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If you have sold or otherwise transferred all of your Shares in Tufton Oceanic Assets Limited (the “**Company**”) please send this document (but not the accompanying personalised Form of Proxy) at once to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, this document should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia, South Africa or Japan or into any other jurisdiction if to do so would constitute a violation of applicable laws and regulations in such other jurisdiction. If you have sold or otherwise transferred only part of your holding, you should retain these documents.

The Proposals described in this Circular are conditional on the approval of Shareholders. This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company, set out on pages 5 to 11 of this Circular, which contains the recommendation of the Directors that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

The definitions used in this document are set out on pages 22 to 24.

TUFTON OCEANIC ASSETS LIMITED

(a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 63061)

RECOMMENDED PROPOSALS FOR ADOPTION OF NEW ARTICLES OF INCORPORATION TO PERMIT FUTURE RETURNS OF CAPITAL BY WAY OF COMPULSORY REDEMPTIONS AMENDMENT TO INVESTMENT POLICY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

All Shareholders are requested to complete and return their Form(s) of Proxy. To be valid, Forms of Proxy for use at the Extraordinary General Meeting must be completed and returned in accordance with the instructions printed thereon to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or delivered by hand during office hours only to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or in the case of Shares held through CREST, via the CREST system or if submitting the proxy vote electronically, via the Registrar’s website, by no later than 11.00 a.m. on 7 June 2024.

Shareholders should make their own investigations in relation to the Proposals, including the merits and risks involved. Nothing in this document constitutes legal, tax, financial or other advice, and if they are in any doubt about the contents of this document, Shareholders should consult their own professional advisers.

The Company is registered with the Guernsey Financial Services Commission (“**GFSC**”) under the Registered Collective Investment Scheme Rules and Guidance, 2021 and the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended. Neither the GFSC nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Your attention is drawn to the sections entitled “Risk Factors” on pages 12 to 13 and “Action to be taken by Shareholders” on page 10 of this document.

Forward-looking statements

This Circular contains (or may contain) statements that are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are based on current expectations and projections about future events and other matters that are not historical fact. These forward-looking statements are sometimes identified by the use of a date in the future or forward-looking terminology, including, but not limited to, the words “aim”, “anticipate”, “believe”, “intend”, “plan”, “estimate”, “expect”, “may”, “target”, “project”, “will”, “could” or “should” or, in each case, their negative or other variations or words of similar meaning. These forward-looking statements include matters that are not historical facts and include statements that reflect the Directors’ intentions, beliefs and current expectations. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond the Company’s control. They are not guarantees of future performance and are based on one or more assumptions.

Statements contained in this Circular regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

Forward-looking statements contained in this Circular apply only as at the date of this Circular. Subject to any obligations under the Disclosure Guidance and Transparency Rules or those of the Listing Rules with which the Company voluntarily complies, or any other applicable law or regulation, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	4
PART 1 LETTER FROM THE CHAIRMAN	5
PART 2 RISK FACTORS	12
PART 3 COMPULSORY REDEMPTION OF SHARES AND RELATED CHANGES TO THE ARTICLES	14
PART 4 AMENDMENT TO INVESTMENT RESTRICTIONS TO ALIGN WITH MARKET OPPORTUNITIES	17
PART 5 TAXATION	20
DEFINITIONS	22
GLOSSARY	25
NOTICE OF EXTRAORDINARY GENERAL MEETING	26

EXPECTED TIMETABLE

Publication of this Circular	Monday, 20 May 2024
Latest time and date for receipt of the Forms of Proxy or transmission of CREST Proxy Instructions for the EGM	11.00 a.m. on Friday, 7 June 2024
Record date for entitlement to vote at the EGM	6.00 p.m. on Friday, 7 June 2024
Extraordinary General Meeting	11.00 a.m. on Tuesday, 11 June 2024
Announcement of results of EGM	Tuesday, 11 June 2024
Effective date of change of Investment Policy	11 June 2024

If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service. All references to times in this document are to London time.

PART 1

LETTER FROM THE CHAIRMAN

TUFTON OCEANIC ASSETS LIMITED

(a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 63061)

Directors:

Robert King *(Non-Executive Chairman)*
Steve Le Page *(Non-Executive Director)*
Paul Barnes *(Non-Executive Director)*
Christine Rødsæther *(Non-Executive Director)*
Katriona Le Noury *(Non-Executive Director)*

Registered Office:

1 Royal Plaza
Royal Avenue
St Peter Port
GY1 2HL
Guernsey

20 May 2024

Recommended proposals for (a) adoption of New Articles of Incorporation to permit future returns of capital by way of compulsory redemptions, and (b) amendment to investment restrictions to align with market opportunities

and

Notice of Extraordinary General Meeting

Dear Shareholder

1. Introduction

The Company announced the results of its strategy review on 17 January 2024. As part of the review the Board considered its capital allocation policy and use of investible cash and, *inter alia*, the Company announced:

- the Board was evaluating a proposed one-off return of capital in 2Q24 representing between 5 per cent. and 10 per cent. of NAV at a price representing the prevailing Net Asset Value per Share less attributable costs; and
- the Board will annually evaluate further returns of capital using excess investible cash if no suitable investment opportunities are presented.

In accordance with the Investment Manager's recommendations, the Board determined to divest all Containerships by early 2023, thereby reducing the number of shipping Segments (i.e. Tankers, General Cargo, Containerships and Bulkers) the Company is currently invested in to two (being Bulkers and Tankers). The Existing Investment Policy restricts the Company from making new investments that would result in any shipping Segment accounting for more than 50 per cent. of Net Asset Value. After careful consideration and consultation with the Investment Manager, the Board is recommending that the Existing Investment Policy be amended to ease the above investment restriction to enable the Investment Manager to propose investments the Investment Manager believes will maximise investor returns in a manner that is still consistent with the objective of diversifying investment risk across shipping Segments. The proposed amendments to the Existing Investment Policy are set out in full in Part 4 of this document, and the rationale for them is set out in section 2 of this Part 1 below.

This Circular:

- provides fuller details in respect of the terms of the one-off return of capital referred to above;
- contains a proposal for the adoption of New Articles which will provide for the periodic Compulsory Redemption of the Company's Shares (excluding those held in treasury) at the discretion of the Directors to allow excess investible cash to be returned to Shareholders (the "**Compulsory Redemption Proposal**"); and

- contains a proposal to amend the Company's Existing Investment Policy (the "**Investment Policy Amendment Proposal**"),

(the Compulsory Redemption Proposal and the Investment Policy Amendment Proposal, together, the "**Proposals**").

The adoption of the New Articles to permit the Compulsory Redemption of the Company's Shares requires Shareholder approval, pursuant to the Companies Law, by way of a special resolution.

The proposed amendments to the Company's Existing Investment Policy are considered to be a material change, which requires Shareholder approval by way of ordinary resolution. The Company's investment objective remains unchanged.

Accordingly, the Board is publishing this Circular to convene the Extraordinary General Meeting at which it will seek approval from Shareholders to: (a) adopt the New Articles to facilitate returns of capital; and (b) adopt the New Investment Policy.

This Circular sets out details of, and seeks your approval for, the Proposals and explains why the Board is recommending that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting to be held at 11.00 a.m. on Tuesday, 11 June 2024. Approval of the Compulsory Redemption Proposal is not conditional on approval of the Investment Policy Amendment Proposal and approval of the Investment Policy Amendment Proposal is not conditional on approval of the Compulsory Redemption Proposal.

Notice of the EGM is set out at the end of this Circular. The Proposals are described in paragraphs 2, 4 and 5 of this Part 1 and in Parts 3 and 4 of this Circular.

2. Background to, and reasons for, the Proposals

The Compulsory Redemption Proposal

The Compulsory Redemption Proposal follows a review of the Company's strategy, advice sought from its advisers and consultation with certain Shareholders.

Strategy Review

Since its IPO in December 2017, the Company has delivered strong results in line with its original objectives, despite the very challenging economic and operational backdrop during Covid, ongoing geopolitical events and the impact of inflation.

As announced on 17 January 2024, in light of the ongoing share price discount to NAV and the Company's forthcoming continuation vote at the annual general meeting to be held in October 2024, the Board, in consultation with the Investment Manager and other advisers, has undertaken a review of the Company's strategy and capital allocation policy.

The outcome of the review, as announced on 17 January 2024, is set out below.

Continuing Investment Opportunity

The Investment Manager anticipates the investment opportunity set for fuel-efficient, second-hand vessels to be very strong for the next decade as the shipping industry slowly transitions towards zero carbon fuels to meet tightening regulations and decarbonisation targets. The Board and the Investment Manager believe that strong supply-side fundamentals will continue to support high yields and second-hand values, resulting in future IRRs being higher than the Company's published target.

The Board therefore believes the correct strategy for the Company over the medium term, through to 2030, is to continue investing in fuel-efficient, second-hand vessels to maximise Shareholder returns, intending to realise the Company's portfolio of assets starting from 2028, well before the decarbonisation of shipping accelerates.

Continuation votes will be held as planned in 2024 and 2027 to reconfirm the opportunity set and the strategy with Shareholders, before the realisation period starting in 2028.

Revised Capital Allocation Policy

Acknowledging investor feedback and the current discount to NAV, the Board has also considered its capital allocation policy and use of investible cash as follows:

- With effect from the first quarter of 2024, the Company's annual target dividend was increased by c.17.6 per cent. from \$0.085/share to \$0.10/share¹. Based on this increased target the Company is forecast to have a dividend cover of c.1.5x over the 18 months from 31 December 2023.
- The Board was evaluating a proposed one-off return of capital in 2Q24 representing between 5 per cent. and 10 per cent. of NAV at a price representing the prevailing Net Asset Value per Share less attributable costs.
- The Company sees fleet renewal (based on age, technology, and sector outlook) as a priority. Returns from all new asset investments over a three-year holding period will be compared to the benefit from a return of capital given the prevailing Share price at the time of the proposed investment and medium-term market outlook.
- The Board will annually evaluate a further return of capital using excess investible cash if no suitable investment opportunities are presented.
- The current buy-back policy is to remain in place (excess cash may be used, at the discretion of the Directors, to repurchase Shares should they trade at greater than a 10 per cent. discount to NAV, as set out in the Company's listing documents).

To facilitate the return of capital to Shareholders, the Directors are proposing that the New Articles be adopted to permit the Compulsory Redemption of the Company's Shares (excluding those held in treasury).

Should the Compulsory Redemption Proposal be approved by Shareholders, the Directors will be able to return capital to Shareholders in a cost-effective and timely manner through the Compulsory Redemption mechanism in accordance with the revised capital allocation policy.

The Investment Policy Amendment Proposal

The Existing Investment Policy restricts the Company from making new investments that would result in any shipping Segment (i.e. Tankers, General Cargo, Containerships and Bulkers) accounting for more than 50 per cent. of Net Asset Value.

After careful consideration and consultation with the Investment Manager, the Board is recommending that the Existing Investment Policy be amended to ease the above investment restriction to enable the Investment Manager to propose investments the Investment Manager believes will maximise investor returns in a manner that is still consistent with the objective of diversifying investment risk across shipping Segments.

The background to the proposed amendment is as follows. In accordance with the Investment Manager's recommendations, the Board determined to divest all Containerships by early 2023, thereby reducing the number of shipping Segments (i.e. Tankers, General Cargo, Containerships and Bulkers) the Company is currently invested in to two (being Bulkers and Tankers). As a consequence of Containership divestments and rising Tanker values, the Company's exposure to a single shipping Segment has exceeded 50 per cent. of Net Asset Value and the Company has been unable to make further investments in the relevant shipping Segment. At the end of Q1 2024 Tankers accounted for 56.5 per cent. of Net Asset Value.

¹ This is a target only and there can be no assurance that the target can or will be met and it should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether to invest in the Company or assume that the Company will make any distributions at all and should decide for themselves whether the target dividend yield is reasonable or achievable.

The Board, as advised by the Investment Manager, believes that:

- the Company's strategy of low leverage and high Charter coverage continues to limit volatility;
- the Company's Tanker Segment exposure is diversified in sub-segments such as 'Gas Tankers', 'Product Tankers' and 'Chemical Tankers' which have different supply/demand drivers; and
- at various times, fundamentals in certain Segments may not support new investments: for example, despite current good yields in the Containership Segment, fundamentals suggest near-term risk to residual values.

The proposed amendments to the Existing Investment Policy are described in further detail in paragraph 5 of this Part 1 and set out in full in Part 4 of this document below.

3. One-off return of capital

On 11 January 2024, the Company announced that it had agreed to sell two Handysize Product Tankers, Pollock and Dachshund, for a total of \$41.75m, which represented a 3.1 per cent. premium to the two vessels' 31 December 2023 net asset value of \$40.50m (the "**Disposals**"), being the latest available Net Asset Value prior to the announcement. Following receipt of the proceeds from the Disposals, the Board intends to return \$31.5m to Shareholders by way of a one-off Compulsory Redemption (as defined below), subject to Shareholder approval of the Compulsory Redemption Proposal. This return of capital is net of costs and expenses incurred by the Company relating to the approval of the Proposals and implementing the Compulsory Redemption.

The Compulsory Redemption will be priced at the attributable Net Asset Value per Share as at 30 June 2024. The Board expects to announce the Company's NAV as at 30 June 2024 on or around 17 July 2024. Subject to the Company having received the proceeds from the Disposals, a timetable for the Compulsory Redemption will be released simultaneously with the NAV announcement on 17 July 2024. The Board currently expects that settlement of the Compulsory Redemption will be in early August 2024.

For the avoidance of doubt, the record date for the Company's quarterly dividend to the 3 months ending 30 June 2024 (the "**2Q24 Dividend**") will precede the Redemption Record Date. Accordingly, Shareholders will be eligible to receive both the 2Q24 Dividend and proceeds from the Compulsory Redemption on the basis they continue to own shares on each of the 2Q24 Dividend record date and the Redemption Record Date.

4. Change of Articles, returns of capital and Compulsory Redemptions of Shares

As set out above, the Board is intending to make a one-off return of capital following receipt of the proceeds from the Disposals and will annually evaluate further returns of capital using excess investible cash if no suitable investment opportunities are presented.

The Directors propose to effect any such returns of capital to Shareholders by way of redemptions of Shares (excluding those held in treasury) compulsorily (each a "**Compulsory Redemption**"). Currently the Company's Shares are non-redeemable. Accordingly, it will first be necessary to change the Company's existing Articles to permit the Directors, at their sole discretion, to effect a Compulsory Redemption of Shares on an ongoing basis, and *pro rata* to each Shareholder's shareholding in the Company, in order to return capital to Shareholders. Upon the New Articles being adopted, the Directors shall convert the Shares into redeemable shares, redeemable on the terms set out in the New Articles.

For any Compulsory Redemption undertaken after the Compulsory Redemption in relation to the Disposals, the Redemption Price per Share is expected to be calculated by reference to the NAV per Share less the costs associated with the relevant redemption and adjusted as the Directors consider appropriate. The number of Shares to be redeemed will be redeemed from all Shareholders *pro rata* to their Shareholdings on the relevant Redemption Date. Details of any Compulsory Redemption approved by the Board will be announced to the market by way of an announcement released on a Regulatory Information Service.

The Board believes that the Compulsory Redemption Proposal is in the best interests of the Company and its Shareholders as a whole by giving the Company the ability to return capital to Shareholders in

a cost-effective and timely manner through the proposed Compulsory Redemption mechanism in accordance with the revised capital allocation policy.

Further details regarding the return of capital and the proposed changes to the Articles are set out in Part 3 of this Circular. A summary of certain possible risks associated with each of the Proposals is set out in Part 2 of this Circular. The proposed special resolution to approve the adoption of the New Articles to permit Compulsory Redemptions of the Shares (Resolution 1) is set out in the Notice of EGM at the end of this document.

Details of the tax consequences of the Compulsory Redemption Proposal for certain Shareholders are set out in Part 5 of this Circular.

5. Amendment to investment restrictions to align with market opportunities

The Existing Investment Policy restricts the Company from making new investments that would result in any shipping Segment (i.e. Tankers, General Cargo, Containerships and Bulkers) accounting for more than 50 per cent. of Net Asset Value. The Board is seeking Shareholder approval to ease the above investment restriction such that:

- the restriction on making further investments that would result in a shipping Segment accounting for more than 50 per cent. of Net Asset Value will only apply where the Company is invested in at least three shipping Segments; and
- where the Company is only invested in two shipping Segments: (i) no further investment may be made that results in any shipping Segment accounting for more than 75 per cent. of Net Asset Value; and (ii) if the Tankers shipping Segment accounts for more than 50 per cent. of Net Asset Value and exposure is only to a single Tanker sub-segment (i.e. Crude Tankers, Product Tankers, Chemical Tankers, Gas Tankers), no further investment may be made in such Tankers sub-segment.

The Board believes that the Investment Policy Amendment Proposal is in the best interests of the Company and its Shareholders as a whole as it will enable the Investment Manager to propose investments the Investment Manager believes will maximise investor returns in a manner that is still consistent with the objective of diversifying investment risk across shipping Segments.

The text of the proposed New Investment Policy is set out in Part 4 of this Circular. A summary of certain possible risks associated with the proposed amendment to the Existing Investment Policy is set out in Part 2 of this Circular. The New Investment Policy will only become effective once approved by Shareholders at the Extraordinary General Meeting. The proposed ordinary resolution to change the Investment Policy (Resolution 2) is set out in the Notice of the EGM at the end of this document.

6. Costs of the Proposals

The costs and expenses relating to the approval of the Proposals to be incurred by the Company are estimated to amount to approximately \$164,500, representing 0.04 per cent. of the Company's Net Asset Value as at 31 March 2024. It should be noted that the estimated costs and expenses are exclusive of the ongoing costs of running the Company and implementing each Compulsory Redemption.

7. Risk factors

The Directors have given consideration to the potential risks and uncertainties relating to the Proposals.

For a discussion of certain risk factors which Shareholders should take into account when considering whether to vote in favour of the Resolutions, please refer to Part 2 of this Circular.

8. Consent

The Investment Manager has given and has not withdrawn its written consent to the inclusion of the references to its name in the form and context in which they are included in this document.

9. Extraordinary General Meeting

At the end of this Circular, you will find the Notice of EGM, convening an extraordinary general meeting of the Company which is to be held at 1 Royal Plaza, Royal Avenue, St Peter Port, GY1 2HL, Guernsey at 11.00 a.m. on Tuesday, 11 June 2024.

A summary of the action you should take is set out in the paragraph below and in the Form of Proxy that accompanies this Circular.

The Resolutions seek the approval of Shareholders for:

- (a) the adoption of the New Articles to permit the Directors to undertake Compulsory Redemptions of the Shares at their sole discretion (as described in Part 3 of this Circular); and
- (b) the amendment to the Existing Investment Policy (the full text of the proposed New Investment Policy is set out in paragraph 1 of Part 4 of this Circular).

The full text of the Resolutions to be proposed at the Extraordinary General Meeting is set out in the Notice of EGM at the end of this Circular. A draft of the proposed New Articles (showing the full terms of the changes proposed to be made) will be available for inspection on the National Storage Mechanism from the date of sending of this Circular and may be inspected at the registered office of the Company, 1 Royal Plaza, Royal Avenue, St Peter Port, GY1 2HL, Guernsey during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Circular up to and including the date of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting for at least 15 minutes before and during the Extraordinary General Meeting.

Resolution 1 will be proposed as a special resolution and the passing of such Resolution will require a 75 per cent. majority of the votes cast in person or by proxy. Resolution 2 will be proposed as an ordinary resolution and the passing of such Resolution will require a simple majority of the votes cast in person or by proxy.

10. Action to be taken by Shareholders

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting.

Whether or not you intend to be present at the EGM, Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or deliver it by hand during office hours only to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received as soon as possible and in any event by no later than 11.00 a.m. on 7 June 2024.

Alternatively, Shareholders may submit proxy votes electronically, via the Registrars website, by no later than 11.00 a.m. on 7 June 2024.

If you hold your Shares in uncertificated form (that is, in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST manual so that it is received by the Registrar (under CREST participant ID 3RA50) by no later than 11.00 a.m. on 7 June 2024. CREST members may choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the Form of Proxy and the Notice of Extraordinary General Meeting.

The completion and return of a Form of Proxy will not preclude you from attending the Extraordinary General Meeting and voting in person if you wish to do so.

11. Further information

Your attention is drawn to the further information set out in Parts 2 to 5 of this Circular. You should read the whole of this Circular and, in particular, the risk factors set out in Part 2, before deciding on the course of action you will take in respect of the Resolutions and the Proposals.

12. Recommendation

The Board considers the Proposals to be in the best interests of the Company and Shareholders as a whole.

Accordingly, the Board unanimously recommends Shareholders vote in favour of the Resolutions to adopt the New Articles and the New Investment Policy, as they intend to do in respect of their own beneficial holdings which, as at 17 May 2024, being the latest practicable date prior to the publication of this Circular, amount in aggregate to 141,268 Shares, representing approximately 0.05 per cent. of the Company's existing issued share capital (excluding any Shares held in treasury).

Yours faithfully

Robert King

Non-Executive Chairman

PART 2

RISK FACTORS

Prior to voting on the Resolutions, Shareholders should carefully consider the risk factors described in this Part 2. The risk factors below represent certain risks known to the Directors as at the date of this Circular which the Directors consider to be material and to relate to the Proposals, or that represent new or changed risks to the Company as a consequence of these matters. Shareholders should note that the risk factors set out below do not purport to comprise a complete list or explanation of all relevant risks which may affect the Company alone or in connection with the Proposals, and are not set out in any order of priority. If any or a combination of the events described below actually occurs, the business, results of operations, financial condition or prospects of the Company could be materially and adversely affected. In such case, the market price of the Shares could decline and Shareholders may lose all or part of their investment.

Risks associated with the proposed New Articles permitting the Compulsory Redemption of Shares

There is no guarantee that the Compulsory Redemption mechanism or any return of capital pursuant to a Compulsory Redemption will take place. The Board may determine, in its absolute discretion, not to make any return of capital pursuant to a Compulsory Redemption.

The amount of cash that the Company will be able to return to Shareholders in the future will depend on the performance of the Company's remaining assets and the proceeds that may be realised from any of them.

If the New Articles are not adopted so as to permit the Compulsory Redemption of Shares, the Company will have to utilise other methods to make distributions to Shareholders, which may be less efficient than the Compulsory Redemption of Shares.

The Company's cash balances will be reduced by any Compulsory Redemption undertaken or other distribution to Shareholders, thereby increasing the impact of fixed costs incurred by the Company on its remaining assets. Any funds returned to Shareholders pursuant to a Compulsory Redemption or other distribution will no longer be available for application in the ordinary course of the Company's business or to meet contingencies.

Shareholders are advised that future returns of cash may not necessarily be made as soon as cash following any realisation becomes available. Shareholders should also note that, due to the liquidity profile of the Company's investments, there can be no certainty of the length of time it may take to complete a realisation of any of the Company's assets.

In determining the size of any Compulsory Redemption or other distribution to Shareholders, the Directors will take into account the Company's ongoing running costs. Should these costs be greater than expected, this will reduce the amount available for Shareholders in future Compulsory Redemptions or distributions.

The market price of the Shares is subject to change during the course of, and subsequent to, any Compulsory Redemption. It therefore cannot be certain whether the value returned to Shareholders pursuant to any Compulsory Redemption will be greater or less than the price at which Shares could be sold in the market at any given time.

Any Compulsory Redemption undertaken will reduce the number of Shares in issue. The impact on the liquidity and the market price of the Shares as a result of the implementation of any Compulsory Redemption cannot be predicted and Shareholders may find it more difficult to sell their Shares, or may be forced to sell them at a lower price as supply and demand for Shares may change. More generally, as with all investment company shares, the market price of the Shares may not reflect the underlying Net Asset Value of the Company and the discount (or premium) to Net Asset Value at which the Shares trade may fluctuate from day to day, depending on factors such as supply and demand, market conditions and general sentiment.

Levels of, and legislation and practice concerning, taxation may change. Shareholders should have regard to the information in relation to taxation set out in Part 5 of this Circular. There is no guarantee that any capital returned to Shareholders pursuant to the Compulsory Redemption mechanism will be taxed in a certain way, and any taxation will be dependent on the character and jurisdiction of the Shareholder and the manner in which the Shares are held. The position may be different for future transactions and may vary from the date of this document and any implementation of the Compulsory Redemption mechanism. Shareholders who are in any doubt as to what their tax position would be, should the Compulsory Redemption Proposal be implemented, are encouraged to consult an appropriate professional adviser.

Any Compulsory Redemption may be subject, amongst other things, to the Board being able to give the necessary certificate(s) of solvency required by Guernsey law. Any Compulsory Redemption may be subject to the Board continuing to be satisfied, on reasonable grounds, that the Company will, immediately after each such Compulsory Redemption, continue to satisfy the statutory solvency test. There can be no guarantee that the Board will be able to give such solvency certificate at the relevant time or that the Company will continue to satisfy the statutory solvency test.

Following any Compulsory Redemption, the size and value of the Group's portfolio may be reduced and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly. This may adversely affect the performance of the Group's portfolio where it is exposed to a portfolio with lower diversification.

The Company might experience increased volatility in its Net Asset Value and/or the price of its Shares as a result of possible changes to the structure of the Group's portfolio following the approval of the Compulsory Redemption Proposals and any future Compulsory Redemptions. Further, the amount of any dividends could reduce (or that dividends could cease to be paid by the Company) over time due to the expected reduction in the Net Asset Value and likely decrease in diversification of the Group's portfolio where significant Compulsory Redemptions undertaken.

Risks associated with the proposed amendment of the Existing Investment Policy

Concentration of investments in a single shipping Segment could amplify the adverse effect on the Company where such shipping Segment performs unfavourably. This could have an adverse effect on the Company's business, financial condition, results of operations, ability to meet dividend payments and the NAV and/or the market price of the Shares.

There are certain general market conditions in which any investment strategy is unlikely to be profitable. The Company does not have the ability to control or predict such market conditions. General economic and market conditions, such as currencies, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and regulations, trade barriers, currency exchange controls and national and international political circumstances may affect the value and liquidity of vessels and result in losses in the value of the Company's assets.

There can be no guarantee that the amendment of the Company's Existing Investment Policy will provide the returns sought by Shareholders. There can be no guarantee that the Company will achieve its investment objective.

PART 3

COMPULSORY REDEMPTION OF SHARES AND RELATED CHANGES TO THE ARTICLES

1. Proposed return of capital to Shareholders by Compulsory Redemptions of Shares

Pursuant to the Compulsory Redemption Proposal, the Company proposes to adopt the New Articles which will permit the Company to undertake periodic returns of capital to Shareholders. The Company proposes to effect any such return of capital by way of the Compulsory Redemption of Shares. Currently the Shares are non-redeemable and, accordingly, it will be necessary to change the Articles first to authorise the Directors to compulsorily redeem some or all of the Shares at the discretion of the Board.

Following such change, the Company will have the power to make Compulsory Redemptions of Shares in volumes and on dates to be determined at the Directors' sole discretion, with the amount distributed in respect of the Shares on each occasion to be determined by the Directors at the relevant time having regard to the amount of cash available for distribution and retaining sufficient working capital for ongoing operations. Shares will be redeemed from all Shareholders *pro rata* to their existing holdings of the Shares on the relevant Redemption Date. The Directors will be authorised to make such Compulsory Redemptions in accordance with the process to be included in the New Articles (the mechanics of which are described in paragraphs 2 and 3 below).

2. Changes to make the Shares redeemable

In order to make the Shares redeemable, it is proposed to adopt the New Articles (in substitution for the Company's existing Articles) in order to permit the redemption of some or all of the Company's Shares at the sole discretion of the Directors and to set out the procedure by which the Directors may undertake any Compulsory Redemption of such Shares. Upon the New Articles being adopted, the Directors shall convert the Shares into redeemable shares, redeemable on the terms set out in the New Articles.

Accordingly, the Company is proposing a special resolution, which will, if passed, adopt the New Articles including the Compulsory Redemption mechanism described in paragraphs 2 and 3 of this Part 3.

The full text of the Resolution is set out in the Notice of EGM at the end of this document. A draft of the proposed New Articles (showing the full terms of the changes proposed to be made) will be available for inspection on the National Storage Mechanism from the date of sending of this Circular and may be inspected at the registered office of the Company, 1 Royal Plaza, Royal Avenue, St Peter Port, GY1 2HL, Guernsey, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Circular up to and including the date of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting for at least 15 minutes before and during the Extraordinary General Meeting.

Under the New Articles, the Directors may only authorise a Compulsory Redemption of Shares if they are satisfied on reasonable grounds that, immediately after such Compulsory Redemption is made, the Company would satisfy the statutory "solvency test".

For the purpose of the Companies Law, the Company would satisfy the "solvency test" if:

- (a) the Company is able to pay its debts as they became due; and
- (b) the value of the Company's assets is greater than the value of its liabilities.

3. Mechanics of Compulsory Redemptions

Under the New Articles, the Directors will be authorised to make Compulsory Redemptions of Shares in volumes and on dates to be determined at the Directors' sole discretion. The Directors will determine the aggregate amount to be distributed to Shareholders pursuant to any Compulsory Redemption, having regard to the amount of cash available for distribution whilst retaining sufficient working capital for ongoing operations. Shares will be redeemed from all Shareholders *pro rata* to their existing holdings of the Shares on the relevant Redemption Date.

At any point the Directors exercise their discretion to redeem compulsorily a given percentage of the Shares of any class in issue, the Company will make a Redemption Announcement in advance of the relevant Redemption Date. The Redemption Announcement is expected to include the following details:

- (a) the aggregate amount to be distributed to Shareholders;
- (b) the Relevant Percentage of Shares to be redeemed (*pro rata* as between the holders of Shares as at the Redemption Record Date);
- (c) a timetable for the Compulsory Redemption and distribution of redemption proceeds, including the Redemption Date and Redemption Record Date;
- (d) the Redemption Price per Share, which is expected to be calculated by reference to the Net Asset Value per Share (as at a date selected by the Directors) of the Shares that will be redeemed on a given Redemption Date, less the costs associated with the relevant redemption and as adjusted as the Directors consider appropriate;
- (e) the New ISIN in respect of Shares which will continue to be listed following the relevant Redemption Date; and
- (f) any additional information that the Board deems necessary in connection with the Compulsory Redemption.

Any Compulsory Redemption of Shares will become effective on the relevant Redemption Date, being a date chosen at the Directors' absolute discretion, as determined by the Directors to be in the best interests of Shareholders as a whole. In determining the timing of any Redemption Date, the Directors will take into account, among other things, the amount of cash available for payment of redemption proceeds and the costs associated with such Compulsory Redemption.

The Shares redeemed will be the Relevant Percentage of the shares registered in the names of Shareholders on the relevant Redemption Record Date. Shareholders will receive the Redemption Price per Share in respect of each of their Shares redeemed compulsorily.

In the case of Shares held in uncertificated form (that is, in CREST), Compulsory Redemptions will take effect automatically on each Redemption Date and the redeemed Shares will be cancelled. All Shares in issue will be disabled in CREST after 6.00 p.m. (UK time) on the relevant Redemption Date and the Old ISIN will expire. The New ISIN in respect of the remaining Shares in issue and which have not been redeemed will be enabled and available for transactions from and including the first Business Day following the relevant Redemption Date (or such other date notified to Shareholders). The New ISIN will be notified to Shareholders in the relevant Redemption Announcement. Up to and including the relevant Redemption Date, Shares will be traded under the Old ISIN and, as such, a purchaser of such Shares would have a market claim for a proportion of the redemption proceeds. CREST will automatically transform any open transactions as at the relevant Redemption Date (which may be the record date for the purposes of the redemption) into the New ISIN.

In the case of Shares held in certificated form (that is, not in CREST), Compulsory Redemptions will take effect automatically on each Redemption Date. As the Shares will be compulsorily redeemed, certificated Shareholders do not need to return their Share certificates to the Company in order to claim their redemption monies. Shareholders' existing Share certificates will be cancelled and new Share certificates will be issued to each such Shareholder for the balance of their shareholding in the Company after each Redemption Date. Cheques or electronic payments will automatically be issued to certificated Shareholders upon the cancellation of any of their Shares. All Shares that are redeemed will be cancelled with effect from the relevant Redemption Date. Accordingly, once redeemed, Shares will be incapable of transfer.

Payments of redemption monies are expected to be effected either through CREST (in the case of Shares held in uncertificated form) or by cheque or electronic payment (in the case of Shares held in certificated form), within 14 Business Days of the relevant Redemption Date, or as soon as practicable thereafter. Redemption monies will be paid in the same currency (US Dollars or GBP Sterling) that each Shareholder is paid dividends. If a Shareholder wishes to receive redemption monies in a currency (US Dollars or GBP Sterling) that is different to their dividend payments, they should contact the

Registrar on +44 (0370) 707 4040. Further details in relation to any Compulsory Redemption will be set out in the relevant Redemption Announcement.

4. Alternative methods to return cash to Shareholders

The Directors shall continue to have the right to return capital otherwise than through Compulsory Redemptions, such as by way of tender offers to Shareholders to purchase their Shares. In such circumstances, a tender offer will be made to Shareholders in accordance with market practice and in compliance with the Companies Law and those of the Listing Rules with which the Company voluntarily complies. Further, the Directors may determine, in their absolute discretion where they consider it to be in the best interests of Shareholders, to return cash by way of dividend or any other distribution permitted by the Companies Law and those of the Listing Rules with which the Company voluntarily complies.

PART 4

AMENDMENT TO INVESTMENT RESTRICTIONS TO ALIGN WITH MARKET OPPORTUNITIES

The proposed amendments to the Existing Investment Policy pursuant to the Investment Policy Amendment Proposal are marked to show the changes from the Existing Investment Policy below. Additions are indicated with underline and deletions are indicated with strikethrough.

1. Proposed New Investment Policy

Investment Objective

The Company's investment objective is to provide investors with an attractive level of regular and growing income and capital returns through investing in secondhand commercial sea-going vessels.

Investment Policy

In order to achieve its investment objective, the Company will invest in a diversified Portfolio of secondhand commercial sea-going vessels.

The Company will make investments through one or more underlying SPV(s) over which the Company will exercise control with regards to investment decisions and which will mainly be wholly owned by the Company and may be held through an intermediate holding company. The Company may from time to time invest through vehicles which are not wholly owned by it. In such circumstances, the Company will seek to secure controlling rights over such vehicles through shareholder agreements or other legal arrangements.

The Company will at all times invest and manage its assets in a manner which is consistent with the objective of diversifying investment risk across the main vessel classifications ("**Segments**") in the shipping industry.

Investment Restrictions

The Company observes the following investment restrictions calculated, where relevant, at the point of investment:

- No single vessel will represent more than 25 per cent. of Net Asset Value.
- In terms of employment strategy, no investment will be made that results in the exposure to the spot market, (being the market in which vessels are employed using single voyage employment contracts ("**Spot Charters**") (the "**Spot Market**")), accounting for more than 25 per cent. of Net Asset Value.
- Where the Company is invested in at least three shipping Segments, No investment will be made that results in any shipping Segment (i.e. Tankers, General Cargo, Containerships, Bulkers) accounting for more than 50 per cent. of Net Asset Value.
- Where the Company is invested in only two shipping Segments: (i) no investment will be made that results in any shipping Segment (i.e. Tankers, General Cargo, Containerships, Bulkers) accounting for more than 75 per cent. of Net Asset Value; and (ii) if the Tankers shipping Segment accounts for more than 50 per cent. of Net Asset Value and exposure is only to a single Tankers sub-segment (i.e. Crude Tankers, Product Tankers, Chemical Tankers, Gas Tankers), no investment will be made in such Tankers sub-segment.
- The Company will not invest in cruise ships.
- The Company will not invest in other closed ended investment companies.
- No vessel will be registered under the laws of a country which is not included in the white list of the Paris Memorandum of Understanding (or the equivalent of this list), or if doing so would be contrary to any sanction or prohibition imposed by the United Nations, the United States, the European Union or the United Kingdom.

For the purposes of clarity it should be noted that where the above mentioned investment restrictions refer to a percentage of NAV, this is to be measured in respect of the Company's investment in the relevant SPV at the time of investment only.

Borrowing Policy

The Company may, for investment purposes, employ leverage at the SPV level where there is free cashflow generated from contracted vessel employment to counterparties which are considered creditworthy. Any such loans will be subject to the following restrictions:

- leverage will be at the SPV level without recourse to the Company or to other SPVs;
- it is anticipated that on an ongoing basis, consolidated Company gearing (consolidated loans to consolidated Charter-Free Value) will not be greater than 40 per cent. "**Charter-Free Value**" is the market value of one or more vessels excluding the value of any existing Charter in respect of such vessel or vessels;
- the loan to Charter-Free Value ratio in any SPV at the time of loan drawdown will not be greater than 50 per cent.;
- the repayment profile of any loan will not be greater than the term of the underlying contracted Charter cashflow;
- the loan to Charter-Free Value ratio at any SPV will be further constrained such that the free cashflow generated by the vessel employment plus the expected scrap value of the vessel (where relevant) will be sufficient to amortise the loan in full;
- where underlying Charter cashflow is of a fixed rate nature, the Investment Manager will seek to use interest rate swaps or fixed rate loans at the SPV level to provide for a known rate of interest under the terms of the loan agreement for all or part of the loan term. All security and other margin requirements under such interest rate swaps will be secured under the standard loan security arrangements; and
- any refinancing exposure will be subject to the restrictions outlined above.

Short term leverage may be utilised at the Company or intermediate holding company level for working capital or bridging purposes, but only to the extent that it is consistent with the AIFM's regulatory status and subject always to the consolidated Company gearing limits outlined above. Any such bridging finance will be short-term and not structural in nature.

The timing of the deployment of leverage is at the discretion of the Board, in consultation with the Investment Manager.

Hedging and derivatives

As part of the Company's interest rate risk management, the Company may engage in interest rate hedging at the SPV level (by using interest rate swaps or fixed rate loans to provide for a known rate of interest under the terms of a loan agreement either for all or part of any loan term) or otherwise seek to mitigate the risk of interest rate changes. All security and other margin requirements under such interest rate swaps will be secured under standard loan security arrangements.

Shipping assets are generally valued in and earn US\$. Therefore, there will be no material currency risk. However, the Company may make limited investments denominated in currencies other than US\$ including Sterling and Euros. In the event of the Company making such investments, the Investment Manager will use its judgement, in light of the Company's investment policy, in recommending whether or not to effect any currency hedging in relation to any such investments.

In addition to interest rate and currency hedging (as described above) the Company (through its SPV(s)) may enter into other shipping specialised hedging arrangements, such as bunker hedging against the cost of fuel exposure and hedging through Forward Freight Agreements ("**FFAs**") against freight market exposure.

Cash management

Pending investment, cash will be temporarily held as cash and/or invested in cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single –A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency.

The Company has an execution-only brokerage account with Canaccord Genuity Wealth Management in Guernsey which is used to place surplus cash with financial institutions on the instruction of the Investment Manager.

Amendments to and compliance with the investment policy

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

In the event of a breach of the investment policy set out above, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

2. Effectiveness of the amendment to the Existing Investment Policy

The proposed amendment to the Existing Investment Policy will become effective only once approved by Shareholders at the Extraordinary General Meeting.

3. Risks associated with the adoption of the New Investment Policy

Please refer to Part 2 of this Circular for a summary of certain possible risks associated with the proposed adoption of the New Investment Policy.

PART 5

TAXATION

The following comments do not constitute tax advice and are intended only as a general guide to current United Kingdom law and HM Revenue & Customs' published practice at the date of this Circular (both of which are subject to change at any time, possibly with retrospective effect), not as professional advice. They relate only to certain limited aspects of the United Kingdom taxation treatment of Shareholders and are intended to apply only to Shareholders who are resident in the United Kingdom for United Kingdom tax purposes and, in the case of an individual, domiciled or deemed domiciled for UK tax purposes solely in the United Kingdom. The comments only apply to Shareholders who are and will be the absolute beneficial owners of their Shares and who hold them as investments (and not as securities to be realised in the course of a trade). They may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes, those connected with the Company or who hold their Shares as employment related securities, arrangements involving trusts, and Shareholders who are exempt from taxation. Any statements made in respect of tax rates for individual UK Shareholders assume that the Shareholder is a UK resident and domiciled individual who is neither a Scottish taxpayer nor a Welsh taxpayer. Different tax rates may apply to UK resident individuals who are Scottish taxpayers or Welsh taxpayers. Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

1. The Company

The Directors intend that the affairs of the Company are managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the UK through a permanent establishment, the Company will not be subject to UK income tax or corporation tax on its profits other than in respect of any income with a UK source.

2. Amendments to the Articles to permit the compulsory redemption of Shares

As discussed in more detail in Part 1 of this Circular, the Proposals include the adoption by the Company of the New Articles which is necessary to permit the Directors to compulsorily redeem the (currently) non-redeemable Shares. The adoption of the New Articles should constitute a reorganisation of the Company's share capital and accordingly this component of the Proposals should not be treated as a disposal for the purposes of UK taxation of capital gains, or a distribution for the purposes of the UK taxation of income. Comments in relation to the tax treatment on an actual redemption of Shares is set out in paragraph 3 below.

3. Redemption of Shares

UK tax resident individuals

On any redemption of the Shares, an individual Shareholder who is tax resident in the UK will be treated as disposing of their redeemed Shares for the purposes of UK capital gains tax. Such Shareholders may, depending on their personal circumstances (including the availability of any allowances), be subject to UK capital gains tax on the amount of any capital gain realised on that disposal. For such individuals, capital gains are taxed at a rate of 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher or additional rate taxpayers). Individuals may benefit from an annual exemption from capital gains tax, which is £3,000 for the tax year ending 5 April 2025.

Shareholders who hold their Shares on a tax exempt basis through a UK Individual Savings Account should be exempt from capital gains tax in respect of their redemption proceeds.

UK tax resident companies

For Shareholders who are UK tax resident companies, the redemption of Shares may be treated as giving rise to both an income distribution and a capital disposal. The extent to which the proceeds are treated as a distribution will depend amongst other things on the amount initially subscribed for the redeemed Shares and may be affected by subsequent transactions.

Shareholders within the charge to UK corporation tax that are “small companies” (for the purposes of UK taxation of distributions) should expect to be subject to tax on any income distribution deemed to arise on the redemption of Shares.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on any income distribution deemed to arise on redemption of the Shares provided that the distribution falls within an exempt category and certain conditions are met. In general, a distribution to a UK corporate shareholder which holds less than 10 per cent. of the Shares should fall within an exempt category. However, the exemptions are not comprehensive and are subject to various anti-avoidance rules. If the conditions for exemption are not satisfied or cease to be satisfied, or such a Shareholder elects for an otherwise exempt distribution to be taxable, the Shareholder will be subject to corporation tax on any income distribution deemed to arise on redemption of the Shares.

The portion of the proceeds that is not treated as an income distribution should be treated as consideration for a disposal of the Shares for a Shareholder within the charge to UK corporation tax. This may, depending upon the Shareholder’s circumstances and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of UK corporation tax.

Offshore Fund Rules

The treatment described above is based on any gain arising on a disposal of a Shareholder’s Shares not being taxed as income under the UK’s “offshore fund” tax rules. Under current law, if the Company were to be treated for UK taxation purposes as an “offshore fund”, gains on disposals of Shares realised by a Shareholder would be taxable as income and not as capital gains. The Board has been advised that the Company should not be regarded as an offshore fund for UK tax purposes.

4. Stamp duty and stamp duty reserve tax (“SDRT”)

No UK stamp duty or SDRT will be payable by Shareholders on the adoption of the New Articles to permit the Compulsory Redemption of the (currently) non-redeemable Shares so that they become redeemable nor on the subsequent redemption of the Shares.

Any Shareholder who is in any doubt as to their taxation position or who is liable to taxation in any jurisdiction other than the UK should seek independent professional advice.

DEFINITIONS

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

“2Q24 Dividend”	the Company’s quarterly dividend in relation to the 3 months ending 30 June 2024
“AIFM”	an alternative investment fund manager
“Articles”	the articles of incorporation of the Company
“Board” or “Directors”	the directors of the Company
“Business Day”	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London and Guernsey for the transaction of normal business
“certificated” or “in certificated form”	not in uncertificated form
“Circular”	this document
“Companies Law”	The Companies (Guernsey) Law, 2008 (as amended)
“Company”	Tufton Oceanic Assets Limited
“Compulsory Redemption”	any compulsory redemption of the Company’s shares at the sole discretion of the Directors in accordance with the New Articles (assuming Resolution 1 is passed at the EGM) as further described in Part 3 of this Circular
“Compulsory Redemption Proposal”	as defined in paragraph 1 of Part 1 (<i>Letter from the Chairman</i>) of this Circular
“CREST”	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
“CREST Manual”	the compendium of documents entitled the “CREST Manual” issued by Euroclear from time to time
“CREST Proxy Instruction”	a CREST message properly authenticated in accordance with Euroclear’s specifications and containing the information required for such instructions as described in the CREST Manual
“CREST Regulations”	The Uncertificated Securities (Guernsey) Regulations, 2009 (SI 2009 No. 48), as amended
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules of the FCA, as amended from time to time
“Euroclear”	Euroclear UK & International Limited, the operator of CREST
“Existing Investment Policy”	the Company’s investment policy which applies as at the date of this Circular
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 11.00 a.m. on Tuesday, 11 June 2024 at 1 Royal Plaza, Royal Avenue, St Peter Port, GY1 2HL, Guernsey (or any adjournment thereof)
“FCA” or “Financial Conduct Authority”	the Financial Conduct Authority of the United Kingdom including any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof

“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in relation to voting at the EGM
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time
“GFSC”	the Guernsey Financial Services Commission
“Group”	the Company, its subsidiaries and subsidiary undertakings
“Investment Manager”	Tufton Investment Management Ltd
“Investment Policy Amendment Proposal”	as defined in paragraph 1 of Part 1 (<i>Letter from the Chairman</i>) of this Circular
“IRR”	internal rate of return
“Listing Rules”	the Listing Rules made by the FCA under section 73A of FSMA
“London Stock Exchange”	London Stock Exchange plc
“National Storage Mechanism”	the system identified by the FCA on its website as the national storage mechanism for regulatory announcements and certain documents published by issuers
“Net Asset Value” or “NAV”	the value of the assets of the Company less its liabilities (including accrued but unpaid fees), or, where relevant, the assets attributable to that class of share (including accrued but unpaid fees), in each case determined (by the Directors in their absolute discretion) in accordance with the accounting principles adopted by the Company from time to time
“Net Asset Value per Share”	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation
“New Articles”	the new articles of incorporation of the Company proposed to be adopted by the passing of Resolution 1 set out in the Notice of EGM at the end of this Circular and including the redemption terms attaching to the Shares
“New Investment Policy”	the proposed new Investment Policy of the Company, the full text of which is set out in paragraph 1 of Part 4 of this Circular
“New ISIN”	a new ISIN in respect of the Shares remaining in issue following a Redemption Date, which have not been redeemed on such date
“Notice of EGM”	the notice of the Extraordinary General Meeting set out at the end of this document
“Old ISIN”	the disabled ISIN by virtue of the redemption of Shares on a Redemption Date (being, at the date of this Circular, GG00BDFC1649)
“Paris Memorandum of Understanding”	the Paris Memorandum of Understanding on Port State Control, the official document in which the 27 participating maritime authorities agree to implement a harmonized system of port state control
“Portfolio”	the Company’s portfolio of investments from time to time
“Proposals”	as defined in paragraph 1 of Part 1 (<i>Letter from the Chairman</i>) of this Circular

“Redemption Announcement”	the announcement to be made by the Company to Shareholders in advance of any Compulsory Redemption
“Redemption Date”	the date on which a Compulsory Redemption becomes effective
“Redemption Price per Share”	the price per Share at which Shares will be redeemed on a particular Redemption Date
“Redemption Record Date”	close of business on the relevant Redemption Date or as otherwise set out in the relevant Redemption Announcement
“Register”	the register of members of the Company
“Registrar”	Computershare Investor Services (Guernsey) Limited
“Regulatory Information Service”	a primary information provider approved by the FCA under section 89P of FSMA
“Relevant Percentage”	the percentage of Shares to be redeemed by the Company on a given Redemption Date
“Resolutions”	the resolutions relating to the Proposals and set out in the Notice of EGM at the end of this Circular
“Segment”	has the meaning given in paragraph 1 of Part 4 of this Circular
“Shareholders”	the holders of the Shares
“Shares”	ordinary shares of no par value in the share capital of the Company
“SPV”	corporate entities, formed and wholly owned (directly or indirectly) by the Company, specifically to hold one or more vessels, and including (where the context permits) any intermediate holding company of the Company
“Sterling” or “GBP” or “£”	the lawful currency of the UK
“UK”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	recorded in 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

GLOSSARY

Bulker	a vessel that carries a variety of dry cargo in bulk form (e.g. handysize bulkers, supramax bulkers)
Car Carrier	a vessel that carries cars and trucks
Charter	a vessel employment contract
Charter-Free Value	the market value of one or more vessels excluding the value of any existing Charters in respect of such vessel or vessels
Containers	modular metal boxes of standardized dimensions
Containership	a vessel that carries industrial and consumer goods in Containers
General Cargo	a vessel that carries general cargo, breakbulk, project cargo and wheeled cargo (including Ro-Ro and Car Carriers)
Ro-Ro	a Roll-on/Roll-off vessel, designed to carry wheeled cargo, such as cars, trucks, semi-trailer trucks, trailers, and railroad cars
Spot Charter	a Charter where the ship-owner hires his or her vessel to the charterer for just a single voyage, carrying a designated quantity of cargo
Spot Market	the market in which vessels are employed with Spot Charters
Tanker	a vessel that carries crude oil, oil products, chemicals and gases in bulk form (e.g. suezmax tankers)

NOTICE OF EXTRAORDINARY GENERAL MEETING

TUFTON OCEANIC ASSETS LIMITED

(a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 63061)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Extraordinary General Meeting**” or “**EGM**”) of Tufton Oceanic Assets Limited (the “**Company**”) will be held at 1 Royal Plaza, Royal Avenue, St Peter Port, GY1 2HL, Guernsey at 11.00 a.m. on 11 June 2024 for the purpose of considering and, if thought fit, passing the following resolutions, in the case of Resolution 1 as a special resolution and, in the case of Resolution 2, as an ordinary resolution:

SPECIAL RESOLUTION

1. **THAT**, in accordance with section 42 of the Companies Law, the New Articles (which are drafted to effect the Compulsory Redemption Proposal as described in paragraphs 1 and 4 of Part 1 and paragraphs 1, 2 and 3 of Part 3 of the circular sent by the Company to its Shareholders on 20 May 2024 (the “**Circular**”)) be and are hereby adopted (to the exclusion of, and in substitution for, the existing articles of incorporation) as the articles of incorporation of the Company in the form as may be inspected on the National Storage Mechanism from the date of sending of the Circular and at the registered office of the Company during usual business hours on any weekday from the date of the Circular up to and including the date of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting for at least 15 minutes before and during the EGM.

ORDINARY RESOLUTION

2. **THAT**, the proposed New Investment Policy (as set out in paragraph 1 of Part 4 of the Circular), be approved and adopted as the Company’s investment policy in substitution for, and to the exclusion of, the Company’s Existing Investment Policy.

For the purpose of the above Resolutions, capitalised terms shall have the same meanings set out in the Circular.

By Order of the Board,

Apex Administration (Guernsey) Limited
Company Secretary

20 May 2024

Registered office:

1 Royal Plaza
Royal Avenue
St Peter Port
GY1 2HL
Guernsey

Notes:

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A Shareholder entitled to attend and vote at the meeting may appoint a proxy to attend, speak and vote instead of him/her. A proxy need not be a Shareholder of the Company. In accordance with sections 222 and 223 of The Companies (Guernsey) Law 2008, a Shareholder may appoint more than one proxy in relation to the meeting provided that such proxy is appointed to exercise the rights attached to a different Share or Shares held by the Shareholder. A vote withheld is not a vote in law and will not be counted in the calculation of the votes "For" and "Against" a Resolution.
2. A form of proxy is included for use by Shareholders to complete, sign and return. Completion and return of the form(s) of proxy will not prevent a Shareholder from subsequently attending the meeting (or any adjournments) and voting in person if he/she so wishes.
3. To appoint more than one proxy to vote in relation to different Shares within your holding you may photocopy the form. Please indicate the proxy holder's name and the number of Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed.
4. Forms of proxy, duly completed together with any power of attorney or other authority (if any) under which it/they is/are signed, or a notarial certified copy of such power or authority, must be lodged with Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, or via the Registrar's website at www.eproxyappointment.com. All proxies must be received by no later than 11.00 a.m. on 7 June 2024, being not less than two working days before the time fixed for the meeting, or not less than two working days before any adjournment thereof, or in the case of a poll taken more than two working days after it was demanded, one working day before the time appointed for the taking of the poll.
5. Pursuant to Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009, no Shareholder will be entitled to be present or vote at the meeting (or any adjournment) either personally or by proxy unless their name appears on the register of members of the Company as at 6.00 p.m., 7 June 2024 or, if adjourned, not less than two working days before the time fixed for the adjournment. Changes to the entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting (or any adjournments). This record time is being set for voting at the meeting (and any adjournments) because the procedures for updating the register of members in respect of Shares held in uncertificated form require a record time to be set for the purpose of determining entitlements to attend and vote at the meeting.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of the meeting 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 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's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified above. 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 Applications Host) from which the Company'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. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. A copy of the notice of this meeting, including these explanatory notes, is available on the Company's website: <https://www.tuftonoceanicassets.com>.
8. A Shareholder may not use any electronic address provided to communicate with the Company for any purpose other than that stated.
9. As at close of business on 17 May 2024 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 308,628,541 Shares, of which 16,996,000 Shares were held in treasury. The total voting rights as at close of business on 17 May 2024 was 291,632,541. Each Share carries the right to one vote at a general meeting of the Company.

