

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom or another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom. All Shareholders are advised to consult their professional advisers regarding their own tax position.

If you have sold, transferred or otherwise disposed of all of your ordinary shares (“**Shares**”) in ScotGems plc (the “**Company**”) you should pass this circular (the “**Circular**”) and the accompanying form of proxy (the “**Form of Proxy**”) to the stockbroker, bank or other agent through whom the sale, transfer or disposal was effected for transmission to the purchaser or transferee except that such documents should not be sent to any jurisdiction under any circumstances where to do so might constitute a violation of local securities laws and regulations. Persons into whose possession this Circular comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold, transferred or otherwise disposed of only part of your holding of Shares in the Company, you should retain this Circular and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom you effected the sale, transfer or disposal.

SCOTGEMS PLC

(Incorporated in England and Wales with company number 10755475 and registered as an investment company under section 833 of the Companies Act 2006)

Recommended Members’ Voluntary Liquidation of the Company and Notice of General Meeting

Dickson Minto W.S., which is authorised and regulated by the Financial Conduct Authority, has given and not withdrawn its consent to the inclusion in this document of its name and the references to it in the form and context in which they appear. Dickson Minto W.S. will not be responsible to anyone other than the Company for providing protections afforded to clients of Dickson Minto W.S. or for affording advice in relation to the contents of this Circular or any matters referred to herein or any other statement made or purported to be made by Dickson Minto W.S. or on its behalf in connection with the Company, the Proposals, the Resolution or the Shares. Accordingly, Dickson Minto W.S., to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability including any responsibilities or liabilities which may arise under FSMA or any regulatory regime established thereunder) whether arising in tort, contract or otherwise which it might otherwise have in respect of this Circular or any other statement.

This Circular should be read in its entirety. Nevertheless, your attention is drawn, in particular, to the letter from the Chairman which contains a recommendation that you vote in favour of the Resolution in relation to the members’ voluntary liquidation of the Company to be proposed at the general meeting referred to below.

Notice of a general meeting of the Company to be held at Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 8 September 2022 at 11.30 a.m. (the “**General Meeting**”) is set out at the end of this Circular. Shareholders who wish to vote on the Resolution to be considered at the General Meeting are encouraged to submit the Form of Proxy accompanying this Circular in advance of the General Meeting. To be valid, the Form of Proxy must be completed and returned, in accordance with the instructions thereon, so as to be received by the Company’s registrar, Computershare Investor Services PLC (the “**Registrar**”), The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible, but in any event not later than 11.30 a.m. on 6 September 2022. Alternatively, you may submit your proxy electronically by using the following link: www.investorcentre.co.uk/eproxy.

EXPECTED TIMETABLE

Notice of General Meeting	18 August 2022
Ex-dividend date for the Interim Dividend	25 August 2022
Record date for the Interim Dividend	26 August 2022
Last day of dealing in the Shares through CREST on a normal rolling two day settlement basis	5 September 2022
Deadline for receipt of Forms of Proxy	11.30 a.m. on 6 September 2022
Payment date for the Interim Dividend	7 September 2022
Close of Register and Record Date for participation in the members' voluntary liquidation	6.00 p.m. on 7 September 2022
Suspension of Shares from listing on the Official List and from trading on the London Stock Exchange	7.30 a.m. on 8 September 2022
General Meeting	11.30 a.m. on 8 September 2022
Appointment of Liquidators	8 September 2022
Expected date of cancellation of the listing of the Shares on the Official List and of the trading of the Shares on the London Stock Exchange	8.00 a.m. on 9 September 2022
First cash distribution to Shareholders*	by 23 September 2022

* Actual date to be determined by the Liquidators.

The above times and/or dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

All references to times in this Circular are to London times.

PART 1

LETTER FROM THE CHAIRMAN

SCOTGEMS PLC

(Incorporated in England and Wales with company number 10755475 and registered as an investment company under section 833 of the Companies Act 2006)

Directors

William Salomon (*Chairman*)
James Maclaurin
Angus Tulloch
Anne West

Registered Office

Level 13 Broadgate Tower
20 Primrose Street
London
EC2A 2EW

18 August 2022

Dear Shareholder

Recommended Members' Voluntary Liquidation of the Company

The Board of the Company announced on 1 July 2022 that, following consideration of various different options for the future of the Company and consultation with the Company's major Shareholders and advisers, it had determined to put formal proposals to Shareholders that a members' voluntary liquidation of the Company be undertaken (the "**Proposals**"). The purpose of this Circular is to provide Shareholders with further details of the Proposals and to convene a General Meeting at which Shareholders will be asked to approve the Proposals.

The General Meeting will be held at Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 8 September 2022 at 11.30 a.m. The Resolution that you will be asked to consider and vote on at the General Meeting is set out in the Notice of General Meeting at pages 11 to 13 (inclusive) of this Circular. An explanation of the Resolution is given below.

Background to the Proposals

On 9 March 2022 the Board of the Company announced that it had received notice to terminate the alternative investment fund management agreement dated 2 June 2017 (the "**AIFM Agreement**") from First Sentier Investors (UK) Funds Limited, the Company's AIFM (the "**AIFM**"). The termination of the AIFM Agreement is subject to a six month notice period and the investment management agreement among the Company, the AIFM and First Sentier Investors International IM Limited (the "**Investment Manager**") dated 2 June 2017 (the "**Investment Management Agreement**") will terminate automatically at the same time as the AIFM Agreement.

In the light of this development, the Board carefully considered the options for the future of the Company including the review of a number of proposals made to the Board and consultation with the Company's largest Shareholders. Throughout this process the Board took into account the size of the Company, the discount at which the Shares trade relative to Net Asset Value and the limited liquidity in the Shares.

The Board wanted to ensure that all Shareholders had an opportunity to consider the Company's future. Accordingly, it was announced on 12 May 2022 that the Company would convene a general meeting for Shareholders to vote on the continuation of the Company and that the Board, following further consideration of the Company's options (including a straightforward winding up), would give its recommendation on the future of the Company prior to the continuation vote. As announced on 1 July 2022, following further consultation with major Shareholders and the Company's advisers, the Board has determined that it would be in the best interests of the Company and Shareholders as a whole to put forward formal proposals to Shareholders for a members' voluntary liquidation of the Company. Accordingly, the Board is proposing that the Company be wound up such that Shareholders are provided with a full cash exit less costs.

As set out in the announcements of 1 and 13 July 2022, the Board has instructed the Investment Manager to realise the Company's investment portfolio (the "**Portfolio**") in an orderly manner. As at 17 August 2022 (being the latest practicable date prior to the publication of this Circular) the Investment Manager has realised approximately 97.51 per cent. of the Portfolio, with the vast majority of the proceeds of these sales being held in Sterling, and expects to have realised approximately 98.35 per cent. of the Portfolio by the date of the General Meeting. The remaining unrealised portion of the Portfolio, currently valued at approximately £745,000, is relatively illiquid and will be passed to the Liquidators to be sold following their appointment. There can be no guarantee as to the value, if any, and/or timing of distribution(s) that may result from the realisation of the Company's remaining assets. Both of these factors depend, *inter alia*, on prevailing market conditions and legal restrictions.

In particular, as per the announcement published on 11 March 2022, the Company holds London-listed global depository receipts in Fix Price Group Ltd, a retailer with exposure to the Russian market, which are currently incapable of being traded due to legal restrictions imposed in response to the war in Ukraine. It is not known when, or indeed if, such regulations will be revised to permit the Company to dispose of these depository receipts. However, as these depository receipts are held at nil value for accounting purposes this will have no impact on the value of the distributions to Shareholders relative to the Company's reported Net Asset Value as at the date of this Circular.

The Board believes that approval of a members' voluntary liquidation at the General Meeting is in the best interests of the Company and Shareholders as a whole and recommends that you vote in favour of the Resolution at the General Meeting.

The Proposals

The Board is proposing that the Company be placed into members' voluntary liquidation, which requires the approval of Shareholders at a General Meeting that is being convened pursuant to the Notice of General Meeting set out at the end of this Circular.

It is proposed that Derek Neil Hyslop and Richard Peter Barker, both licensed insolvency practitioners of Ernst & Young LLP, be appointed as joint liquidators of the Company (the "**Liquidators**") and their remuneration shall be determined by the Company. The winding up of the Company will be a solvent winding up in which it is intended that all creditors will be paid in full. The appointment of the Liquidators becomes effective immediately upon the passing of the Resolution at the General Meeting. At this point, the powers of the Directors will cease.

The Liquidators will then assume responsibility for the winding up of the Company, including the realisation of the remaining assets of the Company, the payment of fees, costs and expenses, the discharging of the liabilities of the Company and the distribution of its surplus assets to Shareholders.

The proceeds of the realisation of the Portfolio will be distributed to Shareholders after the Company's outstanding liabilities and the costs of implementing the Proposals, including the Liquidators' fees, have been met. Cash held by the Company will be distributed amongst Shareholders, as set out below, through one or more distributions in accordance with the provisions of the Articles.

In order to facilitate the implementation of the Proposals, the Shares will be suspended from listing on the Official List and from trading on the London Stock Exchange with effect from 7.30 a.m. on 8 September 2022, being the date of the General Meeting.

If the Resolution is subsequently passed at the General Meeting, this will also result in the cancellation of the listing of the Shares on the Official List and the Shares ceasing to trade on the London Stock Exchange. It is expected that the cancellation of listing and trading would take effect from 8.00 a.m. on 9 September 2022.

Distributions to Shareholders

Insofar as possible, the Liquidators will seek to ensure that the Company's status as an investment trust is maintained throughout this process, although this cannot be guaranteed. In order to comply with the Company's obligations in respect of its investment trust status for the period between 1 January 2022 and 8 September 2022, the Board has announced a pre-liquidation Interim Dividend of 3 pence per Share which will be paid on 7 September 2022 to Shareholders on the Register of Members at the close of business on 26 August 2022. The ex-dividend date will be 25 August 2022.

Assuming the Resolution is passed, the Liquidators expect to make an initial distribution of the cash proceeds of the liquidation of the vast majority of the Portfolio, less the costs of the Proposals and the amount attributable to the Liquidation Fund (as defined below), by 23 September 2022 (the “**Initial Distribution**”).

The Liquidators will retain sufficient funds in the liquidation to meet the current, future and contingent liabilities of the Company, including the costs and expenses (inclusive of VAT, if applicable) of the liquidation not already paid at the point of liquidation and an additional retention of £100,000 for unknown contingencies (the “**Liquidation Fund**”).

Once the Liquidators have realised the Company’s assets, made the Initial Distribution, satisfied the claims of creditors of the Company and paid the costs and expenses of the liquidation, it is expected that the Liquidators will make a final distribution to Shareholders. This final distribution, if any, will be made solely at the discretion of the Liquidators.

All Shareholders on the Register of Members at 6.00 p.m. on 7 September 2022 (who are not Sanctions Restricted Persons) will be entitled to the distribution(s) from the Liquidators, including the Initial Distribution.

Nothing in the Proposals contained in this Circular shall impose any personal liability on the Liquidators.

In order to comply with the Company’s obligations under the UK’s domestic and international sanctions regimes, neither the Interim Dividend nor any distribution made pursuant to the implementation of the Proposals (including, for the avoidance of doubt, the Initial Distribution), will be paid to a Sanctions Restricted Person.

Costs and expenses of the Proposals

If appointed, the Liquidators will be entitled to receive remuneration for their services by reference to the time properly given by them and their staff, as well as raise and draw invoices in respect of disbursements, on the terms set out in the Liquidators’ Engagement Letter and in the Resolution.

The fixed costs of the winding up of the Company, excluding the costs of realising the remaining investments, are estimated to be approximately £200,000 plus VAT. The costs will be discharged by the Company in due course following the determination of the Resolution at the General Meeting.

The timing and size of the realisation of the Company’s holdings, and prevailing market conditions, may result in the holdings being realised at amounts below the last reported values. Whilst the maximum costs of the winding up of the Company have been estimated, unforeseen actual costs may exceed the estimates. The estimated total net return to Shareholders from the winding up is, therefore, uncertain.

Service Providers

The appointment of the AIFM and the Investment Manager pursuant to the AIFM Agreement and the Investment Management Agreement will cease on 9 September 2022 regardless of whether the Resolution is passed. In connection with the AIFM’s decision to terminate the AIFM Agreement, and in consideration of the costs incurred by the Company in respect of the resulting Proposals, the AIFM has waived its entitlement to management fees under the AIFM Agreement in respect of the Company’s financial period beginning 1 January 2022 and will make an *ex gratia* payment to the Company (together the “**AIFM Contribution**”). The net value of the AIFM Contribution equals approximately £390,000.

If the Resolution is passed, it is intended that Mr Tulloch, given his expertise and knowledge of the Portfolio, will assist the Liquidators with the sale of the Company’s assets. In addition, it is expected that the Company’s Registrar, Computershare Investor Services PLC; the Company’s depositary, J.P. Morgan Europe Limited; and the Company’s custodian, JPMorgan Chase Bank N.A., will be retained by the Company during the liquidation period.

Save as set out above, the Company is taking steps to ensure that the appointment of its service providers will terminate should the Resolution be passed.

Taxation

A Shareholder who receives a distribution of cash in the course of the liquidation of the Company should be treated as making a disposal or part disposal of his or her Shares for the purposes of UK taxation of chargeable gains which may, depending on such Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains. For the avoidance of doubt, this does not apply to the Interim Dividend which should be taxed as income in the usual way.

Shareholders who are not resident in the UK (excluding, in the case of an individual Shareholder, Shareholders who are only temporarily non-resident in the UK) for UK tax purposes should not be subject to UK tax on chargeable gains on a disposal, or part disposal, of Shares unless such Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment. Such Shareholders may be subject to foreign tax on any gain under local law.

The UK tax code contains provisions which permit HMRC to counteract tax advantages arising from certain transactions in securities by (among other things) treating some or all of the proceeds of capital disposals as distributions of income. Generally speaking, these provisions should not apply where it can be shown that the transactions in question were entered into for genuine commercial reasons and did not involve as one of their main objects or purposes the obtaining of a tax advantage. Shareholders are advised to take independent advice as to the potential application of these and other anti-avoidance provisions in the light of their own particular circumstances. Application has not been made to HMRC for clearance as to these matters.

The information in this Circular relates to UK taxation applicable to the Company and its Shareholders and is based on current legislation and what is understood to be current HMRC practice. The statements above relate to persons who are absolute beneficial owners of the Shares and may not apply to certain classes of persons, such as dealers in securities. Such statements are given by way of general summary only and do not constitute legal or tax advice to any Shareholder. Shareholders who are in any doubt as to any applicable taxation consequences to them of the Proposals should seek advice from a qualified independent financial adviser or tax specialist.

Summary of the Resolution to be proposed at the General Meeting

The implementation of the Proposals will require Shareholders to vote in favour of the Resolution to be proposed at the General Meeting. The Resolution will be proposed as a special resolution and, accordingly, will be passed if at least 75 per cent. of the votes are cast in favour.

The Resolution relates, first, to the approval of the Company being wound up voluntarily and the appointment of the Liquidators for the purpose of the winding up. It grants the Liquidators authority to make distributions in cash to the Shareholders (after payment of the Company's liabilities and after deducting the costs of implementation of the Company's winding up), in proportion to their holdings of Shares in accordance with the provisions of the Articles. It also grants the Liquidators authority to exercise certain powers laid down in the Insolvency Act 1986 and determines the remuneration of the Liquidators by reference to the time spent attending to matters.

The Notice of General Meeting at the end of this Circular sets out the full text of the Resolution.

Action to be taken

The Board is pleased to be able to give Shareholders the opportunity to attend the General Meeting in person at the address set out in the Notice of General Meeting. That said, Shareholders are encouraged to submit proxy appointments in advance of the General Meeting, either through CREST or by completing the Form of Proxy enclosed with this Circular. The completion and return of the Form of Proxy will ensure your vote is registered.

To be valid, the Form of Proxy must be completed, signed and returned, in accordance with the instructions printed thereon, so as to be received by the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible, but in any event not later than 11.30 a.m. on 6 September 2022. Alternatively, you may submit your proxy electronically by using the following link: www.investorcentre.co.uk/eproxy.

The expected last day for dealings in the Shares on the London Stock Exchange through CREST on a normal rolling two day settlement basis is expected to be 5 September 2022. After that date, dealings should be for cash settlement only and will be registered in the normal way if the transfer, accompanied by the documents of title, is received by the Registrar by close of business on 7 September 2022. Transfers received by the Registrar after that time will be returned to the person lodging them and, if the Resolution is passed, the original holder will receive any proceeds from distributions made by the Liquidators. After the liquidation of the Company and the making of the final distribution to Shareholders (if any), existing certificates in respect of the Shares will cease to be of value and any existing credit of the Shares in any stock account in CREST will be redundant.

Shareholders are welcome to contact me to express any views on the Company, or to raise any questions they may have on the Proposals, through our Company Secretary using the email CoSec@junipartners.com.

Recommendation

The Board, having been so advised by Dickson Minto W.S., considers that the Resolution to be proposed at the General Meeting is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolution, as the Directors intend to do in respect of their own beneficial shareholdings.

Yours faithfully,

William Salomon
Chairman

PART 2

DEFINITIONS

AIFM	First Sentier Investors (UK) Funds Limited
AIFM Agreement	the alternative investment fund management agreement between the Company and the AIFM dated 2 June 2017, as amended
AIFM Contribution	has the meaning given to it in Part 1 of this Circular
Articles	the Company's articles of association
certificated or in certificated form	not in uncertificated form
Circular	this document
Companies Act	the Companies Act 2006, as amended
Company	ScotGems plc, a public company limited by shares incorporated in England and Wales with registered number 10755475
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 board of directors of the Company
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules contained in the FCA's Handbook of Rules and Guidance
Euroclear	Euroclear UK & International Limited
FCA	the UK Financial Conduct Authority
FSMA	the UK Financial Services and Markets Act 2000, as amended
General Meeting	the general meeting of the Company to be held at Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 8 September 2022 at 11.30 a.m., notice of which is set out at the end of this Circular
HMRC	Her Majesty's Revenue and Customs
Initial Distribution	has the meaning given to it in Part 1 of this Circular
Interim Dividend	the pre-liquidation interim dividend of 3 pence per Share announced by the Board on 18 August 2022 with a view to the Company continuing to meet the distribution requirements to maintain investment trust status during the period between 1 January 2022 and 8 September 2022
Investment Management Agreement	the investment management agreement among the Company, the AIFM and the Investment Manager dated 2 June 2017, as amended
Investment Manager	First Sentier Investors International IM Limited

Liquidation Fund	has the meaning given to it in Part 1 of this Circular
Liquidators	the proposed joint liquidators of the Company, being Derek Neil Hyslop and Richard Peter Barker of Ernst & Young LLP
Liquidators' Engagement Letter	the engagement letter between the Company and the Liquidators dated 8 and 18 August 2022
London Stock Exchange	London Stock Exchange plc
Main Market	the London Stock Exchange's main market for listed securities
Net Asset Value	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
Notice of General Meeting	the notice of the General Meeting set out at the end of this Circular
Official List	the official list maintained by the FCA
Portfolio	the Company's portfolio of investments from time to time
Proposals	the proposals for the members' voluntary liquidation of the Company, as described in more detail in this Circular
Register of Members	the register of members of the Company
Registrar	Computershare Investor Services PLC
Regulatory Information Service	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Resolution	the special resolution set out in the Notice of General Meeting at the end of this Circular to approve the Proposals
Sanctions Authority	each of the following: <ul style="list-style-type: none"> • the United States government; • the United Nations; • the United Kingdom; • the European Union (or any of its member states); • any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or • the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury.

Sanctions Restricted Person

each person or entity:

- that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or
- that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (a) the current “Specially Designated Nationals and Blocked Persons” list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>); and/or (b) the current “Consolidated list of persons, groups and entities subject to EU financial sanctions” (which as of the date hereof can be found at: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); or the current “Consolidated list of financial sanctions targets in the UK” (which as of the date hereof can be found at: <https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.html>); or
- that is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current “Sectoral Sanctions Identifications” list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf> (the “**SSI List**”), (b) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the “**EU Annexes**”), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes.

Shareholder

a holder of Shares

Shares

ordinary shares of one penny each in the Capital of the Company

UK or United Kingdom

the United Kingdom of Great Britain and Northern Ireland

uncertificated or in uncertificated form

a Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

VAT

value added tax

SCOTGEMS PLC

(Incorporated in England and Wales with company number 10755475 and registered as an investment company under section 833 of the Companies Act 2006)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of ScotGems plc (the “**Company**”) will be held at Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 8 September 2022 at 11.30 a.m. for the purpose of considering the following business.

To consider and, if thought fit, pass the following resolution as a special resolution.

THAT:

- (a) the Company be and is hereby wound up voluntarily pursuant to section 84(1)(b) of the Insolvency Act 1986 and Derek Neil Hyslop and Richard Peter Barker, both licensed insolvency practitioners of Ernst & Young LLP, be and are hereby appointed as joint liquidators (the “**Liquidators**”) of the Company for the purposes of such winding up and distributing the Company’s assets and any power conferred on them by law, the articles of association of the Company or by this resolution and any act required or authorised under any enactment to be done by them may be exercised by them jointly or by each of them alone;
- (b) the Liquidators be and are hereby authorised to make distributions in cash to the shareholders of the Company in accordance with its articles of association and that the amount to be received by each shareholder will be weighted proportionately to the number of shares held;
- (c) the Liquidators be and are hereby authorised under the provisions of section 165(2) of the Insolvency Act 1986 to exercise the powers set out in Part I of Schedule 4 of the Insolvency Act 1986;
- (d) the Liquidators be and are hereby entitled to receive remuneration for their services by reference to the time properly given by them and their staff, as well as raise and draw invoices in respect of disbursements, in respect of assisting the directors and members of the Company in placing the Company into liquidation and attending to matters arising on the winding up; and
- (e) the Company’s books and records be held by its company secretary to the order of the Liquidators until the expiry of twelve months after the date of dissolution of the Company, when they may be disposed of, save for financial and trading records which shall be kept for a minimum of six years following the vacation of the Liquidators from office.

By Order of the Board
Juniper Partners Limited
Company Secretary

Registered Office
Level 13 Broadgate Tower
20 Primrose Street
London
EC2A 2EW

Dated: 18 August 2022

Notes:

1. Entitlement to attend and vote

To be entitled to attend, speak and vote at the General Meeting (and for the purpose of determining the votes that may be cast on a poll), members must be registered in the Company's register of members by 6.00 p.m. on 7 September 2022 (or, if the meeting is adjourned, 48 hours (excluding non-working days) prior to the adjourned meeting). Changes to entries in the register of members after that time shall be disregarded in determining the rights of any member to attend and vote at such General Meeting.

2. Appointment of proxies

Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent a member. To be validly appointed a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying Form of Proxy.

Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). Members must state clearly on each Form of Proxy the number of shares in relation to which the proxy is appointed. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

A member may instruct their proxy to abstain from voting on any resolution to be considered at the General Meeting by marking the 'vote withheld' option when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes 'for' or 'against' the resolution.

3. Appointment of proxy using a Form of Proxy

A Form of Proxy is enclosed for use at the General Meeting. The Form of Proxy should be completed and sent, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, so as to reach the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY (the "Registrar") not later than 11.30 a.m. on 6 September 2022 (or in the event the meeting is adjourned no later than 48 hours (excluding non-working days) before the time of the adjourned meeting). Alternatively, you may submit your proxy electronically by using the following link: www.investorcentre.co.uk/eproxy.

If you require additional Forms of Proxy, please contact the Registrar on 0370 707 1875. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). If you are an overseas shareholder, please call +44 370 707 1875.

4. Appointment of proxy through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the website www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting 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 UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Registrar (ID 3RA50) no later than 11.30 a.m. on 6 September 2022 (or in the event the meeting is adjourned no later than 48 hours (excluding non-working days) before the time of the adjourned 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 Application Host) from which the Company's Registrar 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 UK & International Limited does not make available special procedures in CREST for any particular message. 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 system provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Board may treat as invalid a CREST proxy appointment or instruction in the circumstances set out in Regulations 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Appointment of proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. The first-named holder is considered the most senior for this purpose.

6. Corporate representatives

Any corporation which is a member can, by a resolution of its board of directors or other governing body authorise such person or persons as it thinks fit to act as its representative or representatives at the General Meeting.

7. Nominated persons

The right to appoint a proxy through the procedures set out in these notes does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("**Nominated Persons**"). Nominated Persons may have a right under an agreement with the registered member who holds the shares on their behalf to be appointed (or have someone else appointed) as a proxy to vote at the General Meeting. Alternatively, if a Nominated Person does not have such a right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the registered member as to the exercise of voting rights. Any queries with respect to your rights as a Nominated Person should be directed to the registered member by whom you were nominated in respect of these arrangements.

8. Voting rights

As at 17 August 2022 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 53,533,770 ordinary shares, carrying one vote each. The Company holds no shares in treasury. Therefore, the total number of voting rights in the Company as at 17 August 2022 was 53,533,770 votes.

9. Notification of shareholdings

Any person holding three per cent. or more of the total voting rights of the Company who appoints a person as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the FCA's Disclosure Guidance and Transparency Rules.

10. Voting and announcement of results

Voting at the General Meeting will be conducted on a poll. As soon as practicable following the General Meeting, the results of the voting at the General Meeting, the number of votes cast for and against and the number of votes withheld in respect of each resolution will be announced via a Regulatory Information Service and placed on the Company's website at www.scotgems.com.

11. Questions at the General Meeting

Any member attending the General Meeting has the right to ask questions which relates to the business of the General Meeting, although no answer need be given: (i) if to do so would interfere unduly with the preparation for the General Meeting or involve disclosure of confidential information; (ii) if the answer has already been given on the Company's website; or (iii) if it is undesirable in the best interests of the Company or the good order of the General Meeting that the question be answered.

12. Communication

A copy of the notice of the General Meeting, including these explanatory notes and other information required by section 311A of the Companies Act, is included on the Company's website at www.scotgems.com. Shareholders are advised that, unless otherwise stated, any telephone number or email address which may be set out in this notice of General Meeting or in any related documents (including the Form of Proxy) is not to be used for any purposes other than those expressly stated.