

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended (“FSMA”), if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all your Ordinary Shares in The Investment Company PLC (the “**Company**”), please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding, you should retain these documents.

THE INVESTMENT COMPANY PLC

(Incorporated and registered in England and Wales under no. 4205)

Proposals to change the investment objective and policy of the Company and to amend the Articles and Notice of General Meeting

This document should be read as a whole in conjunction with the accompanying Form of Proxy and the definitions set out in this document. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 4 to 11 of this document and the recommendation in respect of the Resolutions to be proposed at the General Meeting referred to below.

Notice of the General Meeting of the Company to be held on 4 November 2020 at Birchin Court, 20 Birchin Lane, London EC3V 9DU commencing at 11.15 a.m. or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held on the same day, is set out at the end of this document. Details of the action you are recommended to take are set out on page 10 of this document.

In light of the current UK Government measures around the Covid-19 virus and the desire of the Company to protect the health and safety of Shareholders, you will understand that the General Meeting will be convened with the minimum quorum of Shareholders present in order to conduct the business of the meeting. 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.

Accordingly, please complete the Form of Proxy enclosed with this document and return it in accordance with the instructions printed on such form as soon as possible, but in any event so as to be received by the Company’s registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by no later than the time stated in the instructions printed on the Form of Proxy (or, in the case of any adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting). Alternatively, if you hold Ordinary Shares in uncertificated form, you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual, ensuring that it is received by Equiniti Limited by no later than 11.15 a.m. on 2 November 2020 (or in the case of any adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

In light of the social distancing measures imposed by the UK Government as a result of the current Covid-19 pandemic, any proxy you appoint other than the Chairman of the meeting will be refused entry to the meeting.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any subsequent time.

Shore Capital, which is authorised and regulated by the Financial Conduct Authority (the “**FCA**”) in the United Kingdom, is acting solely for the Company in relation to the matters set out in this document (the “**Transaction**”) and nobody else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital nor for providing advice in relation to the Transaction or any other matter referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed upon Shore Capital by the FSMA, or the regulatory regime established thereunder, Shore Capital does not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Transaction and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Shore Capital accordingly disclaims, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to in this document) which it might otherwise have in respect of this document or any such statement.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2020

Publication of this document	7 October
Latest time for receipt of Forms of Proxy for the General Meeting	11.15 a.m. on 2 November
Voting record date in respect of the General Meeting	6.30 p.m. on 2 November
General Meeting	11.15 a.m. on 4 November*

* or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held on the same day.

Future times and dates are indicative only and are subject to change by the Company. If the expected timetable of events changes from the above, the Company will release an announcement to this effect.

References to time in this document are to London time.

PART 1

LETTER FROM THE CHAIRMAN OF THE INVESTMENT COMPANY PLC

THE INVESTMENT COMPANY PLC

(Incorporated and registered in England and Wales under no. 4205)

Directors:

I.R. Dighé (*Chairman and Non-executive Director*)
T.M. Metcalfe (*Non-executive Director*)
M.H.W. Perrin (*Non-executive Director and Chairman of the Audit Committee*)

Registered Office:

Hamilton Centre
Rodney Way
Chelmsford
CM1 3BY

7 October 2020

Dear Shareholder,

1. Introduction and background

The Investment Company PLC (the “**Company**”) was incorporated in November 1868 and over the past 152 years has undergone a number of changes of investment policy and operational structure to most appropriately reflect the interests of its Shareholders.

The Company’s current structure is a legacy of arrangements made in 2012 to appoint an external investment manager, ostensibly to grow the assets of the Company. These arrangements were further changed, as was the composition of the Board, in 2018. The current investment manager, against a formidable income target, has, in the opinion of the Directors, administered the assets well.

The Company’s historical antecedents as a split capital trust invested in fixed income securities have given it a history of a high level of dividend payments. In recent years, this has become increasingly difficult to achieve without detriment to the capital base of the Company. By 2020, market interest rates had dropped to historically low levels and the Covid-19 pandemic has led to many companies re-appraising their dividend policies. Although the Company’s investment portfolio has not suffered unduly from dividend cuts so far, the current market conditions make further development under the current mandate problematic and, therefore, the future direction of the Company is now in sharp focus.

The Board has considered a range of alternatives for the future of the Company, including the possibility of merging the Company with other investment entities. Of the options considered, the Board believes that adopting an objective of wealth preservation and long term capital growth is likely to be most attractive to the majority of Shareholders.

I am therefore writing to you to outline details of important new proposals for the future of the Company, being the adoption of a New Investment Objective and Policy and amendments to the Articles (together the “**Proposals**”), and to explain why the Board considers them to be in the best interests of the Shareholders as a whole. The Board believes that, if implemented, the New Investment Objective and Policy will be attractive to those Shareholders who consider the preservation of capital paramount and should provide an opportunity to increase the size of the Company, so reducing its *pro rata* costs and improving its long term viability.

If the Proposals are approved, the Board proposes to appoint two new directors, Tom Cleverly and Michael Weeks, to contribute to the implementation of the proposed New Investment Objective and Policy. Both individuals are directors of Edelweiss Investments Limited, a wholly-owned subsidiary of Edelweiss Holdings plc (“**Edelweiss**”), a private investment holding company incorporated in Jersey. Their background makes them well suited to the investment policy and guiding principles now being proposed by the Board.

Implementation of the Proposals requires the approval of Shareholders and is therefore conditional on the passing of the Resolutions that will be proposed at a General Meeting to be held at 11.15 a.m. on 4 November 2020, or immediately after the conclusion or adjournment of the annual general meeting of the

Company to be held on the same day, notice of which is set out at the end of this document. The purpose of this document is to provide Shareholders with details of the Proposals and to set out the reasons why the Directors are recommending that Shareholders vote in favour of the Resolutions at the General Meeting.

At the annual general meeting of the Company convened for the same date as the General Meeting, the Directors are proposing a resolution that the Company continue in existence as an investment trust. If this resolution is not passed at the annual general meeting, the General Meeting will be adjourned indefinitely and the Proposals will not be put to Shareholders.

2. New Investment Objective and Policy

The Company's proposed New Investment Objective and Policy is set out below:

"Investment Objective

The Company's investment objective is to protect the purchasing power of its capital in real terms, and to participate in enduring economic activities which lend themselves to genuine capital accumulation and wealth creation.

Investment Policy

The Company will seek to acquire and hold, with no predetermined investment time horizon, a collection of assets which, in the Directors' judgment, are well-suited to the avoidance of a permanent loss of capital. These assets will be comprised of minority participations in the equity, debt or convertible securities of quoted businesses which the Directors believe are led by responsible and like-minded managers and suitable for the long-term compounding of earnings. In addition, to protect its capital as well as to maintain liquidity for future investments, the Company will keep reserves in (a) liquid debt instruments such as cash in banks or securities issued by governments and/or (b) liquid, non-debt, tangible assets such as gold bullion, whether held indirectly or in physical form.

The Company has no predetermined maximum or minimum levels of exposure to asset classes, currencies or geographies, and has the ability to invest globally. These exposures will be monitored by the Board in order to ensure an adequate spreading of risks. No holding in an individual company or debt instrument will represent more than 15 per cent. by value of the Company's total assets at the time of acquisition (such restriction does not, however, apply to gold bullion or cash balances). The Company's holdings of gold bullion may be as high as 35 per cent. of total assets at the time of investment.

Given the Company's investment objective, asset mix and time horizon, the portfolio will not seek to track any benchmark or index. The Company will not invest more than 10 per cent. of its total assets in other listed closed-ended investment funds. The Company will not use derivative instruments for speculative purposes, nor will it use currency hedges to manage returns in any currency.

The Company's gearing will not exceed 20 per cent. of net assets at the time of drawdown."

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

3. Guiding principles

The success of the Company demands a shared understanding of the Company's goals and an appreciation of the values that will guide the Board's decision-making. While the investment work will speak for itself, we (your Board) believe it necessary to set out a statement of principles that will guide our investment decisions.

Our purpose is to protect the savings of our Shareholders. It is not to try to make Shareholders rich or to impress anyone. We do not promise returns of any kind, either relative or absolute. Instead we promise two things: to be faithful to the principles outlined here, and to participate alongside those we serve as fellow Shareholders. The Company's financial results will be lumpy and, if considered over only a few years, will sometimes be disappointing. We are not concerned with tomorrow, but with preserving savings for the next generation.

We believe savings are scarce. It takes time, effort and sacrifice to acquire them, and holding on to them is difficult. We have the utmost respect for their irreplaceability. For this reason, our understanding of “risk” is fundamentally different from much of the financial industry. We are unconcerned with the “risk” (singular) of the volatility of returns as compared to an index. We are, however, profoundly concerned with understanding and managing the myriad “risks” (plural) that may result in a permanent loss of capital. In doing so, we believe that hubris, unaccountability, and financialisation are every bit as threatening as weak financial accounts and poor competitive standing.

We have no predetermined investment horizon or exit strategies and are keen to participate in the long-term compounding of earnings. We see ourselves as owners rather than investors, and we seek to deploy our capital alongside other owners whose life’s work is committed to the long-term survival of their company. The attributes we prize most — scarcity, permanence and independence — are rare. When we do come across them, we are not looking to sell.

We pay no attention to the views of others in the financial industry, what they expect or what they consider valuable. We are neither bearish nor bullish, but keen to distinguish what is real and true from what is not. We believe that our success will not come from a strict set of rules regarding asset allocation, position sizes, the blind pursuit of diversification, or the mimicking of any index. We do not rely on diversification to compensate us for risks we don’t understand.

We do nothing complicated or formulaic. We invest in businesses and people we understand and avoid those we do not, no matter how compelling they may appear to be. We avoid the idea of growth for its own sake, short-term thinking, and financial engineering. We like natural monopolies and economic niches having scale, barriers to entry and pricing power. We prefer what is firm, durable, earned, and designed for continuity, rather than what is fragile, fleeting, and unsure. We think that endurance is valuable and that it is the result of focusing on the customer rather than financial rewards that ensue. Our emphasis on the qualitative may not be fashionable, but we believe it to be correct.

We believe our ability to hold adequate and suitable reserves is important to achieving our purpose, and that the quality of our reserves matters just as much as the quality of our investments. We want reserves that are timeless — true assets that are neither someone else’s liability nor the plaything of central banks and political parties. For this reason gold bullion is well suited to be an important component of our reserves.

We value responsibility and accountability in corporate governance, as well as the avoidance of conflicts of interest consistent with the duty of loyalty and the duty of care. We will strive to keep our costs low, but will not sacrifice our intellectual or operational freedom for the sake of lower costs.

4. Management and organisation

The Directors

The Board of the Company currently comprises the following individuals:

Ian Dighé (Chairman) was appointed as Chairman on 6 July 2018. He has significant listed company experience, particularly in the investment banking, corporate broking, asset management and closed end funds sectors. He was a co-founder of Bridgewell Group plc and was Chairman of Miton Group plc (“**Miton**”) from February 2011, overseeing the successful refinancing and subsequent growth of the group. He retired from the Miton board in December 2017. He is an independent director of Edelweiss Holdings plc, and a director of a number of private companies, and charities.

Tim Metcalfe was appointed to the Board on 6 July 2018. He is an experienced corporate financier, having spent over 20 years working at Robert Fleming & Co., N M Rothschild, Westhouse Securities, and Northland Capital Partners and was Joint CEO of Zeus Capital, prior to being the co-founder, in 2015, of IFC Advisory, an investor relations and financial PR adviser to small and mid-cap companies.

Martin Perrin (Audit Committee Chairman) was appointed to the Board in June 2013. He is a non-executive director of Fiske plc. He is a Chartered Accountant and Chartered Wealth Manager and has wide international experience of operations and finance in both regulated financial services firms and in technology companies.

Proposed Directors

Subject to the passing of the Resolutions, the following additional individuals (the “**Proposed Directors**”) will be appointed to the Board:

Tom Cleverly spent the 10 years to 2011 in the audit profession, working for Grant Thornton in the UK and subsequently as a senior audit manager with Mazars in Bermuda. He served on the board of Edelweiss Holdings plc between November 2011 and September 2015, and has since held directorships in Edelweiss group companies, and currently serves as the company’s treasurer and member of its executive committee. He is a director of Kayson Green Limited, a family controlled distributor of abrasive products, based in the UK. Mr Cleverly holds a degree in accounting and finance from the University of Plymouth and is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He is a British citizen and resident of the UK.

Michael Weeks joined the investment team of Edelweiss Holdings plc in 2011, where he has since served as an analyst, head of research and, since 2014, as director in different Edelweiss group companies. He is a CFA charterholder and holds degrees in chemical engineering and philosophy from Rice University. He is a US citizen and resident in Switzerland.

Proposed organisational structure

Currently, investment advisory services are provided to the Board by Fiske plc. On the basis that Shareholders approve the New Investment Objective and Policy, the advisory agreement with Fiske plc will be terminated in accordance with its terms. Overall responsibility for the investment of the portfolio will remain with the Board, including the Proposed Directors. The Company is and will remain a small registered UK AIFM. The Board will, however, delegate some day-to-day investment decisions to a sub-committee of the Board, for which appropriate terms of reference are in place, and may also delegate responsibility for the execution of specific transactions to a single Director. Any sub-committee of the Board, or any individual Director holding responsibility delegated by the Board, shall report to the Board regularly with regard to any decisions taken. More significant investment decisions will be made by the full Board. The Board believes that, with the addition of the two Proposed Directors, the Board will have the appropriate mix of investment skills and experience, including in portfolio construction and management. The membership of the investment sub-committee will include the Chairman of the Board, Tom Cleverly, and Michael Weeks.

For the time being, the Company will continue to have no employees and company secretarial, administrative and custodial services will remain outsourced to third party suppliers. The Board retains ultimate responsibility for the delivery of these services and will oversee and monitor these service providers on a regular basis. The Board will be responsible for corporate governance.

Information on Edelweiss

Edelweiss is a privately owned investment holding company incorporated in Jersey, which is the continuation of a fund first formed in 2002. Under the oversight of a Supervisory Committee of its Board of Directors, which includes Ian Dighé, the strategy implementation and day-to-day management of Edelweiss is the responsibility of its executive committee, which includes Tom Cleverly. Led by Michael Weeks, investment, industry and economic research is provided to Edelweiss’s executive committee by Edelweiss Investments Limited, a company incorporated in Jersey, whose board of directors includes Michael Weeks and Tom Cleverly. Edelweiss had shareholders’ funds of USD 338 million as at 31 December 2019.

Whilst there is no commercial agreement between the Company and Edelweiss, whether relating to the appointment of the Proposed Directors or otherwise, the independent members of the board of Edelweiss have nevertheless consented to their appointment to the Board.

Due to the very different scale of their operations, no conflicts of interest are expected to arise between the Company and Edelweiss in the immediate future. However, should these circumstances change and situations emerge where a material conflict of interest does arise, this will be addressed by the independent members of the Board and the board of Edelweiss.

5. Changes to the Articles

Directors' remuneration

If the Company's New Investment Objective and Policy is adopted, in connection with the appointment of the Proposed Directors, the Board is proposing that the Articles be amended to remove the restriction which limits the remuneration of the Directors to £15,000 per Director per annum and replace it with a maximum aggregate amount of £250,000 per annum. Whilst there is no present intention that the aggregate of the Directors' annual remuneration will approach this level, the Directors believe that it is appropriate to have a limit which provides flexibility for the future development of the Company. The aggregate remuneration of the Directors following implementation of the Proposals and the appointment of the Proposed Directors will be lower than the aggregate of the Directors' and investment advisory fees currently payable to the Directors and to Fiske plc, respectively.

Continuation vote

Pursuant to the Articles, an ordinary resolution proposing that the Company continues in existence as a closed-ended investment company must be put to Shareholders at every annual general meeting. The Board considers that, in the event that Shareholders approve the adoption of the New Investment Objective and Policy, an annual continuation resolution is no longer appropriate because of the nature of the prospective portfolio and the Company's vision of itself as a long-term owner. The Board considers that the annual general meeting in 2025 will be an appropriate point at which Shareholders can reflect and re-evaluate the success of the new strategy and the performance of the Board, including the Proposed Directors, against the New Investment Objective and Policy and the guiding principles set out above at paragraph 3. The Board will of course maintain an ongoing and regular dialogue with Shareholders regarding the performance of the portfolio.

It is therefore proposed to amend the Articles to provide that an ordinary resolution proposing that the Company continues in existence as a closed-ended investment company next be put to Shareholders at the annual general meeting to be held in 2025, and, if passed, every 5 years thereafter.

6. Dividend policy

With the change of investment objective to be focused on protecting the purchasing power of its capital in real terms, payment of dividends will not, unlike the present position, be the key objective of the Company. Nevertheless, in accordance with the legislative requirements for an investment trust, the Company will not retain more than 15 per cent. of its income in respect of each accounting period and the Board therefore expects to pay dividends reflecting the future investment portfolio's flow of income.

7. Discount management policy

The Board currently intends to seek Shareholder approval each year for the authority to repurchase up to 14.99 per cent. of the Company's issued share capital. The Board will use this authority at its discretion to repurchase Ordinary Shares. No other mechanism to manage any discount/premium currently is, or will be in the immediate future, in place if the Proposals are approved.

8. Benefits of the Proposals

The Directors believe that the Proposals are in the best interests of Shareholders and represent an appropriate and attractive future for the Company for the following reasons:

- the New Investment Objective and Policy offers a genuine opportunity and advantage to Shareholders when viewed against the costs of liquidation and other actions which would be the likely alternative to implementing the Proposals;
- the successful business track records of both the existing and Proposed Directors combined with the proposed New Investment Objective and Policy afford the prospect of protecting Shareholders' wealth and generating enhanced value over the longer term; and
- the New Investment Objective and Policy, and management may better place the Company in a position to attract further capital and so spread its fixed costs over a broader base, so improving the return to Shareholders.

In light of the above, the Board considers that implementing the Proposals is in the best interests of the Company and its Shareholders as a whole. If the Proposals are not approved at the General Meeting, the Directors will consider alternative proposals for the future of the Company, which may include liquidation.

9. Considerations and risks associated with the Proposals

Shareholders should have regard to the following when considering the Proposals:

- the Company's existing investment objective is to provide Shareholders with an attractive level of dividends coupled with capital growth over the long term, whereas the New Investment Objective and Policy will be to protect the purchasing power of its capital in real terms for the purposes of capital accumulation and wealth creation. Whilst the Company must not retain more than 15 per cent. of its income in respect of each accounting period in order to preserve its investment trust status, providing Shareholders with an attractive level of dividends will no longer form part of the investment objective of the Company if the Proposals are approved;
- the Company may not achieve its proposed New Investment Objective. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met; and
- the past performance of the Company or its Directors and Proposed Directors cannot be relied upon as an indicator of the future performance of the Company.

10. Costs and expenses associated with the Proposals

Your Board is conscious of costs and, whilst total operating expenses have been reduced from approximately £466,000 in the year to June 2018 to approximately £426,000 in the year to June 2020, the Proposals are being put forward for strategic reasons rather than the cost savings that are expected to accrue.

The costs and expenses incurred by the Company in connection with implementing the Proposals will be borne by all Shareholders *pro rata* to their holding of Shares. Such costs and expenses are not expected to exceed £155,000 which equates to approximately 3.2 pence per Ordinary Share based on the total number of Ordinary Shares in issue at the date of this document.

11. Notice of General Meeting

In connection with the Proposals, a General Meeting of the Company has been convened at which the following Resolutions will be put to Shareholders:

- to adopt the New Investment Objective and Policy ("**Resolution 1**"); and
- to amend the Articles ("**Resolution 2**").

The Proposals are conditional on the approval by Shareholders of Resolutions 1 and 2.

In accordance with the Listing Rules, which require the prior approval of shareholders for any material changes to a company's published investment policy, Resolution 1 will be proposed as an ordinary resolution. An ordinary resolution requires a simple majority of votes cast by members, whether in person or by proxy, to be cast in favour in order for it to be passed. In accordance with the requirements of the Companies Act 2006, Resolution 2 will be proposed as a special resolution. A special resolution requires a majority of at least 75 per cent. of votes cast by members, whether in person or by proxy, to be cast in favour in order for it to be passed.

Shareholders alone are entitled to vote at the General Meeting. The quorum for the General Meeting is three persons present in person or by proxy.

A notice convening a General Meeting to be held at Birchin Court, 20 Birchin Lane, London EC3V 9DU at 11.15 a.m. on 4 November 2020, or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held on the same day, at which the Resolutions will be proposed, is set out at the end of this document.

Please refer to paragraph 12 below in relation to the arrangements that the Board is making for the General Meeting due to measures imposed by the UK Government as a result of the spread of the COVID-19 virus.

You are advised to read the whole of this document, including the Notice of General Meeting, and not to rely solely on the information contained in this letter.

12. Action to be taken

A Form of Proxy for Shareholders to vote at the General Meeting is enclosed.

In light of the current UK Government measures around the COVID-19 virus and the desire of the Company to protect the health and safety of Shareholders, you will understand that the General Meeting will be convened with the minimum quorum of Shareholders present in order to conduct the business of the meeting.

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.

Accordingly, Shareholders will be prevented from attending the General Meeting in person and are instead strongly encouraged to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon. Given the current restrictions on attendance, Shareholders are strongly encouraged to appoint the Chairman of the General Meeting to act as their proxy. Completed Forms of Proxy should be returned to the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible, and in any case so as to be received by the Registrar by not later than 11.15 a.m. on 2 November 2020.

Alternatively, Ordinary Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual on the Euroclear website (www.euroclear.com) by not later than 11.15 a.m. on 2 November 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

The results of the votes cast at the General Meeting will be announced as soon as possible, once known, through a Regulatory Information Service, and on the website of the Company.

Shareholders wishing to raise any questions at the General Meeting should do so by email to info@theinvestmentcompanyplc.co.uk so as to be received no later than 6.30 p.m. on 2 November 2020.

13. Documents available for inspection

A copy of the revised Articles, showing the proposed changes described in this document, will be available for inspection at Birchin Court, 20 Birchin Lane, London EC3V 9DU from the date of this document until the close of the General Meeting and at the place of the General Meeting for at least 15 minutes before and during the General Meeting. Inspection of this document may only take place in accordance with measures imposed in connection with the Covid-19 pandemic. You are reminded that anyone seeking to attend the General Meeting in person (other than those forming the quorum) will be refused entry.

In addition, a copy of this document has been submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. This document will also be available on the Company's website at <https://www.maitlandgroup.com/investment-trusts/the-investment-company-plc/>.

14. Recommendation

The Board considers that the passing of the Resolutions is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

The Directors intend to vote in favour of the Resolutions in respect of their beneficial holdings amounting to 34,707 Ordinary Shares in aggregate (representing approximately 0.73 per cent. of the Ordinary Shares in issue as at the date of this document). Undertakings to vote in favour of the Resolutions have been received from Shareholders representing, in aggregate, a further 15 per cent. of the Ordinary Shares in issue as at the date of this document.

Yours faithfully

I. R. Dighé

Chairman

PART 2

EXISTING AND NEW INVESTMENT OBJECTIVE AND POLICY

Current investment objective and policy

Investment Objective

The Company's investment objective is to provide shareholders with an attractive level of dividends coupled with capital growth over the long term, through investment in a portfolio of equities, preference shares, loan stocks, debentures and convertibles.

Investment policy

The Company invests in equity and fixed income securities. The equity portion of the portfolio would principally invest in UK quoted companies, with a wide range of market capitalisations, which are anticipated to pay a growing stream of dividends. It is expected that the fixed income securities would include preference shares, loan stocks, convertibles and related instruments and be issued by UK quoted companies with a wide range of market capitalisations. The conversion rights or equity warrants would normally convert into the underlying equity of the quoted company.

Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described below. The Company will not enter into uncovered short positions.

Risk diversification

Portfolio risk is mitigated by investing in a diversified spread of investments. Investments in any one company shall not, at the time of acquisition, exceed 15 per cent. of the value of the Company's investment portfolio. In the long term, it is expected that the Company's investments will generally be a portfolio of around 75 or more different securities, most of which will represent individually no more than 5 per cent. of the value of the Company's total investment portfolio, as at the time of acquisition.

The Company will not invest more than 10 per cent. of its gross assets, at the time of acquisition, in other listed closed-ended investment funds, whether managed by the investment manager or not, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds.

Unquoted investments

The investment manager may invest in unquoted fixed income securities from time to time subject to prior Board approval.

New Investment Objective and Policy

Investment Objective

The Company's investment objective is to protect the purchasing power of its capital in real terms, and to participate in enduring economic activities which lend themselves to genuine capital accumulation and wealth creation.

Investment policy

The Company will seek to acquire and hold, with no predetermined investment time horizon, a collection of assets which, in the Directors' judgment, are well-suited to the avoidance of a permanent loss of capital. These assets will be comprised of minority participations in the equity, debt or convertible securities of quoted businesses which the Directors believe are led by responsible and like-minded managers and suitable for the long-term compounding of earnings. In addition, to protect its capital as well as to maintain liquidity for future investments, the Company will keep reserves in (a) liquid debt instruments such as cash in banks or securities issued by governments and/or (b) liquid, non-debt, tangible assets such as gold bullion, whether held indirectly or in physical form.

The Company has no predetermined maximum or minimum levels of exposure to asset classes, currencies or geographies, and has the ability to invest globally. These exposures will be monitored by the Board in order to ensure an adequate spreading of risks. No holding in an individual company or debt instrument will represent more than 15 per cent. by value of the Company's total assets at the time of acquisition (such restriction does not, however, apply to gold bullion or cash balances). The Company's holdings of gold bullion may be as high as 35 per cent. of total assets at the time of investment.

Given the Company's investment objective, asset mix and time horizon, the portfolio will not seek to track any benchmark or index. The Company will not invest more than 10 per cent. of its total assets in other listed closed-ended investment funds. The Company will not use derivative instruments for speculative purposes, nor will it use currency hedges to manage returns in any currency.

The Company's gearing will not exceed 20 per cent. of net assets at the time of drawdown.

PART 3

DEFINITIONS

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

“AIFM”	an alternative investment fund manager
“Articles”	the articles of association of the Company, as amended from time to time
“Companies Act 2006”	the UK Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
“Company”	The Investment Company PLC
“CREST”	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
“Directors” or “Board”	the directors of the Company
“Edelweiss”	Edelweiss Holdings plc
“General Meeting”	the general meeting of the Company convened for 11.15 a.m. on 4 November 2020 or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held on the same day, notice of which is set out at the end of this document, or any adjournment thereof
“Listing Rules”	the listing rules made by the FCA under section 74 of the Financial Services and Markets Act 2000, as amended
“New Investment Objective and Policy”	the proposed new investment objective and policy of the Company as set out in paragraph 2 (<i>New Investment Objective and Policy</i>) of Part 1 (<i>Letter from the Chairman of The Investment Company PLC</i>) of this document
“Ordinary Shares”	ordinary shares with a nominal value of fifty pence each in the capital of the Company
“Proposals”	the Proposals as described in Part 1 (<i>Letter from the Chairman of The Investment Company PLC</i>) of this document
“Proposed Directors”	Tom Cleverly and Michael Weeks
“Register”	the register of members of the Company
“Registrar”	Equiniti Limited
“Resolutions”	Resolution 1 and Resolution 2
“Resolution 1”	has the meaning set out on page 9 of this document
“Resolution 2”	has the meaning set out on page 9 of this document

“Shareholder”	a holder of Ordinary Shares
“Shore Capital”	Shore Capital & Corporate Limited (the Company’s sponsor and financial adviser) and Shore Capital Stockbrokers Limited (the Company’s stockbroker)
“uncertificated” or “in uncertificated form”	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”	the United Kingdom of Great Britain and Northern Ireland

NOTICE OF GENERAL MEETING

THE INVESTMENT COMPANY PLC

(Incorporated and registered in England and Wales under no. 4205)

NOTICE IS HEREBY GIVEN that a general meeting of The Investment Company PLC (the “**Company**”) will be held at Birch in Court, 20 Birch in Lane, London EC3V 9DU on 4 November 2020 at 11.15 a.m. or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held on the same day, to consider and, if thought fit, approve the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. **THAT** the proposed investment objective and policy set out in the circular to Shareholders dated 7 October 2020 of which this notice forms part be adopted as the investment objective and policy of the Company to the exclusion of the existing investment objective and policy of the Company.

SPECIAL RESOLUTION

2. **THAT**, conditional on the passing of resolution 1 above, the articles of association of the Company be amended by:
 - (a) the deletion of Article 40.1 and the insertion of the following replacement Article 40.1:

“Each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. However, the aggregate of all fees payable to the Directors (other than amounts payable under any other provision of these Articles) must not exceed £250,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the Company. Any fees payable under this Article shall be distinct from any salary, remuneration or other amounts payable to a Director under any other provisions of these Articles.”; and
 - (b) the deletion of Article 83 and the insertion of the following replacement Article 83:

“At the annual general meeting of the Company to be held in 2025, the Directors shall propose an ordinary resolution that the Company continue in existence as a closed-ended investment company (the “**Continuation Resolution**”). If passed, a similar ordinary resolution will be proposed at every fifth annual general meeting thereafter. In the event that a Continuation Resolution is not passed, the Directors shall formulate proposals to be put to Ordinary Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Ordinary Shareholders to realise their holdings in the Company as soon as is practicable but, in any event, within six months of the Continuation Resolution not being passed.”

By order of the Board

7 October 2020

Maitland Administration Services Limited
Company Secretary

Registered Office:
Hamilton Centre
Rodney Way
Chelmsford
CM1 3BY
United Kingdom

Notes:

1. A member entitled to vote at the General Meeting may appoint a proxy or proxies to vote instead of him or her. A proxy need not be a member of the Company. A Form of Proxy is enclosed which, if used, must be lodged at the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not less than 48 hours before the General Meeting (ignoring any part of a day that is not a working day). To appoint more than one proxy you may photocopy the Form of Proxy. **You may appoint a person other than the Chairman as your proxy. However, given the current restrictions on attendance, members are strongly encouraged to appoint the Chairman of the General Meeting to act as their proxy, as any other named person will not be permitted to attend the meeting.** Please indicate the proxy holder's name and the number of Ordinary Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Ordinary Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to vote at the General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's Register at 6.30 p.m. on 2 November 2020. If the meeting is adjourned then, to be so entitled, Members must be entered on the Company's Register at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
3. The vote 'Withheld' is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Withheld' vote is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a '**CREST Proxy Instruction**') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent ID (RA19) by the latest time(s) for receipt of proxy appointments specified in this Notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a '**Nominated Person**') may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. Corporate representatives are entitled to vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporate member) the same powers as the corporate member could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative. **However, you are reminded that in light of social distancing measures imposed as a result of the Covid-19 pandemic, any such corporate representative will be refused entry to the meeting.**
7. Members have a right under section 319A of the Companies Act 2006 to require the Company to answer any question raised by a member at the General Meeting, which relates to the business being dealt with at the meeting, although no answer need be given: (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) it is undesirable in the best interests of the Company or the good order of the meeting. **However, you are reminded that in light of social distancing measures imposed as a result of the COVID-19 pandemic, any member seeking to attend the meeting in person will be refused entry to the meeting. If a member has a question in relation to the business of the meeting or a question for the Board that would have been raised at the meeting, it can be sent by email to info@theinvestmentcompanyplc.co.uk.**
8. As at 6 October 2020 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 4,772,049 Ordinary Shares, carrying one vote each, and no Ordinary Shares are held in treasury. Therefore as at 6 October 2020, the total number of voting rights in the Company is 4,772,049.
9. A copy of this Notice of General Meeting and other information required by section 311A of the Companies Act 2006, can be found at the Company's website at <https://www.maitlandgroup.com/investment-data/the-investment-company-plc/>.