

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO THE MEMBERS' VOLUNTARY WINDING-UP OF MENHADEN RESOURCE EFFICIENCY PLC ON WHICH YOU ARE BEING ASKED TO VOTE. If you are in any doubt as to any matter referred to in this document or as to the action you should take, it is recommended that you seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent professional adviser duly authorised pursuant to the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, from another appropriately authorised independent advisor.

If you sell or have sold or otherwise transferred all of your Shares, please forward this document at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. This document should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Shares, you should retain this document and consult the stockbroker, bank or other agent through whom the sale was effected. However, the distribution of this document into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession this document 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.

MENHADEN RESOURCE EFFICIENCY PLC

(Incorporated in England and Wales under the Companies Act 2006 with registered number 09242421)

Recommended Members' Voluntary Liquidation of the Company

and

Notice of General Meeting

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman, which is set out in Part 1 of this document, which includes recommendations from the Board in respect of how Shareholders should vote on the Resolution to be proposed at the General Meeting.

This document contains forward-looking statements, which can be identified by the use of conditional or forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. The forward-looking information contained herein is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which will be specified herein). Not all relevant events or conditions may have been considered in developing such assumptions. The success or achievement of various results and objectives is dependent upon a multitude of factors, many of which are beyond the control of the Company. No representations are made as to the accuracy of such estimates or projections or that such projections will be realised. Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed.

The proposals described in this document are conditional on Shareholder approval. Notice of the General Meeting to be held at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL at 10.00 a.m. on 25 March 2025 is set out at the end of this document.

Hard copy forms of proxy have not been included with this document. Members can vote by: (i) logging onto www.signalshares.com and following instructions, (ii) in the case of CREST members, utilising the CREST electronic proxy appointment service in accordance with the procedure set out in the CREST Manual (please also refer to the accompanying notes for the Notice of General Meeting set out at the end of this document), or (iii) requesting a hard copy Form of Proxy directly from the Company's Registrar, MUFG Corporate Markets via telephone on: +44 (0) 371 664 0300 or by emailing shareholderenquiries@cm.mpms.mufg.com.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by MUFG Corporate Markets. For further information regarding Proximity, please go to www.proximity.io.

To be valid any appointment of a proxy must be completed, signed and received at MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 10.00 a.m. on 21 March 2025. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received no later than 10.00 a.m. on 21 March 2025.

Please be aware that the deadline for voting through platforms may be earlier than the Company's proxy voting deadline. The Association of Investment Companies has published on its website some guidance on how to vote shares in investment companies on major platforms. If you are in any doubt as to how to vote your Shares please contact the relevant platform.

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EXPECTED TIMETABLE

2025

Ex-dividend date for the First Interim Dividend	20 February
Ex-dividend date for the Second Interim Dividend	20 February
First Interim Dividend Record Date	21 February
Second Interim Dividend Record Date	21 February
Publication of this document	28 February
Last day for dealings in the Shares on the London Stock Exchange on a rolling two-day settlement basis	19 March ⁽¹⁾
Latest time and date for receipt of hard copy forms of proxy or electronic proxy appointments for the General Meeting	10.00 a.m. on 21 March ⁽²⁾
Payment date for the First Interim Dividend	24 March
Payment date for the Second Interim Dividend	24 March
Close of Register and record date for participation in the Members' Voluntary Liquidation	6.00 p.m. on 24 March
Suspension of Shares from trading on the London Stock Exchange and suspension of listing on the Official List	7.30 a.m. on 25 March ⁽³⁾
General Meeting	10.00 a.m. on 25 March
Publication of the results of the General Meeting	25 March
Appointment of the Liquidators	25 March
Initial Distribution to Shareholders	expected during the week commencing 26 May ⁽⁴⁾

Notes:

- (1) After this 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 Registrars by close of business on 21 March 2025.
- (2) Shareholders should be aware that deadlines for voting through platforms may be earlier than the Company's proxy voting deadline. The Association of Investment Companies has published on its website some guidance on how to vote shares in investment companies on major platforms. If you are in any doubt as to how to vote your Shares please contact the relevant platform.
- (3) Cancellation of the listing of the Shares on the Official List and cancellation of admission to trading of the Shares on the Main Market will take place as soon as practicable thereafter or on such date as the Liquidators shall determine. An announcement will be made at the relevant time.
- (4) 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 document are to London times.

PART 1 – LETTER FROM THE CHAIRMAN

MENHADEN RESOURCE EFFICIENCY PLC

(Incorporated in England and Wales under the Companies Act 2006 with registered number 09242421)

Directors

Howard Pearce *(Non-executive Chairman)*
Barbara Donoghue *(Non-executive Director)*
Soraya Chabarek *(Non-executive Director)*
Ben Loomes *(Non-executive Director)*

Registered Office
25 Southampton Buildings
London
WC2A 1AL

28 February 2025

Dear Shareholder,

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

1 Introduction

Further to the Company's announcement on 20 December 2024 regarding the Board's proposed managed realisation and return of capital, I am writing to you with details of the Company's proposal to place the Company into members' voluntary liquidation (the "**Members' Voluntary Liquidation**").

The purpose of this document is to set out the background to and reasons for the Members' Voluntary Liquidation, the actions required to be taken in order for the Members' Voluntary Liquidation to be implemented and to convene the Shareholder meeting at which the Members' Voluntary Liquidation will be put forward for approval.

The General Meeting at which the special resolution proposing the Members' Voluntary Liquidation (the "**Resolution**") will be put to Shareholders will be held at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL at 10.00 a.m. on 25 March 2025.

The formal notice convening the General Meeting is set out at the end of this document. Shareholders are asked to submit proxy votes in advance of the General Meeting. Please see paragraph 15 (*Action to be taken in respect of the General Meeting*) below for further information.

The Board believes that the Members' Voluntary Liquidation is in the best interests of the Company and Shareholders as a whole and unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting.

2 Background to the proposal

The Company was founded in 2015 on the belief that, with insatiable demand for higher living standards on a finite planet, some companies enabling the cleaner and more efficient delivery of basic societal needs and key infrastructure, such as energy, water, digital services and mass transportation, or mitigating environmental risks like pollution and climate change, will grow earnings faster than the global economy over the long term. The Company was established with an unlimited life, however, the Articles provide that a continuation resolution be put to shareholders as an ordinary resolution at the annual general meeting of the Company every five years, with the next continuation vote due to be put to shareholders at the annual general meeting to be held in July 2025 (the "**2025 Continuation Vote**").

The strategy has been successful from the perspective of NAV growth. Although the NAV has grown (to 31 January 2025) by 7.3% per annum since inception, and by 9.9% per annum (to 31 January 2025) since the appointment of Luciano Suana as Chief Investment Officer in March 2016, the share price growth has continually lagged NAV growth with the shares trading at a discount of 38.9% on the day prior to the Company's announcement on 16 September 2024 (referred to below). At the release of that announcement, the Company's Share price performance remained below the Company's RPI+3% benchmark over three years and since inception.

For a number of reasons significant share price discounts have persisted across the majority of the UK investment trust sector. The share price discount to the Company's NAV per Share has been a metric that has concerned the Board and which it monitors extremely closely. The table below at Figure 1 shows the Company's share price discount to NAV since 2015.

Over the past couple of years, the Board has taken action to help mitigate this share price discount. Whilst the Board had not historically favoured share buybacks for such purpose, it recognised that they are accretive to NAV per Share and can help to temper share price volatility, as well as sending a signal to the market about the Board's confidence in the underlying value of the assets in the portfolio. Therefore, during 2023 the Company undertook a modest programme of share buybacks. While this exercise resulted in no discernible effect on the discount at the time, with the discount continuing to widen the Board took the decision in June 2024 to recommence the programme. Alongside this the Board continued its marketing and communication efforts to try to stimulate demand by informing potential investors of the inherent value in the Company's assets and shares.

Figure 1

Year	Share price discount to NAV (as at 31 December) (%)
2015	-8.2
2016	-22.2
2017	-25.6
2018	-26.1
2019	-17.9
2020	-25.4
2021	-28.1
2022	-31.4
2023	-37.2
15 September 2024	-38.9

Source: The Company.

Conscious of the challenges facing the listed investment company sector, many of which the Company has also faced, and notwithstanding the Company's good net asset value performance, at its current size the Company's secondary market liquidity is relatively low and it has been unable to attract sufficient attention and demand from investors, which has also been a factor behind the Company's shares trading at a material discount to the NAV per Share.

This led to the Board's announcement on 16 September 2024 that the Company, together with its advisers, would carry out a formal review of the options available to the Company in order to address the issues facing the Company ahead of the 2025 Continuation Vote.

While the Board believes that the Company's resource efficiency investment thesis remains compelling, headwinds continue to weigh more widely on appetite for investment trust shares, particularly those with smaller scale and lower liquidity, resulting in wide discounts and the inability to issue new shares and grow trusts.

Following careful consideration, and consultation with the Portfolio Manager, the AIFM, the Company's corporate broker and a range of Shareholders, the Board has decided that approval of a Members' Voluntary Liquidation at the General Meeting is in the best interests of the Company and Shareholders as a whole – achieving realisation of the portfolio for Shareholders while carefully considering the costs and time of the process. The Board would like to thank Shareholders for their constructive feedback provided as part of that process, which has been invaluable in informing the Board's decision-making process.

The Company received a number of proposals from third parties which included alternative investment management arrangements, potential mergers with other investment trusts and discounted cash offers for the unquoted portfolio. However, the Shareholder feedback received by the Board heavily supported a managed realisation of the portfolio and return of capital to Shareholders. As such, and after taking account of the deliverability and immediacy of the options, the Board has decided to propose to Shareholders that the Company is put into Members' Voluntary Liquidation.

The Board considers that the proposed Members' Voluntary Liquidation is in Shareholders' best interests. It will provide clarity in advance of the 2025 Continuation Vote and expedites, so far as practicable, the realisation of Shareholders' investments thereby providing Shareholders with liquidity and the inherent value of the portfolio despite the share price discount.

3 Portfolio profile and plan for realisation of the Company's investments

As at 31 January 2025 (being the date of the latest monthly factsheet), the Company had net assets of £143.4 million and a market capitalisation of £125.3 million. As at that date, the Company was invested in listed equities totalling c.£108.2 million (representing 75.4% of NAV as at 31 January 2025), unquoted investments totalling c.£29.0 million (representing 20.2% of NAV as at 31 January 2025) and held cash totalling c.£8.1 million (representing 5.6% of the NAV as at 31 January 2025).

A summary of the ten largest holdings in the portfolio as at 31 January 2025 is shown in the table below:

Name of investment	Listed/ unquoted	Investment Theme	Total (% of gross assets)
Alphabet	Listed	Digitalisation	13.9%
Safran	Listed	Industrial Emissions Reduction	11.7%
Airbus	Listed	Infrastructure & Transportation	11.0%
Avantus	Unquoted	Clean Energy	9.7%
Microsoft	Listed	Digitalisation	8.7%
VINCI	Listed	Infrastructure & Transportation	7.1%
Canadian Pacific Kansas City	Listed	Infrastructure & Transportation	6.1%
TCI Real Estate Partners IV	Unquoted	Infrastructure & Transportation	6.1%
Amazon	Listed	Digitalisation	5.7%
Canadian National Railway	Listed	Infrastructure & Transportation	4.7%
Total			84.7%

The geographical breakdown of the investments comprising the Company's portfolio as at 31 January 2025 is set out in the table below:

Location	Total (% of gross assets)
US	47.1%
Europe	30.2%
Canada	10.8%
Emerging Markets	3.2%
UK	3.1%
Liquidity	5.6%
Total	100%

Subject to the terms of the Termination Deed (summarised in paragraph 5 (*Termination of the AIFM and the Portfolio Manager*) below), the Portfolio Manager will assist the Liquidators with the sale of the Company's listed and unquoted investments, given its expertise and knowledge of the Company's portfolio.

It is intended that the Company's listed investments will be sold shortly following the Liquidation Date.

The Portfolio Manager is engaged in ongoing discussions with the General Partners of the unquoted investments that the Company holds (and other parties) with a view to realising the unquoted investments held in the Company's portfolio as soon as practicable.

Further updates on the progress of these realisations will be provided to Shareholders by RNS or, after their appointment, by the Liquidators.

Subject to progress in disposing of the Company's unquoted investments, the need to retain cash for any unfunded contractual commitments in relation to the unquoted investments and the ongoing costs of the liquidation, it is currently expected that the Liquidators will make the Initial Distribution (defined in paragraph 4 (*Members' Voluntary Liquidation*) below) during the week commencing 26 May 2025.

Pending the distribution of any realisation proceeds to Shareholders, monies will be held in appropriate currencies in the absolute determination of the Liquidators.

4 Members' Voluntary Liquidation

Under the proposed Members' Voluntary Liquidation, Shareholders will be able to realise their investment in the Company by way of a voluntary liquidation of the Company. The Members' Voluntary Liquidation is conditional upon Shareholder approval of the Resolution at the General Meeting.

Subject to Shareholder approval at the General Meeting, Derek Hyslop and Richard Barker of Ernst & Young LLP will be appointed as joint liquidators to the Company. Their remuneration shall be determined by the Company, based on an estimate and subject to the actual time spent by the Liquidators dealing with matters related to the Members' Voluntary Liquidation both pre- and post-liquidation. Upon the appointment of the Liquidators, all powers of the Board will cease, the Board will stand down and the Liquidators will be responsible for the affairs of the Company until it is wound up. Following their appointment, the Liquidators will realise the Company's investments in conjunction with the Portfolio Manager, make the cash distributions (via the Company's Registrar) to Shareholders referred to below, discharge the liabilities and satisfy all the creditors of the Company and eventually dissolve the Company. The listing of the Shares on the Official List will be cancelled as soon as practicable or on such later date as the Liquidators determine. An announcement regarding the cancellation will be made at the relevant time.

If the Resolution is passed at the General Meeting, Shareholders will be provided with a full cash exit less costs. It is expected that the Liquidators will make an initial cash distribution to Shareholders, via the Company's Registrar, using the proceeds of the realisation of the Company's listed investments, less the costs of the Members' Voluntary Liquidation, any amounts required to honour unfunded contractual commitments in relation to the unquoted investments and the amount attributable to the Liquidators' Retention Fund (described below) during the week commencing 26 May 2025 (the "**Initial Distribution**"). Subject to progress, it is possible that the Initial Distribution may also include the realisation proceeds of one or more of the Company's unquoted investments. Thereafter, the Liquidators and the Company will continue to be advised by the Portfolio Manager who will realise the Company's remaining unquoted investments. Any net proceeds from the disposal of the unquoted investments during the liquidation period will be returned to Shareholders in due course. However, there can be no guarantee as to the value and/or timing of distribution(s) that may result from the realisation of the Company's unquoted investments.

The Liquidators will retain sufficient funds in the Members' Voluntary 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 "**Liquidators' Retention Fund**").

Once the Liquidators have realised the Company's assets, made the Initial Distribution, satisfied the claims of creditors of the Company, honoured the Company's unfunded contractual commitments

and paid the costs and expenses of the liquidation, it is expected that the Liquidators would make a final distribution to Shareholders. This final distribution, if any, would be made solely at the discretion of the Liquidators.

For illustrative purposes only, based on a Net Asset Value of £143.4 million as at 31 January 2025 and assuming that (i) the Company's unquoted investments represent £29.0 million of that Net Asset Value and are unrealised at the time of the Initial Distribution, (ii) the aggregate costs of the Members' Voluntary Liquidation are £0.9 million, (iii) the amount required to honour the Company's unfunded contractual commitments in relation to the unquoted investments is £13.6 million, (iv) the cost of running the Company in liquidation (assumed for 12 months) is £0.1 million; and (v) the amount attributable to the Liquidators' Retention Fund is £0.1 million, Shareholders would receive an Initial Distribution of £1.27 per Share and might expect to receive total distributions of £1.81 per Share in due course once all of the Company's assets have been realised and liabilities have been settled. **Shareholders should note that the value of the Company's investments upon realisation cannot be guaranteed and the foregoing figures are based on an assumption that they are realised at their book value as at 31 January 2025.** In the event that the market value of the Company's listed investments between 31 January 2025 and their proposed realisation date (being shortly after the Liquidation Date) varies and/or in the event that the Company's unquoted investments are realised at levels below their book value as at 31 January 2025, then the amount of the distributions received by Shareholders will differ to those stated above.

All Shareholders on the Register on the record date (being 6.00 p.m. on 24 March 2025) will be entitled to the distributions from the Liquidators, including the Initial Distribution.

So far as possible, the Liquidators will seek to ensure that the Company's tax status as an investment trust is maintained throughout this process, although this cannot be guaranteed.

If the Members' Voluntary Liquidation is approved, Shareholders will be provided with a full cash exit less costs.

Nothing in the proposals contained in this document shall impose any personal liability on the Liquidators or either of them.

5 Termination of the AIFM and the Portfolio Manager

The Company, the AIFM and the Portfolio Manager have entered into a deed of termination in respect of the AIFM Agreement and the Investment Management Agreement (the "**Termination Deed**"), which is conditional on the approval of the Resolution at the General Meeting.

Pursuant to the terms of the Termination Deed, the appointment of each of the AIFM and the Portfolio Manager will terminate on 30 April 2025 (the "**Termination Date**"). Following the Termination Date, the Liquidators may request the assistance of the Portfolio Manager or any of its principals in connection with the realisation of the Company's then-remaining investments. Whether this further assistance will be required will depend on the progress that has been made with the realisation of the Company's unquoted investments immediately prior to the Termination Date.

Pursuant to the terms of the Termination Deed, the AIFM Agreement and the Investment Management Agreement, the Company shall pay to the AIFM and the Portfolio Manager an amount in lieu of notice of termination. The Portfolio Manager is also entitled to receive a Performance Fee up to the Termination Date, calculated in accordance with the existing terms of the Investment Management Agreement.

6 The Company's other service providers

The Company is taking steps to ensure that the appointments of certain of its other service providers will terminate should the Resolution be passed.

The Company's Registrars, MUFG Corporate Markets, will be retained by the Company during the liquidation period to facilitate communications with and distributions to Shareholders.

7 Interim Dividends

As announced on 13 February 2025, in accordance with the Company's dividend policy, the Directors have declared an interim dividend of 1.6 pence per Share for the year ended 31 December 2024 (the "**First Interim Dividend**"). The First Interim Dividend will be paid on

24 March 2025 to Shareholders on the Register as at the close of business on 21 February 2025. The ex-dividend date is 20 February 2025.

In relation to the period from 1 January 2025 to 25 March 2025 (being the proposed date on which the liquidation of the Company commences pursuant to the proposed Members' Voluntary Liquidation), as announced on 13 February 2025, the Directors have resolved that the Company will pay a further interim dividend of 0.5 pence per Share (the "**Second Interim Dividend**") in order to ensure that the Company meets the distribution requirements to maintain investment trust status during the period to the Liquidation Date. The Second Interim Dividend will be paid on 24 March 2025 to Shareholders who are on the Register as at close of business on 21 February 2025. The ex-dividend date for the Second Interim Dividend is 20 February 2025.

For the avoidance of doubt, the Interim Dividends are not conditional on the Resolution being passed.

8 Suspension and cancellation of listing and trading of the Shares

The Register will be closed at 6.00 p.m. on 24 March 2025. Application will be made to the FCA for the suspension of the listing of the Shares on the Official List and application will be made to the London Stock Exchange for suspension of trading in the Shares at 7.30 a.m. on 25 March 2025.

The last day for dealings in the Shares on the London Stock Exchange on a normal rolling two-day settlement basis will be 19 March 2025. 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 Registrars by close of business on 21 March 2025. Transfers received 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.

If the Resolution is passed, the Company will make an application for the cancellation of the admission of the Shares to listing on the Official List and to trading on the Main Market following the General Meeting, with the cancellation to take effect on such date as the Liquidators shall determine. An announcement regarding the cancellation will be made at the relevant time.

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.

9 Costs and expenses of the Members' Voluntary Liquidation

The costs and expenses of the proposals will be borne by the Company and are expected to be approximately £0.9 million (including VAT) in aggregate.

10 Benefits of the Members' Voluntary Liquidation

The Board believes that, having taken into account the views of Shareholders, the Members' Voluntary Liquidation is in the best interests of the Company and its Shareholders as a whole and should yield two principal benefits:

- The future direction and strategy of the Company is determined as soon as practicable and in advance of the 2025 Continuation Vote, providing Shareholders with liquidity that would not otherwise be available to them and bringing forward the timeline for the receipt of realisation proceeds.
- The proposals also have the effect of unlocking previously unrealised financial value at a level that better reflects the Company's underlying NAV compared to the share price.

11 Risk Factors relating to the Members' Voluntary Liquidation

The risks referred to below are the material risks known to the Directors at the date of this document which the Board believes Shareholders should consider prior to deciding how to cast their votes on the Resolution. Only those risks which are material and currently known to the Board have been disclosed below. It is possible that additional risks and uncertainties not currently known to the Board, or that the Board currently deems to be immaterial, may also have an adverse effect on the Company.

- Implementation of the Members' Voluntary Liquidation is conditional upon the passing of the Resolution at the General Meeting. In the event that the Resolution is not passed the Members' Voluntary Liquidation will not be implemented. The Board will then have to consider alternative proposals for the future the Company, the implementation of which will likely result in additional costs being incurred by the Company.
- There can be no certainty as to the timing of the realisation of any asset and/or the return of capital to Shareholders. In particular, the Company's unquoted investments may take longer to realise than anticipated, and when compared to the realisation timeline for the Company's listed investments, and it may take longer for Shareholders to receive back their capital. The realisation of such assets and/or the value at which such assets are realised may also be affected by political, social, environmental, economic or market events that are outside the Company's control.
- There can be no assurance as to the value that will be realised from the realisation of the Company's assets. Sales commissions, liquidation costs, taxes and other costs associated with the realisation of the Company's assets together with the usual operating costs of the Company will reduce the cash available for distribution to Shareholders.
- There may be other matters or factors which affect the availability, amount or timing of receipt of the proceeds of realisation of some or all of the Company's investments. In determining the size of any distributions to be made to Shareholders, the Liquidators will take into account the Company's ongoing running costs, further funding required to protect the Company's remaining investments and the costs of the liquidation of the Company. However, should these costs be greater than expected or should cash receipts for the realisations of investments be less than expected, this will reduce the amount available for Shareholders in future distributions.
- The Company reports in Sterling and intends to pay any return of capital to Shareholders in Sterling. The realisation proceeds from the Company's investments may be denominated in currencies other than Sterling, including US Dollars. Pending the distribution of any realisation proceeds to Shareholders, monies will be held in appropriate currencies in the absolute determination of the Liquidators. Realisation proceeds received that are denominated in non-Sterling currencies will be converted into Sterling prior to their distribution to Shareholders. The Sterling amount will depend upon exchange rates between the relevant currencies of cash received and Sterling at the relevant time, which may fluctuate.

If Shareholders are in any doubt as to the contents of this document or as to what action to take, they should seek immediately their own personal financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA or, if in a territory outside the United Kingdom, from an appropriately authorised independent financial adviser.

12 Share capital

As at the Latest Practicable Date, the Company's issued share capital, all of which is fully paid, is 78,825,001 Shares. The Company does not hold any Shares in treasury.

13 Taxation

The following paragraphs are intended as a general guide only, are not exhaustive and do not constitute (and should not be relied upon as) legal or tax advice. They are based on current UK legislation and published HMRC practice, both of which are subject to change, possibly with retrospective effect. They summarise certain limited aspects of the UK tax treatment of the cash distributions made to Shareholders pursuant to the Members' Voluntary Liquidation of the Company, and they relate only to the position of individual and corporate Shareholders who hold their Shares beneficially as an investment and (except in so far as express reference is made to the treatment of non-UK residents) who are resident solely (and in the case of individuals domiciled solely) in the UK for UK tax purposes. Certain categories of Shareholders may be subject to special tax rules. These include dealers in securities, financial institutions, insurance companies, collective investment schemes and Shareholders who are treated as having acquired their Shares by reason of any office or employment. The position of such Shareholders is not addressed in these comments.

Shareholders are advised to take independent advice in relation to the tax implications of any matters set out in this document and to consult an appropriate professional tax adviser. Shareholders who hold their Shares through an ISA are also advised to contact their ISA manager.

A Shareholder who receives a distribution of cash pursuant to the Members' Voluntary Liquidation should generally be treated as making a disposal or part disposal of his 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.

Shareholders who are not resident in the UK for UK tax purposes should not generally 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. This assumes that the Company does not fall to be treated as "UK property rich" (which means, broadly, that the Company does not derive 75% or more of its gross asset value directly or indirectly from interests in UK land). It should however be noted that, in certain circumstances, an individual Shareholder who is only temporarily non-UK resident may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of temporary non-residence. Shareholders who are resident outside the UK for tax purposes may be subject to non-UK taxes in connection with the proposals.

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.

14 The General Meeting

Implementation of the Members' Voluntary Liquidation will require a General Meeting which has been convened for 10.00 a.m. on 25 March 2025, at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL.

The formal notice convening the General Meeting is set out at the end of this document. The Notice of General Meeting includes the full text of the Resolution to be proposed at the General Meeting. All Shareholders are entitled to attend and vote at the General Meeting, and on a show of hands, shall each have one vote and, on a poll, shall have one vote for every Share held by them.

The Resolution is to be proposed at the General Meeting as a special resolution, requiring at least 75% of the vote cast to be in favour in order for the resolution to be passed.

The Board recommends that Shareholders VOTE IN FAVOUR of the Resolution to be proposed at the General Meeting.

15 Action to be taken in respect of the General Meeting

All Shareholders are encouraged to vote on the Resolution to be proposed at the General Meeting and, if their Shares are not held directly, to arrange for their nominee to vote on their behalf.

Whether or not you intend to attend the General Meeting, you should complete and return your proxy appointments so as to arrive not later than 10.00 a.m. on 21 March 2025.

Shareholders can appoint a proxy using one of the following methods:

- (i) logging onto www.signalshares.com and following instructions;
- (ii) in the case of CREST members, by utilising the CREST electronic proxy appointment service by using the procedures described in the CREST manual. The CREST manual can be viewed at www.euroclear.com;

- (iii) requesting a hard copy Form of Proxy directly from the Company's Registrar, MUFG Corporate Markets via telephone on: +44 (0) 371 664 0300 or by emailing shareholderenquiries@cm.mpms.mufg.com; or
- (iv) institutional investors may be able to appoint a proxy electronically using the Proximity platform, a process which has been agreed by the Company and approved by MUFG Corporate Markets. Please visit www.proximity.io for further details.

To be valid any hard copy Form of Proxy must be completed, signed and received at MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 10.00 a.m. on 21 March 2025.

Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received no later than 10.00 a.m. on 21 March 2025.

Please note that deadlines for voting through platforms may be earlier than the deadlines stated in this document. The Association of Investment Companies has published on its website some guidance on how to vote shares in investment companies on major platforms. If you are in any doubt as to how to vote your Shares please contact the relevant platform.

Appointment of a proxy will not prevent you from attending and voting in person at the General Meeting should you wish to do so. If any Shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for receipt of proxies will take precedence.

Recipients of this document who are the beneficial owners of Shares held through a nominee should follow the instructions provided by their nominee or their professional adviser if no instructions have been provided.

16 Shareholder support for the Members' Voluntary Liquidation

Following the consultation with Shareholders referred to above, the Board has received informal feedback indicating overwhelming support for the proposed Resolution. Subsequently, the Company has engaged with certain larger Shareholders and received letters of intent to vote, or procure the votes, in favour of the Resolution to be proposed at the General Meeting from a majority of the Company's top Shareholders, including Cavamont Holdings Limited, Generali Deutschland Versicherung and the principals at the Portfolio Manager.

17 Recommendation

The Board considers the Members' Voluntary Liquidation to be in the best interests of the Company and Shareholders as a whole.

Accordingly, the Board unanimously recommends that Shareholders vote IN FAVOUR of the Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings, which total 335,111 Shares (representing 0.4% of the Company's total voting rights) as at the Latest Practicable Date.

Yours sincerely,

Howard Pearce
Chairman

PART 2 – DEFINITIONS

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

“2025 Continuation Vote”	the ordinary resolution required, pursuant to the Articles, to be put to Shareholders at the Company’s annual general meeting in 2025 that the Company continues its business as a closed-ended collective investment scheme
“AIFM”	Frostrow Capital LLP
“AIFM Agreement”	the AIFM agreement dated 9 July 2015, as amended on 8 April 2020 and further amended on 25 November 2021 between the Company and the AIFM
“Articles”	the articles of association of the Company in force at the date of this document
“Board” or “Directors”	the board of directors of the Company
“Company”	Menhaden Resource Efficiency PLC
“Company’s Registrar” or “Registrar”	MUFG Corporate Markets
“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
“Euroclear”	Euroclear UK & International Limited
“FCA” or “Financial Conduct Authority”	the UK Financial Conduct Authority
“First Interim Dividend”	the interim dividend announced on 13 February 2025 that the Board has resolved will be paid to Shareholders on the Register as at close of business on 21 February 2025, as more fully described under “Interim Dividends” in Part 1 of this document
“First Interim Dividend Record Date”	the record date for the First Interim Dividend, which is 21 February 2025
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“General Meeting”	the general meeting of the Company to be held at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL at 10.00 a.m. on 25 March 2025 (or any adjournment thereof), formal notice of which is set out at the end of this document
“HMRC”	HM Revenue & Customs
“Interim Dividends”	the First Interim Dividend and the Second Interim Dividend
“Investment Management Agreement”	the delegation agreement entered into between the AIFM, the Company and the Portfolio Manager dated 20 September 2017 pursuant to the terms of which the AIFM, with the consent of the Company, delegates the provision of discretionary portfolio management services to the Portfolio Manager
“Latest Practicable Date”	25 February 2025 (being the latest practicable date prior to the publication of this document)

“Liquidation Date”	assuming the Resolution is passed at the General Meeting, the proposed date on which the liquidation of the Company commences pursuant to the Members’ Voluntary Liquidation, which is expected to be 25 March 2025
“Liquidators”	the proposed joint liquidators of the Company, being Derek Hyslop and Richard Barker of Ernst & Young LLP
“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the London Stock Exchange’s main market for listed securities
“Net Asset Value” or “NAV”	the total value of all of the assets of the Company less its liabilities as determined in accordance with the accounting principles adopted by the Company from time to time
“Notice of General Meeting”	the notice convening the General Meeting set out on pages 16 to 18 of this document
“Official List”	the Official List of the FCA
“Portfolio Manager”	the Company’s portfolio manager, Menhaden Capital Management LLP
“Register” or “Register of Members”	the register of members of the Company
“Regulatory Information Service”	a service authorised by the Financial Conduct Authority to release regulatory announcements to the London Stock Exchange
“Resolution”	the special resolution set out in the Notice of General Meeting to approve the Members’ Voluntary Liquidation of the Company
“Second Interim Dividend”	the interim dividend that the Board has resolved will be paid to Shareholders on the Register as at close of business on 21 February 2025, as more fully described under “Interim Dividends” in Part 1 of this document
“Second Interim Dividend Record Date”	the record date for the Second Interim Dividend, which is 21 February 2025
“Shareholder”	holder of Shares
“Shares”	ordinary shares of 1 penny each in the capital of the Company and “Share” shall be construed accordingly
“Sterling”	Pounds Sterling, the lawful currency of the UK
“Termination Deed”	the conditional deed of termination in respect of the Investment Management Agreement dated 28 February 2025 between the Company, the AIFM and the Portfolio Manager, further details of which are set out in paragraph 5 (<i>Termination of the AIFM and the Portfolio Manager</i>) of Part 1 of this document
“UK Listing Rules”	the UK Listing Rules made by the FCA under section 74 of FSMA

NOTICE OF GENERAL MEETING

MENHADEN RESOURCE EFFICIENCY PLC

(Incorporated in England and Wales under the Companies Act 2006 with registered number 09242421)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of Menhaden Resource Efficiency PLC (the “**Company**”) will be held at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL on 25 March 2025 at 10.00 a.m. to consider and, if thought fit, pass the following special resolution.

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 that Derek Hyslop and Richard Barker of Ernst & Young LLP of 1 More London Place, London SE1 2AF, having consented to act, be and are hereby appointed as joint liquidators (the “**Liquidators**”) with the power to act jointly and severally for the purposes of such winding-up including realising and distributing the Company’s assets and any power conferred on them by law 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 remuneration of the Liquidators be determined by reference to the time properly given by them and their staff in attending to matters prior to and during the winding-up of the Company and they be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine and to pay any expenses properly incurred by them;
- (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 the Insolvency Act 1986 including, in particular, under Part 1 of Schedule 4 thereof; and
- (d) the Company’s books and records be held by the 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.

Terms defined in the circular sent by the Company to its shareholders on 28 February 2025, of which this Notice forms part, shall have the same meanings in this Notice of General Meeting, save where the context otherwise requires.

By order of the Board

Registered Office:
25 Southampton Buildings
London
WC2A 1AL

Frostrow Capital LLP
Company Secretary

28 February 2025

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company, but must attend the General Meeting for your votes to be counted. Appointing the Chairman of the General Meeting as your proxy will ensure that your votes are cast in accordance with your wishes.
2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
3. Hard copy Forms of Proxy have not been included with this Notice of General Meeting. Members can vote by: logging onto www.signalshares.com and following instructions or, in the case of CREST members, utilising the CREST electronic proxy appointment service in accordance with the procedures set out below, or by requesting a hard copy Form of Proxy directly from the registrars, MUFG Corporate Markets via telephone on: +44 (0)371 664 0300 or by emailing shareholderenquiries@cm.mpms.mufg.com. To be valid any appointment of a proxy must be completed, signed and received at MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 10.00 a.m. on 21 March 2025.
4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.
5. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by MUFG Corporate Markets. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by the latest time(s) for receipt of proxy appointments specified in this Notice of General Meeting in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting (excluding non-business days). Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
6. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
7. 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 have someone else appointed) as a proxy for the 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.
8. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
9. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered on the register of members of the Company (the "**Register of Members**") at close of business on 21 March 2025 (or, in the event of any adjournment, on the date which is two business days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.
10. As at 27 February 2025 (being the last business day prior to the publication of this Notice of General Meeting) the Company's issued share capital consists of 78,825,001 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 27 February 2025 are 78,825,001.
11. 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. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
12. 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 the specifications of Euroclear UK and International Limited ("**CRESTCo**"), 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 issuer's agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting, excluding non-business days. 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 issuer'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.
13. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo 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, 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. 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.

15. 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. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first named being the most senior).
16. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
17. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments then, subject to paragraph 4, the proxy appointment will remain valid.

