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COMPANIES HOUSE

PUBLIC LIMITED COMPANY

NOTICE OF PASSING OF A SPECIAL RESOLUTION

ABERFORTH GEARED CAPITAL & INCOME TRUST PLC

(Registered Number 04283484)

(the "Company")

NOTICE IS HEREBY GIVEN that at a general meeting of the Company held at 10 00 a m on 25 July 2011 at the offices of Aberforth Partners LLP, 14 Melville Street, Edinburgh EH3 7NS, the following special resolution was passed by the shareholders of the Company

SPECIAL RESOLUTION

"THAT

- (A) subject always to paragraph (E) of this resolution, with effect from 8 August 2011 or (if later) the business day immediately preceding the Effective Date, each of the income shares of 1p each in the capital of the Company in issue at the date of the passing of this resolution (the **Income Shares**) shall be reclassified as Shares with "A" rights or Shares with "C" rights (as the case may be) attached and each of the capital shares of 1p each in the capital of the Company in issue at the date of the passing of this resolution (the **Capital Shares**) shall be reclassified as Shares with "B" rights or Shares with "D" rights (as the case may be) attached (the Shares with "A" rights, "B" rights, "C" rights and "D" rights together being the **Reclassified Shares**) in accordance with the terms of the Scheme set out in Part 3 of the circular of the Company dated 28 June 2011 to the shareholders of the Company, a copy of which marked "X" has been produced to the meeting and signed for the purpose of identification by the chairman thereof (the **Circular**),
- (B) for the purposes of this resolution
- (i) to the extent that any holder of Income Shares shall have validly elected for (or shall be deemed to have elected for), and under the terms of the Scheme will become entitled to receive, cash, the relevant Income Shares held by such holder shall be reclassified as Shares with "A" rights,
 - (ii) to the extent that any holder of Capital Shares shall have validly elected for (or shall be deemed to have elected for), and under the terms of the Scheme will become entitled to receive, cash, the relevant Capital Shares held by such holder shall be reclassified as Shares with "B" rights,
 - (iii) to the extent that any holder of Income Shares shall have validly elected (or shall be deemed to have elected) for, and under the terms of the Scheme will become entitled to receive, New AGIT Ordinary Shares, the relevant Income Shares held by such holder shall be reclassified as Shares with "C" rights, and

- (iv) to the extent that any holder of Capital Shares shall have validly elected for (or shall be deemed to have elected for), and under the terms of the Scheme will become entitled to receive, New AGIT Ordinary Shares, the relevant Capital Shares held by such holder shall be reclassified as Shares with "D" rights,

provided that where Elections for New AGIT Ordinary Shares are scaled back as described in the Scheme, prior to the Effective Date (and in accordance with paragraph 16 7 or paragraph 16 8 of the Scheme) the corresponding Shares with "C" rights will be reclassified as Shares with "A" rights and/or the corresponding Shares with "D" rights will be reclassified as Shares with "B" rights,

- (C) each of the Shares with "A" rights, Shares with "B" rights, Shares with "C" rights and Shares with "D" rights shall have the respective rights set out in the Articles of Association of the Company as amended by this resolution,
- (D) with effect from 8 August 2011 or (if later) the business day immediately preceding the Effective Date, the Articles of Association of the Company be and are hereby amended by inserting the following new Article as Article 7A and renumbering the existing Article 7 as Article 7B

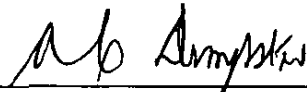
"7A(a) The definitions contained in the circular of the Company to its shareholders dated 28 June 2011 (the Circular) have the same meanings in this Article 7A, save where the context otherwise requires

7A(b) The rights attaching to the Shares with "A" rights and the Shares with "C" rights shall be identical to each other and the rights attaching to the Shares with "B" rights and the Shares with "D" rights shall be identical to each other, save in each case that in a winding up of the Company in the circumstances set out in the Circular (subject to the Scheme becoming unconditional in all respects in accordance with its terms) the Reclassified Shares shall have the following additional rights, notwithstanding anything to the contrary in these Articles

- (i) subject to sub-paragraph (iii) below, the rights of the holders of the Shares with "A" rights and the rights of the holders of the Shares with "B" rights in respect of the assets of the Company shall be satisfied by a distribution to such Shareholders of the amount of cash to which they shall respectively be entitled in accordance with the Scheme,
- (ii) subject to sub-paragraph (iii) below, the rights of the holders of Shares with "C" rights and the rights of the holders of the Shares with "D" rights in respect of the assets of the Company shall be satisfied by the issue to such holders of the number of New AGIT Ordinary Shares to which they shall respectively be entitled in accordance with the Scheme, and
- (iii) the entitlement of any holders of Shares with "A" rights, Shares with "B" rights, Shares with "C" rights and/or Shares with "D" rights to any surplus remaining in the Liquidation Fund shall be as respectively provided in the Scheme

- 7A(c) Subject to the special rights set out in Article 7A(b) above, for all other purposes of these Articles, the Shares with "A" rights and the Shares with "C" rights shall continue to be Income Shares and the Shares with "B" rights and the Shares with "D" rights shall continue to be Capital Shares and the Articles of Association shall be construed accordingly",
- (E) in the event that either (i) the resolution to be proposed at the general meeting of the Company to be held on 9 August 2011 as set out in the notice of meeting contained in the Circular is either not put to the meeting (or any adjourned meeting) or is not passed and does not become effective on or before 30 September 2011 or (ii) the Admission Condition is not satisfied on or before 30 September 2011, the amendments to the Articles as effected by sub-paragraph (D) of this resolution shall cease to have effect and, in particular, the reclassification of Shares provided for by this resolution shall be reversed and each Reclassified Share shall revert to being an Income Share or a Capital Share (as appropriate), the rights of which shall be as provided by the Articles (prior to the amendments proposed in this resolution),
- (F) subject to the fulfilment (or, to the extent permitted, earlier waiver) of the conditions set out in paragraph 15.1 of the Scheme contained in Part 3 of the Circular
- (i) notwithstanding anything to the contrary in the Articles, the Scheme (a copy of which marked "Y" has been produced to the meeting and signed for the purpose of identification by the chairman thereof) be and is hereby approved and the liquidators of the Company, when appointed, (jointly and severally the Liquidators) be and are hereby authorised to implement the Scheme and to execute any document and do any thing for the purpose of carrying the Scheme into effect;
 - (ii) in particular and without prejudice to the generality of sub-paragraph (F)(i) above, the Liquidators, when appointed, be and are hereby authorised and directed, pursuant to section 110 of Insolvency Act 1986 and/or this resolution and/or the Articles as amended by this resolution
 - (a) to enter into and give effect to the Transfer Agreement (in their personal capacity and on behalf of the Company) (in the form of the draft marked "Z" produced to the meeting and signed for the purpose of identification by the chairman thereof) with such non-material amendments thereto as the Directors and the parties to such agreement may agree;
 - (b) to procure that each of the Rollover Funds (as defined in the Scheme) be vested in AGIT (or its nominees) and subject to the terms of the Transfer Agreement,
 - (c) to convert into cash any assets in the Liquidation Fund and to raise the money to purchase the interests of any members of the Company who shall have validly exercised their rights under section 111(2) of the Insolvency Act 1986 out of the Liquidation Fund (as defined in the Scheme),

- (d) the Liquidators be and they are hereby authorised and directed to arrange for the distribution among the holders of the Shares with "A" rights and the Shares with "B" rights of the amounts of cash to which they are respectively entitled under the Scheme,
 - (e) the Liquidators be and they are hereby authorised and directed to request AGIT to allot and issue New AGIT Ordinary Shares, credited as fully paid, on the basis described in the Transfer Agreement for distribution among the holders of the Shares with "C" rights and the holders of the Shares with "D" rights entitled thereto under the Scheme (or to the Liquidators as nominees on their behalf) by way of satisfaction and discharge of their respective interests in so much of the undertaking, property and assets of the Company comprising the respective Rollover Funds as shall be transferred to AGIT in accordance with the Transfer Agreement and with the Scheme;
 - (f) to distribute any surplus in the Liquidation Fund in accordance with the Scheme; and
 - (g) pending distributions being made by the Liquidators to the persons entitled thereto, to invest the funds of the Company in such manner as they deem expedient having regard in particular to the requirements of Chapter 4 of Part 24 of the Corporation Tax Act 2010,
- (G) this resolution shall operate by way of such further amendments to the Articles as may be necessary to give effect hereto; and
- (H) terms defined in the Circular shall have the same meanings in this resolution, save where the context otherwise requires."



For and on behalf of
Aberforth Geared Capital &
Income Trust plc

Date: 25 July 2011