rachel Lord	CEO and Executive Director
Christian Clausen	Non-Executive Director
Eleanor De Freitas	Executive Director
James Fishwick	Executive Director
Stacey Mullin Outhwaite	Executive Director
Margaret Young	Non-Executive Director

all of 12 Throgmorton Avenue, London EC2N 2DL.

3 INTERESTS AND DEALINGS IN ORDINARY SHARES

3.1 Definitions

For the purposes of this paragraph 3:

- (a) “**acting in concert**” has the meaning attributed to it in the Takeover Code;
- (b) “**arrangement**” includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (c) “**connected adviser**” has the meaning attributed to it in the Takeover Code;
- (d) “**control**” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company, which are currently exercisable at a general meeting irrespective of whether such interest or interests give de facto control;
- (e) “**dealing**” includes (a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of securities; (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities; (c) subscribing or agreeing to subscribe for relevant securities; (d) the exercise or conversion, whether in respect of new or existing relevant securities, of any relevant securities carrying conversion or subscription rights; (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities; (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; (g) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the Company and (h) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (f) “**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (g) a person is “**connected with**” a director where they are a person whose interests in relevant securities the director is taken to be interested in pursuant to Part 22 of the 2006 Act and related regulations and includes any spouse, civil partner, infants (including step children) and relevant trusts;
- (h) a person has an “**interest**” or is “**interested**” in relevant securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities and in particular if:
 - (i) he owns them;
 - (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, he:
 - (A) has the right or option to acquire them or call for their delivery; or
 - (B) is under an obligation to take delivery of them,whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) he is party to any derivative:
 - (A) whose value is determined by reference to their price; and
 - (B) which results, or may result, in his having a long position in them.

- (i) **“relevant securities”** include:
- (i) securities of the offeree company which are being offered for or which carry voting rights;
 - (ii) equity share capital of the offeree company and an offeror;
 - (iii) securities of an offeror which carry substantially the same rights as any to be issued as consideration for the offer; and
 - (iv) securities of the offeree company and an offeror carrying conversion or subscription rights into any of the foregoing; and
- (j) **“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery.

Directors of the Company

3.2 As at the close of business on 27 January 2021 (being the latest practicable date prior to publication of this document) the interests, rights to subscribe and short positions of the Directors, their immediate families and persons connected with them in the relevant securities of the Company, together with any options in respect of relevant securities of the Company are set out below:

Name	Number of Ordinary Shares	% of issued Ordinary Share capital
Audley Twiston-Davies	128,935	0.05
Katrina Hart*	39,789	0.02
Nick Pitts-Tucker	110,148	0.05
Stephen White	30,000	0.01
Sarmad Zok	Nil	Nil

* 9,780 Ordinary Shares are held by members of Katrina Hart's immediate family.

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

3.4 As at the close of business on 27 January 2021 (being the latest practicable date prior to the publication of the document) none of the Directors, their immediate families or persons connected with them nor the Company itself had any interests, rights to subscribe, or short positions in relevant securities of any member of the BlackRock Concert Party.

3.5 The Company has not borrowed or lent (or entered into any financial collateral arrangement of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) any relevant securities of the Company.

The BlackRock Concert Party

3.6 As at the close of business on 27 January 2021 (being the latest practicable date prior to the publication of the document) the interests, rights to subscribe and short positions of the members of the BlackRock Concert Party in relevant securities of the Company consisted of 38,871,031 Ordinary Shares representing 16.11 per cent. of the total Voting Rights in the Company. The positions of the individual members of the BlackRock Concert Party in respect of such Ordinary Shares and the percentages of the Voting Rights attributable to such interests were as follows:

Name	Number of Ordinary Shares	% of issued Ordinary Share capital/ voting rights
BIM UK	38,361,846*	15.90
BA UK	509,185	0.21

* of which BlackRock does not have right to exercise (or direct the exercise of) voting rights over 3,726,842 Ordinary Shares.

- 3.7 Assuming the maximum possible number of Ordinary Shares is purchased pursuant to the Tender Offer (other than the Ordinary Shares in which the members of the BlackRock Concert Party are interested) and assuming no disposals of Ordinary Shares in which members of the BlackRock Concert Party are interested and no issues of Ordinary Shares by the Company in the meantime, the potential maximum interest of the BlackRock Concert Party is 38,871,031 Ordinary Shares representing 50 per cent. of the revised total Voting Rights. **As detailed in paragraph 4.2 of the letter from the Chairman, if the Tender Offer were to result in the BlackRock Concert Party being interested in Ordinary Shares which in aggregate carry more than 50 per cent. of the voting rights of the Company the Board will terminate the Tender Offer.** The individual potential controlling positions of the members of the BlackRock Concert Party in respect of such Ordinary Shares and the percentages of the Voting Rights attributable to such interests are as follows:

Name	Number of Ordinary Shares	% of issued Ordinary Share capital/voting rights
BIM UK	38,361,846*	49.35
BA UK	509,185	0.65

* of which BlackRock does not have right to exercise (or direct the exercise of) voting rights over 3,726,842 Ordinary Shares.

- 3.8 Dealings (including borrowing or lending) in relevant securities of the Company by the members of the BlackRock Concert Party during the period beginning 12 months preceding the date of this document and ending on the close of business on 27 January 2021 (being the latest practicable date prior to the publication of this document) are set out below:

Name	Date	Number of Ordinary Shares	Percentage of existing Ordinary Share capital	Nature of dealing	Price per Ordinary Share (£)
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	20th March 2020	193,346	0.0802	Purchase	0.8300
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	20th March 2020	285,676	0.1184	Purchase	0.8720
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	23rd March 2020	479,075	0.1986	Purchase	0.8347
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	24th March 2020	78,933	0.0327	Purchase	0.8690
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	25th March 2020	1,000	0.0004	Purchase	0.8560
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	25th March 2020	257,279	0.1067	Purchase	0.8640
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	18th September 2020	13,294	0.0055	Sale	0.9680
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	2nd November 2020	5,848	0.0024	Sale	0.9681

Name	Date	Number of Ordinary Shares	Percentage of existing Ordinary Share capital	Nature of dealing	Price per Ordinary Share (£)
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	13th March 2020	100,000	0.0415	Loan	0.8600
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	20th March 2020	10,000	0.0041	Loan	0.8200
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	17th August 2020	100,000	0.0415	Loan	0.9460
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	13th January 2021	58,000	0.0240	Loan	1.2275
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	31st January 2020	162	0.0001	Loan Return	1.2000
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	7th February 2020	537	0.0002	Loan Return	1.1850
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	10th February 2020	367	0.0002	Loan Return	1.2000
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	25th February 2020	112	0.0000	Loan Return	1.1475
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	16th March 2020	99,607	0.0413	Loan Return	0.9320
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	18th March 2020	152	0.0001	Loan Return	0.7840
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	19th March 2020	300	0.0001	Loan Return	0.7980
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	26th March 2020	10,000	0.0041	Loan Return	0.8600

Name	Date	Number of Ordinary Shares	Percentage of existing Ordinary Share capital	Nature of dealing	Price per Ordinary Share (£)
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	20th August 2020	99,474	0.0412	Loan Return	0.9360
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	4th December 2020	476	0.0002	Loan Return	1.1600
BIM UK (in its capacity as a discretionary manager of the BlackRock Clients)	21st January 2021	12,697	0.0053	Loan Return	1.2200

- 3.9 Save as disclosed in paragraphs 3.6 and 3.8 above, as at the close of business on 27 January 2021 (being the latest practicable date prior to the publication of this document), no member of the BlackRock Concert Party, none of the directors of any member of the BlackRock Concert Party, their immediate families and persons connected with them, nor any parties acting in concert with any member of the BlackRock Concert Party has borrowed or lent (or entered into any financial collateral arrangement of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), or is interested in, or has any right to subscribe for, or has a short position or any arrangement concerning, directly or indirectly, any relevant securities of the Company, nor has any such person dealt therein during the 12 months prior to the date of this document.
- 3.10 Winterflood, in its capacity as a market maker, has an established trading relationship with BlackRock International Limited, a member of the BlackRock Concert Party. Save as disclosed in this paragraph 3.10, there are no relationships (personal, financial or commercial), arrangements and understandings between any member of the BlackRock Concert Party and Winterflood or any person who is, or is presumed to be, acting in concert with Winterflood.

Parties acting in concert with the Company

- 3.11 Save as disclosed in paragraphs 3.2 and 3.6, as at the close of business on 27 January 2021 (being the latest practicable date prior to the publication of this document) no person acting in concert with the Company has borrowed or lent (or entered into any financial collateral arrangement of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), or has any interests, rights to subscribe or short positions in the relevant securities of the Company.

Major Interests

- 3.12 As at the close of business on 27 January 2021 (being the latest practicable date prior to the publication of this document), so far as the Company is aware, the following persons were interested, directly or indirectly, in 3 per cent. or more of the Company's issued Ordinary Share capital:

Name of Shareholder	Number Ordinary Shares	Percentage of Issued Ordinary Share Capital
BlackRock*	38,871,031	16.11
City of London Investment Management	25,009,381	10.37
Hargreaves Lansdown, stockbrokers (EO)	17,210,524	7.14
Investec Wealth & Investment	16,990,027	7.04
Interactive Investor (EO)	14,085,224	5.84
Brewin Dolphin, stockbrokers	8,459,352	3.51
Rathbones	7,665,317	3.18

* BlackRock's holding represents shareholdings of investment vehicles managed by the BlackRock Group and discretionary managed money.

4 INTENTIONS OF THE BLACKROCK CONCERT PARTY

The BlackRock Concert Party has no intention of making any changes in relation to the future business or strategic plans of the Company, any research and development functions of the Company (of which there are none), the pension arrangements of the Company (of which there are none), the redeployment of the Company's fixed assets (of which it has none), nor the Company's place of business.

The Company has no employees and the BlackRock Concert Party has no intention of changing that, nor the management of the Company. Neither does the BlackRock Concert Party have any intention to materially change the balance of the skills and functions of the Company's management. The BlackRock Concert Party has no intention to propose any management incentivisation arrangements for the Board.

The BlackRock Concert Party has no intention of changing the location and function of the Company's headquarters or headquarter functions. The BlackRock Concert Party does not have any plans for the Company that will have repercussions on the Company or on the locations of the Company's places of business.

The BlackRock Concert Party has no intention of making any changes to the maintenance of the existing trading facilities for the Ordinary Shares.

The Directors fully agree with the statements made above by the BlackRock Concert Party (and the BlackRock Concert Party's lack of intentions or strategic plans in relation to the Company), in particular, in relation to employment and the locations of the Company's place of business.

5 MARKET QUOTATIONS

The following table shows the closing mid-market quotations of Ordinary Shares as derived from the Daily Official List of the London Stock Exchange on the first business day of each of the six months immediately before the date of this document and the close of business on 27 January 2021 (being the latest available date before publication of this document):

Date	Ordinary Share price (pence)
3 August 2020	90.00
1 September 2020	93.40
1 October 2020	93.20
2 November 2020	97.00
1 December 2020	112.50
4 January 2021	121.50
27 January 2021 (being the latest available date before publication of this document)	119.75

6 MATERIAL CONTRACTS

6.1 Neither BIM UK nor BA UK nor any of their respective subsidiaries has entered into any material contract (not being a contract entered into in the ordinary course of business) in the past two years.

6.2 Save as set out below, during the two years preceding the date of this document, the Company has not entered into any material contracts (not being contracts entered into in the ordinary course of business).

6.3 Repurchase Agreement

The Repurchase Agreement is between the Company and Winterflood and dated 29 January 2021. Under this agreement, the parties agree that, subject to the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms, Winterflood shall, as principal, purchase, on-market, at the Tender Price, Ordinary Shares successfully tendered up to a maximum of 241,210,518 Ordinary Shares, being the number of Ordinary Shares in issue as at the date of this document, or such other number as shall be equal to the number of Ordinary Shares in issue immediately prior to the commencement of the General Meeting (in each case excluding those held in treasury shares, if any).

The Company has agreed that, immediately following the purchase by Winterflood of all Ordinary Shares which it has agreed to purchase under the terms of the Repurchase Agreement, the Company will purchase from Winterflood on the London Stock Exchange such Ordinary Shares at the Tender Price.

In consideration for its services provided in relation to the Proposals, including the purchase of Ordinary Shares pursuant to the Repurchase Agreement, the Company has agreed to pay Winterflood a fixed fee of £75,000 plus VAT and to reimburse Winterflood for its reasonably and properly incurred costs and expenses in connection with the Proposals.

The Repurchase Agreement contains certain representations, warranties and undertakings from Winterflood in favour of the Company concerning its authority to enter into the agreement and to make the purchase of Ordinary Shares pursuant thereto.

The agreement also contains representations and warranties from the Company in favour of Winterflood and incorporates an indemnity in favour of Winterflood in respect of any liability which it may suffer in relation to its performance under the Tender Offer. The indemnity is customary in agreements of this nature.

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

7 DIRECTORS' LETTERS OF APPOINTMENT

- 7.1 All of the Directors are non-executive and do not have service contracts with the Company. Instead, the Directors are appointed pursuant to letters of appointment. Mr. Twiston-Davies and Mr. Nick Pitts-Tucker were appointed pursuant to letters of appointment dated 29 November 2010 (with effect from 23 November 2010). Mr. Sarmad Zok was appointed pursuant to a letter of appointment dated 8 February 2011, Mr. Stephen White was appointed pursuant to a letter of appointment dated 13 July 2016 and Ms. Katrina Hart was appointed pursuant to a letter of appointment dated 22 September 2019 (with effect from 1 October 2019).
- 7.2 The Directors' appointments are subject to the Articles of Association. The Directors' appointments can be terminated without notice and without compensation.
- 7.3 On termination of a Director's appointment, at any time, he or she is entitled to any accrued but unpaid fees but not to any other compensation. The current fees (per annum) of the Directors are £28,000 each. The Directors receive no other pay or benefits from the Company (with the exception of reimbursement of expenses incurred in respect of their duties as Directors), save that:
- (a) Audley Twiston-Davies is Chairman of the Company and, in addition to the fee set out above, receives a fee of £10,000 per year for fulfilling such role; and
 - (b) Stephen White is Chairman of the Company's Audit and Management Engagement Committee and, in addition to the fee set out above, receives a fee of £4,000 per year for fulfilling such role.
- 7.4 There have been no new Directors' letters or terms of appointment or amendments to existing Directors' letters or terms of appointment within the period of six months prior to the date of this document.

8 THE COMPANY, ITS PERFORMANCE AND PROSPECTS AND ACCOUNTS

- 8.1 The Company is an investment company registered in England and Wales. The Company's shares are listed on the premium segment of the Official List of the Financial Conduct Authority and admitted to trading on the Main Market of the London Stock Exchange.
- 8.2 The Company's investment objective is to achieve long-term capital growth by investing in companies domiciled or listed in, or exercising the predominant part of their economic activity in, less developed countries. These countries (the "**Frontiers Universe**") are any country which is neither part of the MSCI World Index of developed markets nor one of the eight largest

countries by market capitalisation in the MSCI Emerging Markets Index as at 1 April 2018: being Brazil, China, India, Korea, Mexico, Russia, South Africa and Taiwan.

- 8.3 Over the financial year to 30 September 2020, the Company's NAV returned -20.0 per cent. versus its benchmark index (the MSCI Emerging Markets Index ex Selected Countries + MSCI Frontier Markets Index + MSCI Saudi Arabia Index) which returned -15.6 per cent.; the share price fell by 22.1 per cent.. Since the financial year end up to 27 January 2021 (being the last practicable date prior to the publication of this document), the Company's NAV rose by 34.1 per cent. compared with a rise in the benchmark index of 16.9 per cent. over the same period. (All performance figures are stated on a US Dollar basis with dividends reinvested).
- 8.4 The Company's audited accounts for the financial years ending 30 September 2020 and 30 September 2019 (which are incorporated by reference) can be found at: www.blackrock.com/uk/individual/literature/annual-report/blackrock-frontiers-investment-trust-plc-annual-report.pdf and www.blackrock.com/uk/individual/literature/annual-report/blackrock-frontiers-investment-trust-plc-annual-report-2019.pdf respectively. The audited accounts for the financial year ending 30 September 2020 and 30 September 2019 included, on the pages specified below, the following information:

Financial information for the last two financial years	Audited accounts for the year ended 30 September 2020	Audited accounts for the year ended 30 September 2019
Income	85	71
Net profit/loss on ordinary activities before taxation	85	71
Net profit/loss on ordinary activities after tax	86	71
Amount absorbed by dividends	86	72
Net Asset Value per share (US\$)	87	73
Dividends	86	74
Chairman's statement	5 - 8	4-6-7
Consolidated statement of comprehensive income	85	71
Statement of financial position	87	73
Statement of changes in equity	86	72
Cash flow statement	88	74
Notes to the financial statements (incorporating principal accounting policies)	89 – 116	74-105
Report of the audit and management engagement committee	70 – 74	58-62

9 THE BLACKROCK GROUP

- 9.1 The BlackRock Group is a leading publicly traded investment management firm with \$7.43 trillion of assets under management at 31 December 2019. With approximately 16,200 employees in more than 30 countries who serve clients in over 100 countries across the globe, the BlackRock Group provides a broad range of investment and technology services to institutional and retail clients worldwide. Further information about the BlackRock Group, its business and financial and trading prospects appear in the financial information relating to the BlackRock Group that is incorporated by reference into this document and referred to in paragraphs 9.2 and 9.3 below. Please refer to the "Letter from the Chairman and Chief Executive Officer" on pages 12 – 21, Item 1 of Part I entitled "Business" and Item 7 of Part II entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2019 Annual Report (being the last available audited financial information of the BlackRock Group prior to the date of this document).
- 9.2 The consolidated audited accounts for BlackRock, Inc and its subsidiaries for the financial years ending 31 December 2019 and 31 December 2018 (which are incorporated by reference) can be found at: <https://ir.blackrock.com/financials/annual-reports-and-proxy/default.aspx>. BlackRock, Inc's unaudited quarterly results for the three months ended 31 March 2020, 30 June 2020 and 30 September 2020 (which are incorporated by reference) can be found at: <https://ir.blackrock.com/financials/quarterly-results/default.aspx>. The audited accounts for the financial years ending 31 December 2019 and 31 December 2018 included, on the pages specified below, the following information:

Financial information for the last two financial years	Consolidated audited accounts for the year ended 31 December 2019	Consolidated audited accounts for the year ended 31 December 2018
Turnover	F-5	F-4
Net profit/loss before taxation	F-5	F-4
Tax charge	F-5	F-4
Net profit/loss after tax	F-5	F-4
Extraordinary items	F-5	F-4
Minority interests	F-4	F-3
Amount absorbed by dividends	F-7	F-7
Earnings per share	F-5	F-4
Dividends per share	F-7	F-4
Statement of assets and liabilities in the last published audited accounts	F-4	F-4
Cash flow statement from the last published audited accounts	F-8	F-8
Material changes in the financial or trading position since last published audited accounts	F-44	F-43
Significant accounting policies and notes to the accounts	F-9 – F44	F-9 – F-43
Material variations to accounting policies	F-9 – F44	F-9 – F-43
Financial and trading prospects	35	34

- 9.3 The unaudited quarterly results for the three month periods ending 31 March 2020, 30 June 2020 and 30 September 2020 included, on the pages specified below, the following information:

	Unaudited quarterly results for the three month period ended 30 September 2020	Unaudited quarterly results for the three month period ended 30 June 2020	Unaudited quarterly results for the three month period ended 31 March 2020
Total Revenue	2	2	2
Income before income taxes	2	2	2
Income tax expense	2	2	2
Net income	2	2	2
Comprehensive income attributable to BlackRock, Inc.	3	3	3
Earnings per share	2	2	2
Cash dividends declared and paid per share	4	4	4
Condensed consolidated statements of financial condition	1	1	1
Condensed consolidated statements of income	2	2	2
Condensed consolidated statements of comprehensive income	3	3	3
Condensed consolidated statements of changes in equity	4-5	4-5	4-5
Condensed consolidated statements of cash flows	6	6	6

- 9.4 The Tender Offer is not expected to have any impact on the BlackRock Group's earnings, assets and liabilities.
- 9.5 As at 24 June 2020 BlackRock, Inc. was accorded a credit rating of Aa3 and an outlook of Stable by Moody's Investors Service and as at 26 June 2020 was accorded a credit rating of AA-/Stable/A-1+ and an outlook of Stable by S&P Global Ratings.
- 9.6 BIM UK, to whom day to day portfolio and risk management of the Company's assets and other ancillary services have been delegated by BlackRock Fund Managers Limited, the Company's alternative investment fund manager for the purposes of AIFMD, whose registered

office is at 12 Throgmorton Avenue, London EC2N 2DL was incorporated as a private company limited by shares in England and Wales on 16 May 1986 with company registration number 02020394. It is authorised and regulated in the United Kingdom by the FCA in the conduct of its investment business with firm reference number 119293. BIM UK manages assets for open-ended and closed-ended funds, and institutional and private clients.

- 9.7 BA UK, whose registered office is at 12 Throgmorton Avenue, London EC2N 2DL was incorporated as a private company limited by shares in England and Wales on 18 March 1964 with company registration number 00796793. It is authorised and regulated in the United Kingdom by the FCA in the conduct of its investment business with firm reference number 119186. BA UK manages assets for open-ended and institutional and private clients.

10 OTHER INFORMATION

- 10.1 As at 27 January 2021 (being the latest practicable date before the publication of this document) there were no warrants and/or options to subscribe for Ordinary Shares that were outstanding.
- 10.2 No person has made a public takeover bid for the Company's issued Ordinary Share capital in the financial period to 30 September 2020 or in the current financial year.
- 10.3 No member of the BlackRock Concert Party has entered into any agreement, arrangement or understanding (including any compensation arrangement) with any of the Directors, recent directors, Shareholders or recent shareholders of the Company or any person interested or recently interested in Ordinary Shares having any connection with or dependence upon or which is conditional upon the outcome of the matters referred to in this document.
- 10.4 The BlackRock Concert Party has not entered and will not enter into any form of incentivisation arrangements with members of the Company's management who are interested in shares in the Company.
- 10.5 In addition to the Directors, Winterflood, with its registered office at The Atrium Building, Cannon Bridge House, 25 Dowgate Hill, London EC4R 2GA, as corporate broker to the Company and financial adviser to the Company in relation to the Proposals is presumed to be acting in concert with the Company.
- 10.6 There has been no significant change in the financial position of the Company since 30 September 2020, being the last date in respect of which the Company has published financial information, save for the rise in the Company's Net Asset Value from US\$305,983,398 as at 30 September 2020 to US\$399,990,327 as at close of business on 27 January 2021 (being the latest practicable date prior to the publication of this document).
- 10.7 The Tender Offer may constitute a significant gross change in relation to the Company. The net assets of the Company will decrease by an amount equal to the net asset value of the Tender Pool which could in turn decrease the Company's earnings and the size and range of investments the Company could undertake.

11 CONSENT

Winterflood, which is authorised in the UK under the FSMA and regulated by the FCA, has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name and its advice to the Board in the form and context in which they appear.

12 DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference into this document:

- the Company's audited accounts for the financial year ending 30 September 2020 which can be found at: www.blackrock.com/uk/individual/literature/annual-report/blackrock-frontiers-investment-trust-plc-annual-report.pdf;

- the Company's audited accounts for the financial year ending 30 September 2019 which can be found at: www.blackrock.com/uk/individual/literature/annual-report/blackrock-frontiers-investment-trust-plc-annual-report-2019.pdf;
- the consolidated audited accounts for BlackRock, Inc and its subsidiaries for the financial year ending 31 December 2019 which can be found at: <https://ir.blackrock.com/financials/annual-reports-and-proxy/default.aspx>;
- the consolidated audited accounts for BlackRock, Inc and its subsidiaries for the financial year ending 31 December 2018 which can be found at: <https://ir.blackrock.com/financials/annual-reports-and-proxy/default.aspx>;
- BlackRock, Inc's unaudited quarterly results for the three months ended 31 March 2020 which can be found at: <https://ir.blackrock.com/financials/quarterly-results/default.aspx>;
- BlackRock, Inc's unaudited quarterly results for the three months ended 30 June 2020 which can be found at: <https://ir.blackrock.com/financials/quarterly-results/default.aspx>; and
- BlackRock, Inc's unaudited quarterly results for the three months ended 30 September 2020 which can be found at: <https://ir.blackrock.com/financials/quarterly-results/default.aspx>.

A Shareholder, a person nominated by a Shareholder to enjoy information rights under section 146 of 2006 Act or other person to whom this document is sent may request a copy of any information stated to be incorporated by reference in this document in hard copy by writing to BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL or by calling +44 (0) 207 7743 3000 or by emailing cosec@blackrock.com. A hard copy of such information will not be sent unless requested.

13 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the website indicated from the date of this document until the completion, lapse or termination of the Tender Offer and from 9.00 a.m. on the day of the General Meeting until its conclusion:

- 13.1 this document which can be found at www.blackrock.com/uk/brfi/gmccircular;
- 13.2 the consent letter referred to in sub-paragraph 11 above which can be found at www.blackrock.com/uk/brfi;
- 13.3 the Company's Memorandum and Articles of Association as at the date of this document which can be found at www.blackrock.com/uk/brfi;
- 13.4 the Memorandum and Articles of Association of BIM UK as at the date of this document which can be found at www.blackrock.com/uk/brfi;
- 13.5 the Memorandum and Articles of Association of BA UK as at the date of this document which can be found at www.blackrock.com/uk/brfi;
- 13.6 the Repurchase Agreement as summarised in paragraph 6 of Part 4 of this document which can be found at www.blackrock.com/uk/brfi;
- 13.7 the audited financial statements of the Company for the two years ending 30 September 2020 and 2019 which can be found at www.blackrock.com/uk/individual/literature/annual-report/blackrock-frontiers-investment-trust-plc-annual-report.pdf and www.blackrock.com/uk/individual/literature/annual-report/blackrock-frontiers-investment-trust-plc-annual-report-2019.pdf respectively;
- 13.8 the audited financial statements of BlackRock, Inc for the two years ending 31 December 2019 and 2018 which can be found at www.blackrock.com/corporate/en-us/investor-relations/financial-information; and
- 13.9 the unaudited quarterly results of BlackRock, Inc for the three periods ending 31 March 2020, 30 June 2020 and 30 September 2020 which can be found at www.blackrock.com/corporate/en-us/investor-relations/financial-information.

29 January 2021

PART 5

RISK FACTORS

The Directors consider that the following risk factors should be considered by Shareholders prior to deciding how to cast their votes at the General Meeting and whether or not to participate in the Tender Offer. Shareholders in any doubt about the action they should take should consult a suitably qualified independent financial adviser authorised under the FSMA if in the United Kingdom, or from another appropriately authorised independent financial adviser if in a territory outside of the United Kingdom, without delay.

Investment in the Ordinary Shares involves a degree of risk. The risks described below are all of the material risks applicable to the Company of which the Directors are aware as at the date of this document. Additional risks that are not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company.

The Company's business, financial condition, performance and prospects could be materially adversely affected by the occurrence of any of the risks described below. In such circumstances, the market price of the Ordinary Shares could decline and investors could lose all or part of their investment. In particular, Shareholders should note that the past performance of the Ordinary Shares should not be used as a guide to their future performance.

Conditionality of the Tender Offer

Implementation of the Tender Offer is conditional, inter alia, upon the Resolutions being passed at the General Meeting. In the event that either one or both of such Resolutions is not passed, the Tender Offer will not proceed and the Company would have to bear the abortive costs of having proposed the Tender Offer.

In the event that the Company has insufficient distributable reserves to effect the purchase of all the Tender Shares pursuant to the Repurchase Agreement and subject to the resolution to cancel the Company's share premium account being passed at the 2021 Annual General Meeting, the Tender Offer timetable will be extended to allow time for the Court to consent to the cancellation of the Company's share premium account. In such circumstances it is expected that the Calculation Date, announcement of the Tender Offer FAV, establishment of the Tender Pool and Continuing Pool and commencement of the realisation of the Tender Pool will be delayed by up to ten weeks, which may adversely impact the value that a Shareholder receives in respect of their Tender Shares.

In the event that the Company has insufficient distributable reserves to effect the purchase of all the Tender Shares pursuant to the Repurchase Agreement and either the resolution to cancel the Company's share premium account is not passed at the 2021 Annual General Meeting or the Court does not consent to the cancellation of the share premium account, or any other Condition is not satisfied by the Long Stop Date, the Tender Offer will not proceed and the Company would have to bear the abortive costs of having proposed the Tender Offer.

If the number of Ordinary Shares tendered is such that the Board is of the view that the continuance of the Company is not in the best interests of the continuing Shareholders, it reserves the right to terminate the Tender Offer. **Additionally, if the Tender Offer were to result in the BlackRock Concert Party being interested in Ordinary Shares which in aggregate carry more than 50 per cent. of the voting rights of the Company the Board will terminate the Tender Offer.** If the Tender Offer is terminated the Company would still have to bear the abortive costs of having proposed the Tender Offer.

Risks associated with the Tender Offer

The repurchase by the Company of Ordinary Shares pursuant to the Tender Offer will result in the issued share capital of the Company being reduced and the Company may therefore be smaller. Consequently, the fixed costs of the Company would be spread over fewer Ordinary Shares and the Company's on-going charges ratio may increase.

In order to pay the consideration to which Shareholders are entitled pursuant to valid tenders of Ordinary Shares accepted by Winterflood (and which the Company will then be obliged to repurchase from Winterflood), the Company may use a significant amount of its available cash and other liquid funds.

Tendering Shareholders will receive the Tender Price, which may be less than the price at which they bought their Ordinary Shares.

The Tender Price will be dependent on the price at which the assets comprising the Tender Pool are fully realised. There can be no assurance as to the value that will be fully realised from such assets as this will depend on the performance of individual assets within the Tender Pool, the ability of the Investment Manager to sell them and the value fully realised from the assets relative to the Company's current valuation. The Tender Price may therefore represent a discount to the NAV per Ordinary Share at the Calculation Date due primarily to the cost of realising the assets in the Tender Pool and the stamp duty or stamp duty reserve tax payable on the repurchase of Ordinary Shares by the Company pursuant to the Tender Offer. Shareholders should also note that, even if all of the Conditions are met shortly after the closing of the Tender Offer, there could be a significant period of time between the Tender Closing Date and the date on which all of the assets comprising the Tender Pool will be fully realised, which will be the date when Shareholders receive full payment of the Tender Price.

Risks associated with the Rule 9 Waiver

The Independent Shareholders should note that, if the Waiver Resolution is approved and, as a result of the Tender Offer, the interests in the Ordinary Shares of the members of the BlackRock Concert Party are increased, the members of the BlackRock Concert Party may be able to exercise more control over the conduct of the Company.

The Independent Shareholders should note that, if the Waiver Resolution is approved, this does not provide any guarantee that in any future situation where Rule 9 of the Takeover Code became relevant to the Company (whether in relation to the BlackRock Concert Party or otherwise) the Takeover Panel would be similarly willing to grant a waiver.

Risks relating to the Company

The Company may not meet its investment objective

There can be no guarantee that the investment objective of the Company will be achieved. The investment objective of the Company should not be treated as assurances or guarantees of performance.

Past performance cannot be relied upon as an indicator of future performance

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

Incomeldividend risk

The amount of dividends and future dividend growth will depend on the Company's underlying portfolio. In addition, any change in the tax treatment of the dividends or interest received by the

Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of dividends received by Shareholders.

The effects of both normal market fluctuations and the current global economic environment may impact the Company's business, results or financial condition

These are factors which are outside the Company's control and which may affect the volatility of underlying asset values and the liquidity and the value of the Company's portfolio. Changes in economic conditions in the Frontiers Universe where the Company invests (for example, interest rates and rates of inflation, industry conditions, competition, government instability, political and diplomatic events, corruption, adverse changes in legislation, the outbreak of war or the imposition of sanctions which impacts the Frontiers Universe and other factors) could substantially and adversely affect the economies of such countries or the value of the Company's investments in those countries and accordingly could substantially and adversely affect the Company's prospects and returns for Shareholders. In particular, investments in the Frontiers Universe may include a higher element of risk compared to more developed markets due to greater political instability.

Global financial markets have experienced considerable declines and volatility in valuations, an acute contraction in the availability of credit and the failure of a number of leading financial institutions in recent years. As a result, certain government bodies and central banks worldwide have undertaken intervention programmes, the effects of which remain uncertain. These macroeconomic developments could negatively affect the returns achievable by the Company, which could prejudice the Company's ability to generate returns for Shareholders.

Potential implications of the United Kingdom's exit from the European Union

On 31 January 2020 the United Kingdom formally withdrew and ceased being a member of the European Union (the "EU"). Following this, the UK entered into a transition period which lasted for the remainder of 2020, during which period the UK was subject to applicable EU laws and regulations. The transition period expired on 31 December 2020, and EU law no longer applies in the UK.

On 30 December 2020, the UK and the EU signed an EU-UK Trade and Cooperation Agreement ("UK/EU Trade Agreement"), which applies from 1 January 2021 and sets out the foundation of the economic and legal framework for trade between the UK and the EU. As the UK/EU Trade Agreement is a new legal framework, the implementation of the UK/EU Trade Agreement may result in uncertainty in its application and periods of volatility in both the UK and wider European markets throughout 2021 and beyond. The UK's exit from the EU is expected to result in additional trade costs and disruptions in this trading relationship. While the UK/EU Trade Agreement provides for the free trade of goods, it provides only general commitments on market access in services together with a "most favoured nation" provision which is subject to many exceptions. Furthermore, there is the possibility that either party may impose tariffs on trade in the future in the event that regulatory standards between the EU and the UK diverge. The terms of the future relationship may cause continued uncertainty in the global financial markets, and adversely affect the performance of the Company.

Volatility resulting from this uncertainty may mean that the returns of the Company's investments are affected by market movements, the potential decline in the value of Sterling or Euro, and the potential downgrading of the UK's sovereign credit rating.

Impact of natural or man-made disasters and disease epidemics

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organised public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio company can be resumed. The Company's investments could also be at risk in the event of such a disaster. The magnitude of future

economic repercussions of natural disasters may also be unknown, may delay the Company's ability to invest in certain companies, and may ultimately prevent any such investment entirely.

Investments may also be negatively affected by man-made disasters. Publicity of man-made disasters may have a significant negative impact on overall consumer confidence, which in turn may materially and adversely affect the performance of the Company's investments, whether or not such investments are involved in such man-made disaster.

Outbreaks of infectious diseases may also have a negative impact on the performance of the Company. For example, an outbreak of respiratory disease caused by a novel coronavirus was first detected in December 2019 and then spread globally. This coronavirus has resulted in borders closing, restrictions on movement of people, quarantines, cancellations of transportation and other services, disruptions to supply chains, businesses and customer activity, as well as general concern and uncertainty. It is possible that there may be similar outbreaks of other infectious diseases in the future. The impact of this coronavirus, and other epidemics and pandemics that may arise in the future, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. In addition, the impact of infectious diseases in emerging and developing countries may be greater due to less established health care systems. Health crises caused by the recent coronavirus outbreak may exacerbate other pre-existing political, social and economic risks in certain countries. The impact of the outbreak may be short term or may last for an extended period of time. Such events could increase volatility and the risk of loss to the value of the Company's investments.

Investor returns will be dependent upon the performance of the portfolio and the Company may experience fluctuations in its results

The Company may experience fluctuations in its results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by companies in the portfolio, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Ordinary Shares.

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

Calculation of Net Asset Value

In calculating the Company's unaudited Net Asset Value, the Manager, acting on behalf of the Company, will apply a fair value to the Company's assets. In the case of quoted investments, the fair value is based on the latest quoted bid prices at the close of the relevant day's trading. However, in circumstances where such prices are not available, or the Manager believes such securities are not traded in sufficient volume for the market price to represent an accurate valuation, such holdings will be attributed a fair value. The obligations of the Directors under the 2006 Act require them to present fairly the financial position, financial performance and cash flows of the Company and make judgements and estimates that are reasonable and prudent. This includes responsibility for estimating valuations for unquoted investments. However the obligations of the AIFMD require the alternative investment fund manager to take responsibility for the valuation function. In practice, the Board and the Manager both take responsibility for determining the fair valuation of unquoted investments. The Manager makes use of its pricing committee regarding the valuations for unquoted investments or investments for which the market is inactive, which ensures that the valuation function is functionally and hierarchically independent from the portfolio management function of the Manager. Where necessary, the Board reviews the recommendations of the pricing committee and adopts these to the extent that the Directors consider these to be appropriate.

In arriving at a recommendation for fair valuing the Company's unquoted assets, the pricing committee may rely on estimates of the values of companies or their securities in which the Company invests and such estimates may be unaudited or may be subject to little verification or other due

diligence and may not comply with IFRS or other internationally recognised valuation principles. Accordingly, such fair valuations may not be accurate and this may impact on the accuracy of the unaudited Net Asset Value reported to Shareholders.

Leverage

The use of leverage, including borrowings, may increase the volatility of the Net Asset Value per Ordinary Share and also amplify any loss in the value of the Company's assets.

While the use of borrowing should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is falling or rising at a lower rate than the cost of borrowing, reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Ordinary Share.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of an Ordinary Share).

Any reduction in the number of Ordinary Shares in issue (for example, as a result of buy-backs or tender offers) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing. To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings.

The Company may pay interest on its borrowings or other leverage. As such, the Company may be exposed to interest rate risk due to fluctuations in the prevailing market rates.

The Company may employ hedging techniques designed to reduce the risk of adverse movements in interest rates. However, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such hedging transactions.

Reliance on service providers and other third parties

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely upon the performance of third party service providers to perform its executive functions. In particular, the Manager, the Investment Manager, the Registrar, the Depositary and their respective delegates, if any, will perform services that are integral to the Company's operations and financial performance. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Company's performance and returns to Shareholders. The termination of the Company's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the Company's performance and returns to Shareholders.

Furthermore, the Company also relies on other third parties such as sub-custodians and global and/or local brokers and their respective delegates. Failure by any such third party to carry out its obligations in connection with the operation of the Company or to exercise due care and skill, or to perform its obligations in connection with the operation of the Company at all, as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Company's performance and returns to Shareholders. The lack of any direct contractual relationship with any third party, or any delay in a replacement for such third party being found could materially disrupt the business of the Company and could have a material adverse effect on the Company's performance and returns to Shareholders.

Misconduct of employees and third party service providers

Misconduct or misrepresentations by employees of the Manager, the Investment Manager or any other third party service providers could cause significant losses to the Company. Employee

misconduct may include binding the Company to transactions that exceed authorised limits or present unacceptable risks and unauthorised trading activities or concealing unsuccessful trading activities (which, in any case, may result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by third party service providers, including, without limitation, failing to recognise trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Company's business prospects or future marketing activities. Despite the Company's due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining the Manager's due diligence efforts. As a result, no assurances can be given that the due diligence performed by the Manager will identify or prevent any such misconduct.

Legal and regulatory risk

The Company has been approved by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions, and operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments.

Any breach of the relevant eligibility conditions could lead to the Company losing its investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio.

In such event the investment returns of the Company may be adversely affected. Any serious breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010. Amongst other relevant laws and regulations, the Company is required to comply with the provisions of the 2006 Act, the AIFM Rules, the Market Abuse Regulation, the Listing Rules and the Disclosure Guidance and Transparency Rules sourcebook of the handbook of the FCA.

Risks relating to the Company's portfolio and investment strategy

The Company invests primarily in a portfolio of companies exposed to the Frontiers Universe which reflect the Investment Manager's convictions and the Company's portfolio may therefore bear little resemblance to the weighting or constituents of the Reference Index, and may be more volatile than more broadly based investment funds.

Countries within the Frontiers Universe can be volatile and the material risks of which the Company is aware are:

- the Company may invest in a concentrated portfolio of shares and this focus may result in higher risk when compared to a portfolio that has a wider spread of investment risk;
- the economies of countries within the Frontiers Universe may be more dependent on relatively few industries that may be highly vulnerable to local and global changes;
- dependence on exports and the corresponding importance of international trade;
- these countries generally have less developed securities markets or exchanges, and legal and accounting systems;
- securities may be more difficult to sell at an acceptable price and may be more volatile than securities in countries with more mature markets;
- the value of the currencies of countries within the Frontiers Universe may fluctuate more than the currencies of countries with more mature markets;
- investments in countries within the Frontiers Universe may be subject to greater risks of government restrictions, including confiscatory taxation, expropriation or nationalisation of a company's assets, restrictions on foreign ownership of local companies and restrictions on withdrawing assets from the country;

- investing in countries within the Frontiers Universe subjects the Company to a higher level of market risk than investment in more developed markets;
- potentially higher rates of inflation (including hyperinflation);
- a potential risk of substantial deflation;
- arbitrary government decisions resulting from, inter alia, a lower level of democratic accountability than is typical of developed nations;
- less stringent laws and practices in relation to the fiduciary duties of officers and directors and protection of investors;
- difficulty in bringing legal proceedings to enforce contractual rights and the risk of the fraudulent appropriation of investments;
- the operation, performance and settlement, clearing and registration of dealing transactions by sub-custodians in the Frontiers Universe may be less regulated than more developed markets; and
- the possibility of the imposition of withholding or other taxes or exchange controls on or change in tax treatment of dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Company, political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries or the value of the Company's investments in those countries and accordingly, the level of dividends, if any, received by Shareholders.

Corruption

Corruption remains a potential issue within the Frontiers Universe. The effect of corruption can seriously constrain the development of local economies, erode stability and trust, and its macro-economic and social costs can be significant. These effects could have a material adverse effect on the performance of the Company's investments. There generally remains, across the Frontiers Universe, insufficient effective anti-corruption legislation and insufficient co-ordination of anti-corruption initiatives.

Securities markets of countries within the Frontiers Universe

The securities markets of countries within the Frontiers Universe are not as large as more established securities markets and have substantially less trading volume, which may result in a lack of liquidity and higher price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and price of the acquisition or disposal of securities. In addition, an economic downturn or an increase in the real or perceived risks associated with countries within the Frontiers Universe could adversely affect the market prices of securities of companies exposed to the Frontiers Universe even if the economies of such countries remain stable.

The securities markets of countries within the Frontiers Universe may be less regulated than more established securities markets. In addition, market practices in relation to settlement of securities transactions and custody of assets in such markets can constitute a material risk to the Company. In circumstances such as the insolvency of a sub-custodian or registrar, or retro-active application of national or international legislation, the Company may not be able to establish title to investments made and may suffer losses as a result. The Company may find it impossible to enforce its rights against third parties. Any increase in the national or international regulation or supervision of the securities markets of countries within the Frontiers Universe may result in additional compliance costs for any custodian or sub-custodian through which the Company invests which accordingly may result in such increased costs being passed on to the Company and/or such custodian and/or sub-custodian being unable to continue to provide such services to the Company.

Furthermore, due to the local postal and banking systems, no guarantee can be given that all entitlements attaching to securities acquired by the Company can be realised. None of the Company, the Depositary or any sub-custodian appointed, the Manager, the Investment Manager or any of their agents makes any representation or warranty about, or any guarantee of the operation, performance or settlement, clearing and registration of dealing transactions in the Frontiers Universe.

Restrictions on foreign investment

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as the Company. As illustrations, certain countries require governmental approval prior to investment by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of the Company. For example, the Company may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Company. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which the Company may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where the Company places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Company of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to the Company's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. The Company could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Company of any restriction on investments.

Sanctions

Sanctions imposed either by or on the countries in which the Company invests arising from political events may have a substantial impact at times upon the countries in which the Company invests, their residents and their economies, which in turn could have a material adverse effect on the Company's performance. The European Union and/or the United States currently have sanctions in place against 28 countries in the Frontiers Universe and companies with material exposure to such countries represented approximately 9.9 per cent. of the gross market exposure of the Company's portfolio as at 27 January 2021 (being the latest practicable date prior to the publication of this document).

The Company may not be able to achieve exposure in certain markets due to Office of Foreign Asset Control and United Nations sanctions and other counterparty considerations.

Short selling

The Company may engage in short selling. A short sale creates the risk of significant losses for the Company because the price of the underlying security could increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase.

Interest rate risk

The prices of equity securities in the Company's portfolio may be susceptible in the short-term to decline if interest rates rise. Rising interest rates could adversely impact the financial performance of companies in the Frontiers Universe by increasing their cost of capital. This may reduce their ability to execute acquisitions or expansion projects in a cost effective manner. In addition, the costs associated with any leverage used by the Company are likely to increase if interest rates rise.

The Company may invest in convertible and fixed income securities. Such securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of securities tends to fall, and vice versa. Inflation will also reduce the real value of securities over time. The value of a

security will also fall if the issuer is unable to repay its debt or has a credit rating downgrade or if there is less appetite generally in the market for securities carrying credit risk.

Derivatives

The Company may utilise both exchange-traded and over-the-counter derivatives (including contracts for difference) as part of its investment policy. The costs of investing through derivatives may be higher than investing in securities (whether directly or through nominees) as the Company will have to bear the additional costs of purchasing and holding such derivatives and this could have a material adverse effect on the Company's returns. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral being posted.

Custodial services

Some of the securities and other assets of the Company deposited with custodians, sub-custodians or global and/or sub-brokers in a country in the Frontiers Universe may not be clearly identified as being assets (directly or indirectly) of the Company and hence the Company may be exposed to a credit risk with regard to such custodians, sub-custodians or global and/or sub-brokers in such countries. There may also be practical problems or time delays associated with enforcing rights to its assets such as in the case of an insolvency of any such party which could have a material adverse effect on returns to Shareholders.

Reporting standards in the Frontiers Universe

Accounting, auditing and financial reporting standards and practices and disclosure requirements applicable to many companies in the Frontiers Universe are less rigorous than those in the United Kingdom. As a result there may be less information available publicly to investors in such securities than to investors in comparable securities in the United Kingdom securities markets. Furthermore, such information which is available is often less reliable. The Investment Manager may make investment decisions in respect of such securities based on such information which may have a negative impact on the value of the Company's portfolio and returns to Shareholders.

Foreign exchange rate risk

The Company will invest in US dollar and non-US dollar denominated securities and the companies in which the Company invests may conduct their operations in US dollars and/or other currencies. The Company will therefore have an exposure to foreign exchange risk as a result of changes, both unfavourable and favourable, in exchange rates between the US dollar and other currencies. Foreign exchange risk may increase the volatility of the Net Asset Value per Ordinary Share. The Company does not have a policy of hedging or otherwise seeking to mitigate foreign exchange risk but reserves the right to do so from time-to-time as part of the Company's efficient portfolio management.

Movements in the foreign exchange rate between Sterling, US dollar, the reporting currency of the Company, and any other currency in which the Company invests and the currency applicable to a particular Shareholder may have an impact upon that Shareholder's returns in their own currency of account.

Smaller capitalisation companies

The Company may invest in smaller capitalisation companies. As smaller companies do not have the financial strength, diversity and resources of larger companies, they may find it more difficult to operate in periods of economic slowdown or recession. In addition, the relatively small capitalisation of such companies could make the market in their shares less liquid and, as a consequence, their share price more volatile than investments in larger companies.

Below investment grade securities

The Company may invest in bonds or other fixed income securities, including high risk debt securities. These securities may be below investment grade and are subject to uncertainties and exposure to adverse business, financial or market conditions which could lead to the issuer's inability to make timely interest and principal payments. The market values of these securities tend to be more sensitive to individual corporate developments and general economic conditions than do higher rated securities.

Unquoted securities

The Company may invest up to 5 per cent. of its Gross Assets (at the time of such investment) in unquoted securities. Such investments, by their nature, involve a higher degree of risk than investments in quoted securities because unquoted securities may be more difficult to realise than quoted securities due to the potential greater difficulty in identifying willing purchasers of the unquoted securities.

Default and counterparty risk

A portion of the Company's assets may be invested in debt securities of private and governmental issuers, thus exposing the Company to the credit and political risk of the issuer. In addition, many of the markets in which the Company will effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of exchange based markets. This exposes the Company to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem, thus causing the Company to suffer a loss.

Suspension of trading

Securities and commodity exchanges typically have the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for the Company to liquidate positions and thereby expose the Company to losses.

Gearing of other investment companies

Should the Company invest in investment companies, investors should be aware that such investments may include holdings in the shares of investment companies which are geared by loan facilities that rank ahead of the relevant shares both for payment of interest and for capital. Investment in shares of investment companies which are geared present a higher investment risk as to their capital return. This could have a negative impact on the value of an investment company holding within the Company's portfolio and returns to Shareholders.

P-Notes

The Company may gain exposure to the Frontiers Universe by investing indirectly through Participatory Notes ("**P-Notes**"). P-Notes are issued by certain counterparty banks, are designed to offer the holder a return linked to the performance of a particular underlying equity security or market, and are used where direct investment in the relevant underlying equity security or market is not possible for regulatory or other reasons.

Investment in P-Notes presents additional risks to the Company including: (i) as the use of P-Notes is uncollateralised, the Company will be subject to full counterparty risk via the P-Note issuer and in the event of a default by the P-Note issuer, the Company may suffer losses up to the full value of the relevant P-Note; (ii) the costs of investing through P-Notes may be higher than investing (whether directly or through nominees) in the underlying securities due to the Company having to bear the additional costs of a P-Note issuer and this could have a material adverse effect on the Company's returns compared to if the Company had invested (whether directly or through nominees) in the relevant securities; (iii) the Company, being a client of such P-Note issuer, will only be able to realise its investment through the P-Note issuer and such arrangement may have a negative impact on the liquidity of the P-Notes which does not correlate to the liquidity of the underlying security (consequently the Company may in certain circumstances find it more difficult to realise an investment made through a P-Note than it would to realise an investment held directly in the associated security); (iv) any information request by a P-Note issuer (such as a request regarding the identity and/or residency of the beneficial holder of any Ordinary Shares) which cannot be satisfied by the Company may allow the P-Note issuer to terminate its agreement with the Company which could lead to the Company being required to realise its investment earlier than intended and this could have a material adverse effect on the returns to Shareholders; and (v) the regulatory requirements governing the P-Notes may change, restricting or prohibiting the Company from holding such P-Notes.

Risks relating to the Ordinary Shares

Ordinary Shares may trade at a discount to their Net Asset Value

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

The market price of the Ordinary Shares, like shares in all investment trusts, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy in relation to the Ordinary Shares will be successful or capable of being implemented. The market value of an Ordinary Share may vary considerably from its Net Asset Value.

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

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. There may not be a liquid market for the Ordinary Shares. The market prices of the Ordinary Shares may not reflect their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

The Ordinary Shares may be subject to significant forced transfer provisions

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; (ii) would result in the shares being legally or beneficially held (a) other than by a "non resident foreign investor" as determined by the Saudi Arabian Capital Markets Authority; or (b) by any person domiciled in the Kingdom of Saudi Arabia; (iii) would or might result in the Company and/or its shares being required to register or qualify under the Investment Company Act and/or the U.S. Securities Act and/or the United States Securities Exchange Act 1934 and/or the local "Blue Sky laws" of any State of the United States; (iv) would contravene the criteria for eligibility for investing in the Company determined by the Directors from time-to-time; or (v) creates a significant

legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, the Directors may require the holder of such shares to dispose of such shares and, if the shareholder does not sell such shares, may dispose of such shares on their behalf. These restrictions may make it more difficult for certain persons to hold Ordinary Shares and for Shareholders generally to sell Ordinary Shares and may have an adverse effect on the market value of the Ordinary Shares.

Risks relating to the Manager and the Investment Manager

The performance of the Company will depend on the ability and services of the Investment Manager

The performance of the Company will depend on: (i) the ability of the Investment Manager to generate positive returns; and (ii) the Investment Manager's ability to advise on, and identify, investments in an optimal way. Achievement of the investment objective will also depend, in part, on the ability of the Investment Manager to provide competent, attentive and efficient services to the Company. There can be no assurance that, over time, the Investment Manager will be able to provide such services or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

There can be no assurance that a replacement manager and/or investment manager will be found if the Manager or the Investment Manager resigns, is removed or otherwise no longer serves as the Manager and/or Investment Manager

The Management Agreement may be terminated by the Company or the Manager giving to the other party at least six months' notice in writing and in certain other circumstances. If the Management Agreement is terminated, the Directors would have to find a replacement manager and investment manager for the Company and there can be no assurance that such a replacement will be found.

The management team may allocate some of their resources to activities in which the Company is not engaged, which could have a negative impact on the Company's ability to achieve its investment objective

Neither the Manager nor the Investment Manager is required to commit all of its resources to the Company's affairs. Insofar as the Manager and/or the Investment Manager devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, Net Asset Value and share price.

Potential conflicts of interest

The Manager, the Investment Manager, and their affiliates serve as manager and investment manager to other clients and their organisational and ownership structure involves a number of relationships. For example, the Manager, the Investment Manager and/or their affiliates may have conflicts of interest in allocating their time and activity between the Company and the other clients, in allocating investments among the Company and the other clients and in effecting transactions between the Company and other clients, including ones in which the Manager, the Investment Manager and/or their affiliates may have a greater financial interest. The Manager, the Investment Manager and/or their affiliates may give advice or take action with respect to such other clients that differs from the advice given or action taken with respect to the Company.

The Manager, the Investment Manager and/or their affiliates may be involved in other financial, investment and professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Manager and/or the Investment Manager may provide investment management, investment advice or other services to a number of funds that may have similar investment policies to that of the Company or funds in which the Company invests.

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA.

The Manager, the Investment Manager, BlackRock, Inc., their affiliates and their respective investment professionals and other employees may come into possession of material non-public information. The possession of such information may potentially limit the ability of the Company to participate in an investment opportunity.

Risks relating to taxation and regulation

Changes in laws or regulations governing the Company's operations may adversely affect the Company's business

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies.

Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and the shares. In such event, the investment returns of the Company may be materially adversely affected.

Changes in taxation legislation or practices may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Changes in taxation legislation and practices may affect the Company's ability to generate returns for Shareholders and/or the taxation of such returns to Shareholders and could also be applied retrospectively.

Tax risks in relation to the Frontiers Universe

The Company may purchase investments that will subject the Company to withholding taxes in various jurisdictions. In the event that withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the capital gain and/or income received by the Company on such investments. Such taxes may be imposed on income, capital gains, issue of securities or supporting documents, including the contracts governing the terms of any financial instrument and such taxes may be confiscatory in nature.

The Company shall be making investments in jurisdictions where the tax regime is not fully developed or is not certain. The Company, the Manager and the Investment Manager shall not be liable to account to any Shareholder for any payment made or suffered by the Company in good faith to a fiscal authority for taxes or other charges of the Company notwithstanding that it is later found that such payments need not or ought not have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, or the lack of a developed mechanism for practical and timely payment of taxes, the Company pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Company. Such late paid taxes will normally be debited to the Company at the point the decision to accrue the liability in the Company accounts is made.

The Company's income may be reduced by exchange controls

The Company may from time-to-time purchase investments that will subject the Company to exchange controls in various jurisdictions. In the event that exchange controls are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on such investments.

Due diligence and reporting obligations

The Company will be required to comply with certain due diligence and reporting requirements under the International Tax Compliance (Amendment) Regulations 2018, which were enacted to meet the United Kingdom's obligations under FATCA, the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. Shareholders may be required to provide information to the Company to enable the Company to satisfy its obligations under the regulations. Failure by the Company to

comply with its obligations under the regulations may result in fines being imposed on the Company and, in such event, the returns of the Company may be adversely affected.

The Company has not registered and will not register as an investment company under the Investment Company Act

The Company will seek to qualify for an exemption from the definition of “investment company” under the Investment Company Act and will not register as an investment company in the United States under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which are applicable to the Company or its investors.

In addition, to avoid being required to register as an investment company under the Investment Company Act and to avoid violating such act, the Company has implemented restrictions on the ownership and transfer of Ordinary Shares, including requiring that any transferee shall be deemed to have represented and warranted to the Company that it is not a U.S. Person.

The Company’s assets could be deemed “plan assets” that are subject to the requirements of ERISA and/or section 4975 of the U.S. Code

The purchase of Ordinary Shares by an employee benefit plan subject to ERISA, or Section 4975 of the U.S. Code or by any entity whose assets are treated as assets of any such plan, could result in the assets of the Company being considered “plan assets” for the purpose of ERISA, and/or section 4975 of the U.S. Code and regulations made thereunder. In such circumstances the Company, the Manager, the Investment Manager and also the fiduciaries of such an employee benefit plan could be liable for any ERISA violations by the Company, the Manager or the Investment Manager and for other adverse consequences under ERISA. Each purchaser and transferee of Ordinary Shares will be deemed to have represented by its purchase or receipt of the Ordinary Shares, and throughout the period that it holds the Ordinary Shares, that it is not an employee benefit plan subject to ERISA or Section 4975 of the U.S. Code or an entity whose assets are treated as assets of any such employee benefit plan. The Directors are also empowered by the Articles of Association to require any Shareholders who, in the opinion of the Directors, would, because of their shareholding, cause the assets of the Company to be treated as plan assets, to transfer their Ordinary Shares in order to reduce this risk materialising.

DEFINITIONS

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

“2006 Act”	means the Companies Act 2006, as amended;
“2021 Annual General Meeting”	means the annual general meeting of the Company to be held on 2 February 2021;
“AIFMD”	the UK version of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019;
“AIFM Rules”	means the AIFMD and all applicable rules and regulations implementing the AIFMD in the UK, as amended;
“Articles of Association”	means the articles of association of the Company;
“BA UK”	means BlackRock Advisors (UK) Limited;
“BIM UK” or “Investment Manager”	means BlackRock Investment Management (UK) Limited;
“BlackRock Directors”	means the directors of BIM UK listed in paragraph 2.2 of Part 4 of this document and the directors of BA UK listed in paragraph 2.3 of Part 4 of this document;
“BlackRock Clients”	means the beneficial owners of Ordinary Shares who have entered into discretionary investment management agreements or in respect of whom discretionary investment management agreements have been entered into with BIM UK and/or BA UK pursuant to which, as at the close of business on 27 January 2021 (being the latest practicable date prior to the publication of this document), such members of the BlackRock Group are interested in Ordinary Shares representing, in aggregate approximately 16.11 per cent. of the Company’s Voting Rights at such date (of which such members of the BlackRock Group do not have the right to exercise (or direct the exercise of) voting rights over 3,726,842 Ordinary Shares);
“BlackRock Concert Party”	has the meaning given to it in paragraph 4.2 of the letter from the Chairman;
“BlackRock Group”	means the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc.;
“Board” or “Directors”	means the directors of the Company or any duly constituted committee thereof;
“Business Days”	means any day other than a Saturday, Sunday or public holiday in England and Wales;

“Calculation Date”	means close of business on 23 February 2021 or such other date as may be agreed by Winterflood and the Company, being the day on which the Company calculates the Tender Offer FAV for the purposes of the Tender Offer;
“certificated” or “in certificated form”	means not in uncertificated form;
“Company”	means BlackRock Frontiers Investment Trust plc;
“Continuing Pool”	means the pool of stocks, cash and assets to be created in accordance with the terms of the Tender Offer and relating to those Shareholders who are not Tendering Shareholders;
“Court”	means the Senior Courts of England and Wales and the Supreme Court of the United Kingdom;
“CREST”	means 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”	means the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms;
“CREST Regulations”	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“CREST Proxy Instructions”	means a proxy instruction message submitted through CREST in accordance with the CREST Manual;
“CREST Sponsor”	means a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations);
“Depositary”	means The Bank of New York Mellon (International) Limited;
“ERISA”	means the U.S. Employee Retirement Income Security Act 1976, as amended;
“Euroclear”	means Euroclear UK & Ireland Limited, the operator of CREST;
“FCA”	means the Financial Conduct Authority;
“Final Tender Offer Asset Value”	means the unaudited Net Asset Value of the assets in the Tender Pool on the Tender Pool Determination Date (which for the avoidance of doubt will take account of the costs of realisation of the Tender Pool): (a) less any stamp duty or stamp duty reserve tax arising on the repurchase of Ordinary Shares by the Company from Winterflood pursuant to the Tender Offer; and (b) plus any monies paid to Tendering Shareholders by way of interim distribution;
“Form of Proxy”	means the personalised forms of proxy provided with this document for use by Shareholders in connection with the General Meeting;

“Frontiers Universe”	means any country which is neither part of the MSCI World Index of developed markets nor one of the eight largest countries by market capitalisation in the MSCI Emerging Markets Index as at 1 April 2018: being Brazil, China, India, Korea, Mexico, Russia, South Africa and Taiwan;
“General Meeting”	means the general meeting of the Company to consider the Proposals, convened for 12 noon on 23 February 2021 or any adjournment thereof, notice of which is set out at the end of this document;
“Gross Assets”	means the aggregate value of the total assets of the Company;
“HMRC”	means HM Revenue & Customs;
“Independent Shareholders”	means Shareholders entitled to vote on the Waiver Resolution, being Shareholders other than any member of the BlackRock Concert Party;
“Investment Company Act”	means the U.S. Investment Company Act of 1940, as amended;
“Investment Manager” or “BIM UK”	means BlackRock Investment Management (UK) Limited;
“ISA”	means a UK individual savings account;
“Listing Rules”	means the Listing Rules of the Financial Conduct Authority;
“London Stock Exchange”	means London Stock Exchange plc;
“Long Stop Date”	has the meaning given to it in paragraph 3.4 of the Letter from the Chairman;
“Main Market”	means the main market for listed securities of the London Stock Exchange;
“Manager”	means BlackRock Fund Managers Limited;
“Market Abuse Regulation”	the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council on 16 April 2014 on market abuse, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018;
“member account ID”	means the identification code or number attached to any member account in CREST;
“MSCI Emerging Markets Index”	means the MSCI Emerging Markets Index (or such other appropriate emerging markets index as may be agreed by the Company and the Manager from time to time);
“MSCI World Index”	the MSCI World Index (or such other appropriate developed markets index as may be agreed by the Company and the Manager from time to time);
“NAV” or “Net Asset Value”	means the cum income net asset value of the Company as calculated in accordance with the Company's normal accounting policies;
“NAV per Ordinary Share” or “Net Asset Value per Ordinary Share”	means the Net Asset Value divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury);
“Ordinary Shares”	means ordinary shares of US\$0.01 each in the capital of the Company;

“Overseas Shareholders”	means Shareholders who are resident in, or citizens of, territories outside the United Kingdom;
“Participant ID”	means the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“P-Notes”	means participatory notes issued by certain counterparty banks that are designed to offer the holder a return linked to the performance of a particular underlying equity security or market, and used where direct investment in the relevant underlying equity security or market is not possible for regulatory or other reasons;
“Proposals”	(i) the proposed Tender Offer; and (ii) the Rule 9 Waiver;
“Receiving Agent” or “Registrar”	means Computershare Investor Services PLC;
“Record Date”	means 6.00 p.m. on 19 February 2021;
“Reference Index”	means a composite of the MSCI Frontier Markets Index ex Selected Countries + MSCI Frontier Markets Index + MSCI Saudi Arabia Index (net total return, USD);
“Register”	means the register of Shareholders;
“Regulation S”	means Regulation S promulgated under the U.S. Securities Act;
“Repurchase Agreement”	means the agreement dated 29 January 2021 between the Company and Winterflood relating to the repurchase by the Company on the London Stock Exchange at the Tender Price of the Ordinary Shares purchased by Winterflood pursuant to the Tender Offer as summarised in paragraph 6.3 of Part 4 of this document;
“Resolution 1”	resolution number 1 set out in the notice of General Meeting which will be proposed as special resolution;
“Resolutions”	resolutions 1 and 2 as set out in the Notice of General Meeting and “Resolution” shall be construed accordingly;
“Restricted Shareholders”	means Shareholders who are resident in, or citizens of, a Restricted Territory;
“Restricted Territories”	means any of the following territories: Australia, Canada, Japan, New Zealand, the Republic of South Africa and the United States or any other jurisdiction in which the Tender Offer may result in the contravention of any registration or other legal requirement of such jurisdiction;
“RIS”	a service authorised by the Financial Conduct Authority to release regulatory announcements to the London Stock Exchange;
“Rule 9 Waiver”	means the waiver of the obligation to make a general offer under Rule 9 of the Takeover Code as a result of the implementation of the Tender Offer which has been granted to the BlackRock Concert Party by the Takeover Panel subject to the passing of the Waiver Resolution at the General Meeting by the Independent Shareholders on a poll;
“Shareholder”	means a holder of Ordinary Shares and “Shareholders” shall be construed accordingly;

“Takeover Code”	means the City Code on Takeovers and Mergers;
“Takeover Panel”	means the Panel on Takeovers and Mergers;
“Tender Closing Date”	1.00 p.m. on 19 February 2021, being the final date on which the Tender Form may be received and TTE Instructions submitted and the date on which the Tender Offer closes to Shareholders;
“Tender Form”	means the tender form for use by Shareholders who hold Ordinary Shares in certificated form in connection with the Tender Offer accompanying this document;
“Tender Offer”	means the invitation by Winterflood to Shareholders (other than Restricted Shareholders) to tender Ordinary Shares for purchase on the terms and subject to the conditions set out in this document and, where applicable, in the case of Shareholders who hold Ordinary Shares in certificated form, the Tender Forms;
“Tender Offer FAV” or “Tender Offer Formula Asset Value”	means the formula asset value as calculated in accordance with paragraph 7 of Part 1 of this document
“Tender Pool”	means the pool of stocks, cash, assets and liabilities to be created in accordance with the terms of the Tender Offer and relating to the Tendering Shareholders;
“Tender Pool Determination Date”	means the date specified by the Directors being as soon as practicable following the date on which all assets in the Tender Pool (other than any contingent assets, if any) have been fully realised and settled and liabilities (other than stamp duty or stamp duty reserve tax to be payable) have been met;
“Tender Price”	means in relation to each Ordinary Share, the Final Tender Offer Asset Value of the Tender Pool divided by the total number of Tender Shares expressed in Sterling, rounded down to two decimal places;
“Tender Share”	means an Ordinary Share which has been successfully tendered for purchase by Winterflood pursuant to the terms of the Tender Offer;
“Tendering Shareholder”	means a Shareholder who has tendered Ordinary Shares pursuant to the Tender Offer and “ Tendering Shareholders ” shall be construed accordingly;
“TFE Instruction”	means a transfer from escrow instruction (as defined by the CREST Manual);
“TTE Instruction”	means a transfer to escrow instruction (as defined by the CREST Manual);
“uncertificated” or “in uncertificated form”	means an Ordinary Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	means the United Kingdom of Great Britain and Northern Ireland;
“United States” or “U.S.”	means the United States of America;
“U.S. Code”	means the US Internal Revenue Code of 1986, as amended from time to time;
“U.S. Person”	means any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act;

“U.S. Securities Act”	means the U.S. Securities Act of 1933, as amended;
“US\$”	means the lawful currency of the United States;
“Voting Rights”	means all the voting rights attributable to the capital of the Company which are currently exercisable at a general meeting of the Company;
“Waiver Resolution” or “Resolution 2”	means resolution number 2 set out in the notice of General Meeting which will be proposed as an ordinary resolution; and
“Winterflood”	means Winterflood Securities Limited.

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

NOTICE OF GENERAL MEETING

BLACKROCK FRONTIERS INVESTMENT TRUST PLC

(incorporated in England and Wales with registered number 7409667 and registered as an investment company under section 844 of the Companies Act 2006)

NOTICE IS HEREBY GIVEN that a general meeting of BlackRock Frontiers Investment Trust plc (the “**Company**”) (the “**General Meeting**”) will be held at 12 Throgmorton Avenue, London EC2N 2DL at 12 noon on 23 February 2021 for the purpose of considering and, if thought fit, passing the following resolutions, in the case of resolution 1, as a special resolution and, in the case of resolution 2, as an ordinary resolution.

Restrictions on public gatherings are in place in England as at the date of this document made pursuant to the Public Health (Control of Disease) Act 1984. Under these restrictions, limits apply to the size of public gatherings and it is not clear how this legislation will have evolved by the time that the General Meeting is held. Accordingly, the Company's shareholders (“**Shareholders**”) will not be able to attend the General Meeting in person and they are therefore advised to submit their votes by proxy. The only attendees who will be permitted entry to the meeting will be those who will need to be present to form the quorum to allow the business to be conducted.

In order to ensure their vote will count, Shareholders should appoint the Chairman of the General Meeting as their proxy. This is because the General Meeting will be held as a closed meeting as described above, meaning that any other person attempting to attend the General Meeting will be refused admission and will therefore be unable to vote.

SPECIAL RESOLUTION

- 1 THAT, conditional on the passing of resolution 2 set out in this notice, the Company be and is generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the “**Act**”) to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of U.S.\$0.01 each in the capital of the Company (“**Ordinary Shares**”), following the completion of a tender offer made by Winterflood Securities Limited (“**Winterflood**”) for Ordinary Shares (the “**Tender Offer**”) on the terms set out or referred to in the circular issued by the Company of which this notice forms part (the “**Circular**”) (a copy of which was produced to the meeting and initialled by the chairman for identification), provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 241,210,518 Ordinary Shares, being the number of Ordinary Shares in issue as at the date of this document, or such other number as shall be equal to the number of Ordinary Shares in issue immediately prior to the commencement of the General Meeting (in each case excluding those held in treasury, if any);
 - (b) the price which may be paid for an Ordinary Share is the Tender Price (as defined in the Circular), which shall be both the maximum and minimum price for the purpose of section 701 of the Act; and
 - (c) unless previously renewed, revoked or varied this authority expires on 31 December 2021 save that the Company may before such expiry enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry and the Company may make a purchase of such shares after such expiry.

ORDINARY RESOLUTION

- 2 THAT, the waiver granted by the Panel on Takeovers and Mergers, described in the Circular of which this notice forms part, of the obligations that would otherwise arise under Rule 9 of the City Code on Takeovers and Mergers on any member of the BlackRock Concert Party (as defined in the Circular) to make a general offer to shareholders of the Company as a result of any market purchases by the Company of Ordinary Shares pursuant to the authority sought by resolution 1 set out in this notice be and is hereby approved.

BY ORDER OF THE BOARD

BlackRock Investment Management (UK) Limited
Company Secretary

Registered Office:
12 Throgmorton Avenue
London
EC2N 2DL

Date: 29 January 2021

Notes:

These notes should be read in conjunction with the notes on the Form of Proxy. Terms used in these notes shall have the meaning attributed to them in the Circular of which this notice forms part, unless the context otherwise requires.

Shareholders are reminded that in light of the current situation with COVID-19 for the reasons set out in the Notice of General Meeting above it will not be possible for Shareholders to attend the meeting in person and they are therefore advised to submit their votes by proxy. The only attendees who will be permitted entry to the meeting will be those who will need to be present to form the quorum to allow the business to be conducted.

In order to ensure their vote will count, Shareholders should appoint the Chairman of the General Meeting as their proxy. This is because the General Meeting is to be held as a closed meeting as described above, meaning that any other person attempting to attend the General Meeting will be refused admission and will therefore be unable to vote.

- 1 A member entitled to attend, speak and vote at the meeting convened by the above notice of general meeting is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his or her place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. Shareholders are reminded that Shareholders may not attend the meeting in person and they are therefore advised to submit their votes by proxy. As noted above, in order to ensure their vote will count, Shareholders should appoint the Chairman of the General Meeting as their proxy. This is because the General Meeting is to be held as a closed meeting as described above, meaning that any other person attempting to attend the General Meeting will be refused admission and will therefore be unable to vote.
- 2 To appoint a proxy you may use the form of proxy enclosed with this Circular. 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 copy of the same, must be completed and returned to the office of the Registrar, Computershare Investor Services PLC, in accordance with the instructions printed thereon as soon as possible and in any event by 12 noon on 19 February 2021. Amended instructions must also be received by the Registrar, Computershare Investor Services PLC, by the deadline for receipt of proxies. Alternatively you can vote or appoint a proxy electronically by visiting eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 12 noon on 19 February 2021.
- 3 Completion and return of the form of proxy would not usually prevent a member from attending the meeting and voting in person, but Shareholders are reminded that they cannot attend the meeting for the reasons set out above.
- 4 Any person (a "**Nominated 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 (the "**Act**") should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the 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 agreement to give instructions to the member as to the exercise of Voting Rights at the meeting.
- 5 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 the 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 the Nominated Person.

- 6 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 6.00 p.m. two days prior to the date fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time, however Shareholders are reminded that they cannot attend the meeting for the reasons set out above. If the 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 6.00 p.m. two days prior to the date of the adjournment. However, Shareholders are reminded that they cannot attend the meeting for the reasons set out above. 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 meeting. However, Shareholders are reminded that they cannot attend the meeting for the reasons set out above.
- 7 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 will 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.
- 8 Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Registrar, Computershare Investor Services PLC, by 12 noon on 19 February 2021. Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
- 9 If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) by 12 noon on 19 February 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST Sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 10 If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar, Computershare Investor Services PLC. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12 noon on 19 February 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
- 11 Any corporation which is a member may appoint one or more corporate representative(s) who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same Ordinary Shares.
- 12 If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and voting rights in respect of those discretionary proxies, when added to the interest 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 some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

- 13 Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under section 319A of the Act, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 14 Further information regarding the meeting which the Company is required by section 311A of the Act to publish on a website in advance of the meeting (including this Notice), can be accessed at www.blackrock.co.uk/brfi.
- 15 As at 27 January 2021 (being the last business day prior to the printing of this Notice of General Meeting), the Company's issued share capital comprised 241,822,801 Ordinary Shares (excluding 612,283 Ordinary Shares held in treasury) carrying one vote each and 50,000 management shares of £1.00 each in the capital of the Company (which do not carry voting rights). Therefore, the total number of voting rights in the Company as at 27 January 2021 are 241,210,518.
- 16 You may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.
- 17 The members of the BlackRock Concert Party will not be entitled to vote on Resolution 2 and no member of the BlackRock Concert Party will exercise any discretionary power to vote the Ordinary Shares on Resolution 2. BIM UK and BA UK have undertaken to the Company that they will not vote on the Waiver Resolution.

