

The Merchants Trust PLC
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3 April 2020

General Meeting - Proposals for further share issuance

The Board of The Merchants Trust PLC (the "Company") today announces that the general meeting due to take place on 14 April 2020 will not be held due to the developments in the global COVID-19 pandemic (the "Original Meeting"). The Board is intending to publish a new Circular (the "Circular") to set out the arrangements the Company is putting in place to convene a new general meeting to consider the same business (the "General Meeting").

Issuance programme

At the Company's annual general meeting held on 16 May 2019, shareholders granted the Directors authority to issue 5,446,423 new shares on a non-pre-emptive basis, being approximately 5% of the shares in issue at that date. Since then, demand for the Company's shares has been such that the full authority has now been exhausted and therefore, in order to meet the ongoing demand for new share issuances from investors at a time when the share price is at a premium to NAV, the Board intends to seek shareholder approval for the authority of a further 5% of the Company's issued share capital on a non-pre-emptive basis until the next Annual General Meeting of the Company when a renewal of shareholder approval will be sought. New shares issued under the authority will only be issued at a premium to the then net asset value, cum income with debt at market value at least sufficient to cover the costs of such issue.

General Meeting

The share issuance proposal requires shareholder approval. At the General Meeting shareholders will be asked to approve the issue of a further 5% of the shares in issue at that date.

On 26 March 2020 the UK Parliament passed legislation prohibiting, among other things, public gatherings of more than two people, which was to take effect immediately. The only exceptions to these restrictions are where the gathering is of people who live together or where the gathering is "essential for work purposes". The Board does not believe that attendance by a shareholder at the General Meeting is essential.

The Board therefore urges shareholders to comply with the UK Government's instructions to stay safe and remain at home. The Board and the Company's manager will ensure that a quorum of two shareholders is present at the General Meeting to allow it to take place and for the proxy votes to be exercised.

Shareholders are encouraged to exercise their votes in advance of the meeting by returning a completed form of proxy to the Company's registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU or lodged at www.signalshares.com as soon as possible and, in any event, so as to arrive by not later than 10.30 a.m. on 24 April 2020.

A new form of proxy in relation to the General Meeting will be enclosed with the Circular. However, the Board has decided that forms of proxy already received in relation to the Original Meeting will still be valid for the General Meeting. Therefore, if shareholders have already lodged a form of proxy in relation to the Original Meeting they are not required to provide a further form of proxy.

Timetable

The Directors expect to issue the Circular on 3 April 2020. The Circular will contain a full explanation of the proposals, including full details of the resolutions to be put to shareholders and the Directors' formal recommendations. It is expected that the General Meeting will take place at 10.30 a.m. on 27 April 2020 at 16 Charlotte Square, Edinburgh EH2 4DF.

Enquiries:
Kirsten Salt
Company Secretary
Tel: 020 3246 7513