

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

If you have sold or otherwise transferred all of your ordinary shares in Baillie Gifford Shin Nippon PLC (the “**Company**”), please send this document, together with the accompanying form of proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

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## **BAILLIE GIFFORD SHIN NIPPON PLC**

*(Incorporated and registered in Scotland with registered number SC093345)*

*(Registered as an investment company under section 833 of the Companies Act 2006)*

### **Notice of a General Meeting to renew the Board’s authority to issue further shares on a non pre-emptive basis**

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Notice of the general meeting of the Company to be held at 11 a.m. on 14 January 2021 at the offices of Baillie Gifford, Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN (the “**General Meeting**”) is set out at the end of this document.

**Shareholders are encouraged to vote in favour of the resolution to be proposed at the General Meeting and if the shares are not held directly to arrange for their nominee to vote on their behalves. Shareholders are encouraged to return the form of proxy accompanying this document for use at the General Meeting. This will ensure your votes are registered. Given the risks posed by the spread of COVID-19 and in accordance with the provisions of the Company’s articles of association, the Corporate Insolvency Act 2000 and Government guidance, the Directors will impose entry restrictions on attendance at the General Meeting in order to ensure the health, wellbeing and safety of the Company’s shareholders and officers as well as compliance with the venue’s security requirements. To be valid, the form of proxy accompanying this document must be completed and returned, in accordance with the instructions printed on it, so as to be received by the Company’s registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or lodged at [www.eproxyappointment.com](http://www.eproxyappointment.com) as soon as possible, but in any event not later than 11 a.m. on 12 January 2021.**

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## EXPECTED TIMETABLE

	<i>2021</i>
Latest time and date for receipt of forms of proxy	11 a.m. on 12 January
General Meeting	11 a.m. on 14 January

## LETTER FROM THE CHAIR

### **BAILLIE GIFFORD SHIN NIPPON PLC**

*(Incorporated and registered in Scotland with registered number SC093345)  
(Registered as an investment company under section 833 of the Companies Act 2006)*

#### *Directors*

MN Donaldson (*Chair*)  
J Skinner  
MR Somerset Webb  
KJ Troup  
S Vijayakumar

#### *Registered Office*

Calton Square  
1 Greenside Row  
Edinburgh  
EH1 3AN

11 December 2020

Dear Shareholder

### **Notice of General Meeting**

#### **Introduction**

In order to meet the continuing demand for the Company's ordinary shares of 2 pence each (the "**Ordinary Shares**") we are writing to you to seek your approval for a proposal to meet this demand.

The purpose of this document is to convene a general meeting at which the requisite new shareholder authority will be sought. The General Meeting will be held at 11a.m. on 14 January 2021 at the offices of Baillie Gifford, Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN.

#### **Background**

At the last annual general meeting ("**AGM**") of the Company on 14 May 2020 the Board was granted authority by shareholders to allot 93,192,495 ordinary shares of 2 pence in the Company (the "**Ordinary Shares**"). This equated to 33.3 per cent. of the Company's then issued share capital. The Directors were also granted the authority to disapply the pre-emption rights on the issue of the Ordinary Shares for cash up to the nominal value of £559,154.96. Both of these authorities were granted for the period until the next AGM to be held in 2021 unless previously renewed, revoked or varied.

The granting of this authority allowed the Board to satisfy demand for the Ordinary Shares by issuing, at a premium to the prevailing net asset value per share cum income with debt at market value ("**NAV**"), Ordinary Shares without first having to offer these to existing shareholders, to meet demand from existing and new investors in the Company under its existing authorities.

Since the AGM we have seen an increase in demand for the Ordinary Shares and the shares have been consistently trading at a premium to NAV over recent weeks. In order to meet the continuing demand for the Ordinary Shares, the Board is seeking the early renewal of its shareholder authority to issue Ordinary Shares and resell Ordinary Shares held in treasury (as applicable) on a non pre-emptive basis, prior to the Company's next annual general meeting, which is expected to be held by the end of May 2021 (the "**Proposal**") as the existing authority is now close to being exhausted. This new authority, if granted, will permit the Company to continue to issue Ordinary Shares which, based on current issuing patterns, may otherwise be prevented if the existing authority is fully utilised prior to the next AGM.

#### **How the existing authority has been used**

When the Ordinary Shares are trading at a premium, new Ordinary Shares are issued to meet natural demand in the market. Conversely, when the Ordinary Shares are trading at a discount shares may be bought back. The Board may buy back shares when deemed by the Board to be in the best interests of the Company and its shareholders if the Ordinary Shares trade at a substantial discount to NAV, over a sustained period of time either in absolute terms or in relation to its peers.

Whilst it was envisaged that the authority granted at the 2020 AGM would be sufficient issuance authority for the Company up until the 2021 AGM, the Board is pleased to report that there has been strong demand for the Ordinary Shares. Since the granting of authority at the 2020 AGM, approximately 17.6 million Ordinary Shares have been issued using this authority.

The premium on the issue of such new Ordinary Shares will cover the cost of operating the share issuances and has also provided some additional net asset value enhancement for existing investors.

### **Reasons for requiring the extension and early renewal of the authority**

As at 8 December 2020 (the last practicable date prior to the publication of this document) the Company only has capacity to issue a further 10,327,748 Ordinary Shares on a non pre-emptive basis, until the authority is renewed at the 2021 AGM.

The Board wishes to continue to satisfy demand for the Ordinary Shares during the period up to the Company's next AGM. The Board believes that the increase in demand for the Ordinary Shares from a wide range of investors is likely to continue. The Board is pleased with the strong progress that the Company has made and is delighted with the support shown by existing and new investors.

The Board believes that any share issuance pursuant to the Proposal has the following principal benefits:

- it will make the Ordinary Shares more accessible to a wider range of investors which may lead to increased liquidity in the Ordinary Shares in the secondary market;
- the size of the Company's asset base may be increased, potentially spreading its costs over a larger capital base thereby reducing the ongoing charges ratio;
- it will enable the Company to continue to issue shares and assist in managing the premium to NAV of the Ordinary Shares; and
- an issue of Ordinary Shares at a premium to the NAV can potentially lead to an increase in the NAV for existing shareholders.

The costs of seeking this fresh authority are relatively limited and are expected to be covered by the premium on issuing new Ordinary Shares.

If such renewed authorities are granted by shareholders, the Directors will only use the authorities to disapply pre-emption rights and issue Ordinary Shares:

- at a premium to NAV;
- to meet demand from investors; and
- when the Directors believe that it is in the best interests of the Company and its shareholders to do so.

### **The General Meeting**

The Proposal is conditional on the approval of shareholders. You will find set out at the end of this document a notice convening the General Meeting at which shareholders will be asked to consider and, if thought fit, approve the Proposals. The General Meeting is to be held at 11 a.m. on 14 January 2021 at the offices of Baillie Gifford, Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN.

The resolution will be proposed at the General Meeting as a special resolution. The resolution will, if passed, enable the Directors to allot and issue new Ordinary Shares, in addition to their existing authority without first offering such Ordinary Shares to existing shareholders *pro rata* to their existing shareholdings up to an aggregate nominal amount of £594,414.96 (being 29,720,748 Ordinary Shares) which equates to approximately 10 per cent. of the total Ordinary Share capital of the Company in issue as at 8 December 2020 (the latest practicable date prior to the publication of this document).

In accordance with the Company's articles of association, all shareholders entitled to vote and present by proxy at the General Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of every Ordinary Share held. However, given the risks posed by the spread of COVID-19 and in accordance with the provisions of the Company's articles of association, the Corporate Insolvency and Governance Act 2020 and Government guidance, the Directors will impose entry restrictions on attendance at the General Meeting in order to ensure the health, wellbeing and safety of the Company's shareholders and officers as well as compliance with the venue's security requirements.

The Board therefore urges shareholders to comply with the UK Government's instructions to stay safe and not undertake unnecessary travel. However shareholders may and are strongly encouraged to participate in the business of the General Meeting by exercising their votes in advance of the General Meeting by completing and returning the form of proxy. 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.

**Action to be taken**

Shareholders will find enclosed a form of proxy for use in connection with the General Meeting. We request that Shareholders complete, sign and return the form of proxy as soon as possible, in accordance with the instructions printed on it.

To be valid, the enclosed form of proxy must be lodged with the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or lodged at [www.eproxyappointment.com](http://www.eproxyappointment.com) as soon as possible and, in any event, so as to arrive by not later than 11 a.m. on 14 January 2021.

**Recommendation**

The Directors consider the passing of the resolution to be in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of the resolution.

The Directors intend to vote in favour of the resolution in respect of their own beneficial holdings of Ordinary Shares (amounting to 155,285 Ordinary Shares, representing approximately 0.05 per cent. of the issued share capital of the Company as at the date of this document).

Yours faithfully

**M Neil Donaldson**

*Chair*

# BAILLIE GIFFORD SHIN NIPPON PLC

*(Incorporated and registered in Scotland with registered number SC093345)  
(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 Baillie Gifford Shin Nippon PLC (the “**Company**”) will be held at 11 a.m. on 14 January 2021 at the offices of Baillie Gifford, Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN to consider and, if thought fit, pass the following resolution set out below, which will be proposed as a special resolution:

## SPECIAL RESOLUTION

THAT, in addition to all existing authority, the Directors of the Company be and are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the “**Act**”) to allot equity securities (within the meaning of section 560 of the Act) pursuant to any authority for the time being in force under section 551 of the Act and to sell shares held by the Company in treasury, wholly for cash, as if section 561(1) of the Act did not apply to any such allotment, provided that this power:

- (i) shall be limited to the allotment of equity securities and the sale of treasury shares for cash up to an aggregate nominal amount of £594,414.96 (being 29,720,748 ordinary shares of 2 pence each) which equates to approximately 10 per cent. of the total ordinary share capital of the Company in issue as at 8 December 2020 (the latest practicable date prior to the date of the notice convening the meeting at which this resolution is proposed); and
- (ii) expires on the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

*By order of the Board*

**Baillie Gifford & Co Limited**  
*Company Secretary*

*Registered office*  
Calton Square  
1 Greenside Row  
Edinburgh  
EH1 3AN

11 December 2020

**Notes:**

1. Given the risks posed by the spread of COVID-19 and in accordance with the Company's articles of association, the Corporate Insolvency and Governance Act 2020 and Government guidance, the Company is not expecting shareholders to attend the General Meeting and will impose entry restrictions on attendance at the General Meeting in order to ensure the health, wellbeing and safety of the Company's shareholders and officers as well as compliance with the venue's security requirements. Shareholders are therefore strongly encouraged to register their votes in advance by submitting proxy forms to the Company's Registrar in accordance with the procedure set out in these notes.
2. As a shareholder you are entitled to appoint a proxy or proxies to exercise all or any of your 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 you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form. As there will be entry restrictions on attendance at the General Meeting, we strongly recommend that only the Chair is appointed as proxy.
3. A proxy must vote in accordance with any instructions given by the shareholder by whom the proxy is appointed. A proxy has one vote on a show of hands in all cases (including where one shareholder has appointed multiple proxies) except where he is appointed by multiple shareholders who instruct him to vote in different ways, in which case he has one vote for and one vote against the resolution.
4. 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 registrar's website [www.euroclear.com/CREST](http://www.euroclear.com/CREST). 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.
5. 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 & Ireland 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 48 hours (excluding non-working days) before the time of the meeting or any adjournment. 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.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. 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.
8. The return of a completed proxy form or other instrument of proxy will not prevent you attending the General Meeting and voting in person if you wish, in normal circumstances. As there will be restrictions on entry to the General Meeting you will not be able to vote in person.

9. Given the emerging risks posed by the spread of Covid-19 and in accordance with the provisions of the Articles of Association, the Company may impose entry restrictions on shareholders wishing to attend the General Meeting. Such restrictions may include preventing access to the meeting. Other restrictions may be imposed as the chair of the meeting may specify in order to ensure the safety of those attending the General Meeting.
10. To have the right to attend, speak and vote at the General Meeting (and also for the purposes of calculating how many votes a member may cast on a poll) shareholders must be registered in the Register of Members of the Company no later than close of business on the day which is two days (excluding non-working days) before the day of the General Meeting or any adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
11. If the General Meeting is adjourned to a time not more than 48 hours after the record date applicable to the original General Meeting, that time will also apply for the purpose of determining the entitlement of Shareholders to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned General Meeting. If, however, the General Meeting is adjourned for a longer period then, to be so entitled, Shareholders must be entered on the Company's Register of Members at the time which is 48 hours before the time fixed for the adjourned General Meeting or, if the Company gives new notice of the adjourned General Meeting, at the record date specified in that notice.
12. The right to appoint a proxy 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 shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
13. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Companies Act 2006. Pursuant to the Companies (Shareholders' Rights) Regulations 2009 (SI 2009/1632), multiple corporate representatives appointed by the same corporate shareholder can vote in different ways provided they are voting in respect of different shares.
14. Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chair of the meeting as his proxy will need to ensure that both he and his proxy comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules. As noted above for the purposes of this meeting we strongly recommend that shareholders only appoint the Chair as their proxy given that there will be entry restrictions at the venue.
15. A quorum consisting of two or more shareholders present in person or by proxy is required for the General Meeting. If, within half an hour after the time appointed for the General Meeting, a quorum is not present the General Meeting shall be adjourned for seven days at the same time and place or to such other day and at such other time and place as the Board may determine and no notice of adjournment need be given at any such adjourned meeting. Those shareholders present in person or by proxy shall constitute the quorum at any such adjourned meeting.
16. As at 8 December 2020 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 297,207,485 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 8 December 2020 were 297,207,485 votes.
17. Further information regarding the meeting which the Company is required by Section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at [www.shinnippon.com](http://www.shinnippon.com).