

RNS Number : 2595D
 Terra Capital PLC
 27 January 2015

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**TERRA CAPITAL PLC ("the Company")
 EGM Results**

Terra Capital plc (AIM:TCA), an AIM quoted investment company focussed on under-valued investment opportunities in Frontier Markets, announces that at the Extraordinary General Meeting ("EGM") held yesterday, 26 January 2015, the resolution presented to the Shareholders was unanimously passed, with 58% of the shares in issue participating and all of them voting in favour of the resolution and none voting against.

The proposals were focussed on addressing what the Board believes to be major factors causing the Ordinary Shares to trade at a discount to their Net Asset Value ("NAV"). Additionally, they were proposed to promote and advance the Company's strategy of generating high absolute returns to its shareholders. It is hoped that these changes will minimise volatility of the Company's shares and clarify its investment policy of investing in under-researched and under-valued companies operating in Frontier Markets.

The following is a brief summary of the proposals in the Circular which have now been unanimously passed by the shareholders voting, but for the exact wording of each proposal readers are directed to refer to the circular on the Company's website:

1. **Substantial Reduction of the Management Fee:** Effective 1 January 2015, the management fee the Investment Manager is entitled to receive was reduced from the previous 2 per cent of NAV per annum to 1.25 per cent. per annum.
2. **Substantial Reduction of Performance Fee:** Effective 1 January 2015, the performance fee the Investment Manager is entitled to receive was reduced from 20 per cent. of the increase (if any) in the Net Asset Value per Ordinary Share (subject to a high water mark) to 12 per cent. of the increase (if any).
3. **Two Changes to Discount Control Policy:** Prior to the meeting, the Company's policy provided that if, at 31 December in any calendar year, the Ordinary Shares have traded at an average discount in excess of 15 per cent. of their Net Asset Value for the prior 9 month period, the Directors will implement a tender offer to Long Term Shareholders allowing them to tender up to 10 per cent. of their Ordinary Shares at the price equal to 97 per cent. of the prevailing Net Asset Value per share. The Shareholders passed 2 changes to this policy:
 - (i) The relevant average discount which will trigger the Tender Offer was reduced from the current 15 per cent. rate to 12 per cent. *and*
 - (ii) Any Tender Offer will include a facility allowing Shareholders to tender more than 10 per cent. of their holding if other Shareholders tendered a lesser number of Ordinary Shares than they were entitled to tender.
4. **Ability to Realise NAV at a fixed time:** Instead of there being a continuation vote in 2017, in June 2018 Shareholders will be offered an opportunity to realise all, or part, of their investment in the Company at a price equal to the prevailing Net Asset Value less the costs associated with the exit opportunity.
5. **Change to Investment Objective and Investing Policy:** In place of the prior broad investment objectives, the new investment policy is confined to Frontier Market Investing and that term is defined in detail in the Circular.
6. **Change to Conflicts of Interest Policy:** In view of the Investment Manager's impending registration with the U.S. S.E.C. the conflict of interest policy was clarified as noted in the circular.

A copy of the Circular, which provides more details regarding each element of the resolution, can be found on the Company's website: www.terracapitalplc.com.

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