

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

Numis, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is the Company's nominated adviser and broker for the purposes of the AIM Rules and the Company's corporate adviser for the purposes of the NEX Rules. Numis is acting exclusively for the Company and will not be responsible to any other person for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. The responsibilities of Numis, as the Company's nominated adviser and broker under the AIM Rules and as the Company's corporate adviser for the purposes of the NEX Rules, are owed solely to the London Stock Exchange and the NEX Exchange, respectively, and are not owed to the Company or to any Director.

No liability is accepted by Numis nor has it authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Numis as to any of the contents or the completeness of this document. Accordingly Numis disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document or any such statement, to the maximum extent permitted by law and the regulations to which it is subject.

The Directors, whose names and functions appear on page 11 of this document and the Company accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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# **EPE Special Opportunities plc**

*(a company incorporated in the Isle of Man with registered number 008597V)*

## **Proposed Migration to Bermuda**

### **Proposed cancellation and re-admission of Ordinary Shares to trading on AIM and the NEX Exchange Growth Market**

**and**

### **Notice of Extraordinary General Meeting**

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

**Notice of the General Meeting of the Company, to be held at Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW at 12.00 noon on 24 August 2018, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach R&H Fund Services (Jersey) Limited, the Company's administrator, at Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW by not later than 12.00 noon, on 22 August 2018. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting.**

Application will be made to the London Stock Exchange for the whole of the issued share capital of the Company to be re-admitted to trading on AIM ("AIM Admission") and to trading on the NEX Exchange Growth Market ("NEX Admission"). The Ordinary Shares are not dealt in on any other investment exchange and no application is being or has been made for the Ordinary Shares to be admitted to any other such exchange. It is expected that AIM Admission and NEX Admission will become effective and that dealings in the Ordinary Shares will commence on AIM and the NEX Exchange Growth Market on or around 21 September 2018.

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the Company's intentions, beliefs or current expectations. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document reflect the Company's view with respect to future events and other risks, uncertainties and assumptions relating to the Company's operations and strategy. Save as required by law, the Company has no obligation to release publicly the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

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## DEFINITIONS

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

“AIM”	the AIM market operated by the London Stock Exchange;
“AIM Admission”	following completion of the Migration and the AIM Cancellation having become effective in accordance with the AIM Rules, the re-admission of the Ordinary Shares (as continued to Bermuda) to trading on AIM;
“AIM Cancellation”	the proposed cancellation of admission to trading on AIM of the Ordinary Shares;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time;
“Bermuda Companies Law”	the Companies Act 1981 of Bermuda (as amended);
“Bermuda Registry”	the Registrar of Companies department of the Bermuda Ministry of Finance;
“Brexit”	the United Kingdom’s withdrawal from the European Union;
“Certificate”	the certificate of continuance to be issued by the Bermuda Registry in respect of the Company in connection with the Migration;
“certificated form” or “in certificated form”	an ordinary share recorded on a company’s share register as being held in certificated form (namely, not in CREST);
“Code”	the City Code on Takeovers and Mergers;
“Company”	EPE Special Opportunities plc, a company incorporated in the Isle of Man with registered number 008597V;
“Company Administrator”	R&H Fund Services (Jersey) Limited;
“Concert Party”	Giles Brand, Hiren Patel, Delphine Brand and EPE Finance Limited;
“CREST”	the system for paperless settlement of trades in securities and the holding of securities in uncertificated form which is operated by Euroclear;
“CREST Shareholders”	Shareholders who currently hold Ordinary Shares in uncertificated form in CREST;
“Deed Poll”	the deed in respect of the Depositary Interests proposed to be executed by the Depositary, as summarised in Part VI;
“Depositary”	Computershare Investor Services PLC;
“Depositary Agreement”	the depositary agreement proposed to be entered into by the Company with the Depositary, as summarised in Part V;
“Depositary Interests”	if the Migration proceeds, the dematerialised depositary interests to be issued by the Depositary representing the underlying Ordinary Shares which may be settled through the CREST system;
“Directors” or “Board”	the directors of the Company or any duly authorised committee thereof;

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<b>“EPE”</b>	EPIC Private Equity LLP with FCA reference number 451580 is the investment adviser to the Company and an appointed representative of EPIC Private Equity Limited which is authorised and regulated by the FCA, with reference number 217457;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“Existing Articles”</b>	the current memorandum and articles of association of the Company;
<b>“Existing Ordinary Shares”</b>	the 30,065,714 Ordinary Shares in existence as at the date of this document, of which 1,765,876 are Ordinary Shares held in treasury;
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting which accompanies this document;
<b>“General Meeting”</b>	the extraordinary general meeting of the Company to be held at Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW at 12.00 noon on 24 August 2018;
<b>“HMRC”</b>	HM Revenue & Customs;
<b>“ISIN”</b>	International Securities Identification Number;
<b>“Isle of Man Companies Law”</b>	the Isle of Man Companies Act 2006;
<b>“Isle of Man Registered Agent”</b>	FIM Capital Limited;
<b>“Isle of Man Registry”</b>	the Companies Registry division of the Isle of Man Department for Enterprise;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“MAR”</b>	the Market Abuse Regulation (EU 596/2014);
<b>“Migration”</b>	the proposed migration of the Company’s jurisdiction of incorporation from the Isle of Man to Bermuda, as described in this document;
<b>“Migration Date”</b>	the date on which the Migration becomes effective in accordance with the Isle of Man Companies Law and the Bermuda Companies Law;
<b>“New Articles”</b>	the bye-laws of the Company proposed to be adopted by the Shareholders pursuant to the Resolutions as part of the Migration, which are set out in full in Part III of this document;
<b>“NEX Admission”</b>	following completion of the Migration and the NEX Cancellation having become effective in accordance with the NEX Rules, the re-admission of the Ordinary Shares (as continued to Bermuda) to trading on the NEX Exchange Growth Market;
<b>“NEX Application Announcement”</b>	the announcement published by the Company on the date of this document, in the form required by Appendix 2 of the NEX Rules, in connection with the Company’s application for NEX Admission as a “fast-track applicant”;
<b>“NEX Cancellation”</b>	the proposed cancellation of admission to trading on the NEX Exchange Growth Market of the Ordinary Shares;
<b>“NEX Exchange”</b>	NEX Exchange Limited;
<b>“NEX Exchange Growth Market”</b>	the NEX Exchange Growth Market operated by NEX Exchange;

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<b>“NEX Rules”</b>	the NEX Exchange Growth Market – Rules for Issuers published by NEX Exchange from time to time;
<b>“Notice”</b>	the notice convening the General Meeting which is set out at the end of this document;
<b>“Numis”</b>	the Company’s nominated adviser and broker, Numis Securities Limited of 10 Paternoster Square, London EC4M 7LT;
<b>“Ordinary Shares”</b>	ordinary shares of 5p each in the capital of the Company;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Registrars”</b>	prior to completion of the Migration, Computershare Investor Services (Jersey) Limited, and from completion of the Migration, Computershare Investor Services (Bermuda) Limited;
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting as set out in the Notice;
<b>“SEDOL”</b>	the Stock Exchange Daily Official List, a list of security identifiers used in the United Kingdom and Ireland for clearing purposes;
<b>“Shareholders”</b>	the holders of Ordinary Shares;
<b>“Schedule One Announcement”</b>	the announcement published by the Company on the date of this document, in the form required by Rule 2 and Schedule One (and the supplement thereto) of the AIM Rules, in connection with the Company’s application for AIM Admission as a “quoted applicant” (including the document titled “Additional information to Schedule 1 Announcement dated 1 August 2018” which can be found at the Company’s AIM Rule 26 website at <a href="http://www.epespecialopportunities.com">www.epespecialopportunities.com</a> );
<b>“TTE Instruction”</b>	a transfer to escrow instruction to be sent to Euroclear as set out in paragraph 5 of Part I of this document;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“uncertificated” or “in uncertificated form”</b>	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Isle of Man Uncertificated Securities Regulations 2006, may be transferred by means of CREST; and
<b>“VAT”</b>	value added tax.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	1 August 2018
Latest time and date for receipt of proxies for the General Meeting	12.00 noon on 22 August 2018
Date and time of the General Meeting	12.00 noon on 24 August 2018
Expected date of completion of the Migration	12 September 2018
Last day of dealings of Ordinary Shares on AIM and the NEX Exchange Growth Market <sup>1</sup>	12 September 2018
Suspension of dealings of Ordinary Shares on AIM and the NEX Exchange Growth Market <sup>1</sup>	8.00 a.m. on 13 September 2018
Cancellation of admission of the Ordinary Shares to trading on AIM and the NEX Exchange Growth Market and in CREST <sup>1</sup>	7.30 a.m. on 21 September 2018
AIM Admission effective in accordance with the AIM Rules and dealings in the Ordinary Shares (as continued to Bermuda) expected to commence on AIM <sup>1</sup>	8.00 a.m. on 21 September 2018
NEX Admission effective in accordance with the NEX Rules and dealings in the Ordinary Shares (as continued to Bermuda) expected to commence on the NEX Exchange Growth Market <sup>1</sup>	8.00 a.m. on 21 September 2018
Dealings in the Depositary Interests expected to commence in CREST <sup>1</sup>	8.00 a.m. on 21 September 2018

**Notes:**

1. Assuming that the Migration is completed on 12 September 2018.

All times referred to in this document are to times in the United Kingdom. All the above dates and times are indicative. Any material changes to the timetable will be announced through a Regulatory Information Service.

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## SUMMARY

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

This document tells you about the proposal to migrate the Company's jurisdiction of incorporation from the Isle of Man to Bermuda (the "**Migration**").

Here is what you need to do now:

- review this summary and the remainder of the document;
- read the Chairman's letter on pages 11 to 21 of this document. This letter tells you about the Migration, and also explains what is happening and why your Board recommends that you should vote in favour of the Resolutions;
- cast your vote in respect of the Resolutions. Approvals for the Migration are being sought at the General Meeting; and
- if you are a CREST Shareholder and you wish to exchange your Ordinary Shares for Depository Interests following completion of the Migration, follow the procedure set out in paragraph 5 of Part I of this document.

Shareholders should read the whole of this document, and not just rely on this summary. This summary should not be regarded as a substitute for reading the whole document.

### THE MIGRATION

This document provides information on, and the rationale for, the Migration as well as providing information on certain other related matters, including:

- the adoption of an updated memorandum of continuance and bye-laws in conformity with the Bermuda Companies Law;
- the loss of protections afforded to Shareholders by the City Code on Takeovers and Mergers following completion of the Migration;
- the suspension of dealings of the Ordinary Shares on AIM and the NEX Exchange Growth Market from 8.00 a.m. on the business day following completion of the Migration for up to six business days;
- the proposed cancellation of the admission of the Company's Ordinary Shares to trading on AIM and the NEX Exchange Growth Market, to be followed immediately thereafter by the re-admission of the Ordinary Shares (as continued in Bermuda) to trading on AIM and the NEX Exchange Growth Market; and
- the impact of the Migration on the ability of Shareholders to settle and pay for interests in the Ordinary Shares through the CREST system.

On completion of the Migration, the laws of the Isle of Man cease to apply to the Company and the Company will thereupon become subject to the laws of Bermuda, as if it had been originally incorporated in Bermuda under the provisions of the Bermuda Companies Law. The registered office of the Company will be located in Bermuda after the Migration. Under the Bermuda Companies Law, the Migration would not be deemed to create a new legal entity or prejudice or affect the continuity of the Company. Further details are set out in Part I of this document.

### THE GENERAL MEETING

The Migration is conditional on, amongst other things, the resolutions to be proposed at the General Meeting. This document contains formal notice of the General Meeting which is to be held at 12.00 noon on 24 August 2018 at Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW.

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A summary of the resolutions to be proposed at the General Meeting is contained in the Chairman's letter on pages 19 and 20 of this document.

**What you should do now:**

**You are being asked to approve the Migration.** Approvals for the Migration are being sought at the General Meeting.

You must return the Form of Proxy for the General Meeting by 12.00 noon on 22 August 2018.

**1. WHY ARE YOU PROPOSING THE MIGRATION?**

Your Board has concluded that the Migration is in the best interests of the Company. The Directors believe that Bermuda offers a more appropriate VAT, legal and regulatory environment for the Company going forwards. In particular, the Directors believe that Bermuda is attractive to the Company given that, most notably, it is outside the scope of VAT (unlike the Isle of Man) as VAT has represented a significantly large annual cost to the Company historically in addition to, amongst other things, it having a legal framework which replicates many of the features of Isle of Man company law, it being an established centre for investment companies and it having a developed regulatory environment. Further details are set out in paragraph 2 of Part I of this document.

**2. WHY AM I BEING SENT THIS DOCUMENT TOGETHER WITH OTHER DOCUMENTS?**

The Migration requires the Shareholders to vote on certain matters at the General Meeting (including the adoption of the New Articles and the AIM Cancellation). This document contains information to assist you in your voting decision in relation to the Migration. The accompanying Form of Proxy is for your use in the voting process.

**3. DO I NEED TO VOTE?**

It is important that as many Shareholders as possible cast their votes in person or by proxy.

In accordance with the Existing Articles, the ordinary and special resolution proposed at the General Meeting would ordinarily be voted on by a show of hands. However, in accordance with the Existing Articles, the Chairman will require the resolutions to be put to a poll so that Shareholders' views can be fully represented and so that the same procedure is used for all the resolutions under consideration. On the poll, each Shareholder present in person or by proxy will have one vote for every Ordinary Share held.

If you do not wish, or are unable, to attend the General Meeting, you may appoint someone (known as a proxy) to act on your behalf and vote on the poll. You may appoint your proxy by completing the Form of Proxy and returning them in accordance with the instructions set out in the section entitled "Action to be taken" on page 21 of this document and on the relevant Form of Proxy (as appropriate). Should you later change your mind and decide to attend the General Meeting in person, then returning the Form of Proxy will not preclude you from doing so.

**4. WHAT WILL I END UP WITH AFTER THE MIGRATION COMES INTO EFFECT?**

Following completion of the Migration, each Ordinary Share will still be a share in the capital of the Company and beneficial ownership to the Existing Ordinary Shares will not be affected by the Migration.

However, as the Company will no longer be incorporated in a jurisdiction which is entitled to use CREST, the Depository will, through a custodian, hold the Ordinary Shares currently held in CREST for those CREST Shareholders who have elected to exchange their Ordinary Shares for Depository Interests and will issue Depository Interests, being dematerialised depository interests representing such underlying Ordinary Shares, to the relevant Shareholders through the CREST system. Further details in relation to the Depository Interests and the procedure for a CREST Shareholder to exchange their Ordinary Shares for Depository Interests are set out in paragraph 5 of Part I of this document. Any CREST Shareholder that does not elect to exchange their Ordinary Shares for Depository Interests in

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accordance with the procedures set out in that paragraph will, after completion of the Migration, receive a share certificate for their Ordinary Shares previously held in CREST.

**5. DO I HAVE TO PAY ANYTHING AS A RESULT OF THE MIGRATION?**

No. All Depositary Interests arising as a result of the Migration are being issued to CREST Shareholders who elect to exchange their Ordinary Shares in CREST for Depositary Interests free of charge. Any new share certificates requested by Shareholders upon completion of the Migration will be issued at the Company's expense – further details are set out in paragraphs 6 and 7 below. No additional payment is required. If a beneficial owner of Ordinary Shares held in CREST does not elect to exchange their Ordinary Shares into Depositary Interests in accordance with the procedure set out in paragraph 5 of Part I of this document, following completion of the Migration the beneficial owner can contact their broker to make the necessary arrangement to deposit the Ordinary Shares into CREST in exchange for an equivalent number of Depositary Interests (subject to standard nominal charges).

**6. WILL THERE BE ANY CHANGE TO THE VALUE OR PERCENTAGE OF MY SHAREHOLDING?**

Following completion of the Migration, each Ordinary Share will still be a share in the capital of the Company and beneficial ownership to the Existing Ordinary Shares will not be affected by the Migration. Consequently, the percentage shareholding (including as to voting rights) of each Shareholder will not change as a result of the Migration.

**7. WHEN AND HOW WILL I RECEIVE MY NEW SHARE CERTIFICATE?**

Upon completion of the Migration and under the New Articles, Shareholders listed in the Company's register of members shall be entitled upon their request (and at the Company's expense) to new share certificates within two months of delivering a request for a share certificate to the Registrars, who following completion of the Migration will be Computershare Investor Services (Bermuda) Limited. Shareholders should include in such request details of the address to which such new share certificates should be despatched. There is no requirement under Bermuda law for a Shareholder to hold a share certificate in order to be able to enforce their rights against the Company or to enjoy any of the privileges of being a Shareholder and unless a request is received from a Shareholders listed in the Company's register of members, the Company will not issue new share certificates to Shareholders who currently hold their Ordinary Shares in certificated form.

**8. WHAT DO I DO WITH MY OLD SHARE CERTIFICATES?**

There is no requirement under Bermuda law for a Shareholder to hold a share certificate in order to be able to enforce their rights against the Company or to enjoy any of the privileges of being a Shareholder. Shareholders wishing to obtain updated share certificates reflecting the Company's Migration should mail their old share certificate together with a request of a new share certificate to certificate to the Registrars, who following completion of the Migration will be Computershare Investor Services (Bermuda) Limited. Shareholders should include in such request details of the address to which such new share certificates should be despatched.

**9. WHEN AND HOW WILL I RECEIVE MY DEPOSITARY INTERESTS?**

For CREST Shareholders who elect to exchange their Ordinary Shares for Depositary Interests in accordance with the procedures set out in paragraph 5 of Part I of this document, it is anticipated that the Depositary Interests will be credited to CREST accounts at 8.00 a.m. on 21 September 2018.

**10. WILL I HAVE TO PAY ANY TAX AS A RESULT OF THE MIGRATION?**

The Migration itself should not give rise to any liability to UK income tax or capital gains tax for any UK resident Shareholder. However, Shareholders who are not domiciled in the UK should take their own tax advice on this point. Further details of the tax treatment for UK resident Shareholders arising as a result of the Migration are set out in Part VI of this document.

**If you are in any doubt about your tax position, you should consult a professional adviser.**

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**11. WHAT IF I AM RESIDENT OUTSIDE OF THE UNITED KINGDOM?**

The implications of the Migration for persons resident in, or citizens or nationals of, jurisdictions outside the UK (“**Overseas Shareholders**”) may be affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe all applicable legal requirements. It is the responsibility of any person in whose possession this document comes to satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection with the Migration, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Migration in their particular circumstances.

**12. WHAT IS THE ESTIMATED COST OF IMPLEMENTING THE MIGRATION?**

The total amount (exclusive of any VAT) payable by the Company in connection with the Migration is estimated to be approximately £700,000.

**13. DO I NEED TO TAKE ANY FURTHER ACTION?**

It is important that you vote at the General Meeting. You are strongly encouraged to complete, sign and return your Form of Proxy as soon as possible. See the section entitled “Action to be taken” on page 21 of this document.

**14. WHAT IF I STILL HAVE QUESTIONS?**

If you have read this document and still have questions, you may submit questions by email to [IR@EPICPE.com](mailto:IR@EPICPE.com) (for the attention Investor Relations) or by post to EPIC Private Equity LLP, Audrey House, 16-20 Ely Place, London EC1N 6SN (for the attention of Investor Relations). Please note that, for legal reasons, responses to questions will only be able to provide practical information and will not provide advice on the merits of the Migration or give any financial or taxation advice. For financial or taxation advice, you will need to consult your own independent financial adviser.

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## PART I

### LETTER FROM THE CHAIRMAN

# EPE Special Opportunities plc

*(a company incorporated in the Isle of Man with registered number 008597V with registered office  
IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP)*

#### *Directors*

Geoffrey Vero (*Chairman*)  
Heather Bestwick (*Non-executive Director*)  
Robert Quayle (*Non-executive Director*)  
Clive Spears (*Non-executive Director*)  
Nicholas Wilson (*Non-executive Director*)

#### *Business Address:*

Ordnance House  
31 Pier Road  
St Helier  
Jersey  
JE4 8PW

1 August 2018

Dear Shareholder,

#### **Proposed Migration to Bermuda**

#### **Proposed cancellation and re-admission of Ordinary Shares to trading on AIM and the NEX Exchange Growth Market**

#### **Notice of Extraordinary General Meeting**

### **1. INTRODUCTION**

Your Board is announcing today that it proposes to migrate the Company's jurisdiction of incorporation from the Isle of Man to Bermuda. At 8.00 a.m. on the business day following completion of the Migration, dealings in the Ordinary Shares will be suspended on AIM and the NEX Exchange Growth Market. Up to six business days after completion of the Migration, the admission of the Ordinary Shares to trading on AIM and the NEX Exchange Growth Market will be cancelled, to be followed immediately thereafter by the re-admission of the Ordinary Shares (as continued to Bermuda) to trading on AIM and the NEX Exchange Growth Market.

The Migration is conditional on, amongst other things, the passing of the Resolutions to be proposed at the General Meeting.

The purpose of this document is to:

- provide you with information about the background to, and the rationale for, the Migration; and
- explain why the Board considers the Migration to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.

### **2. INFORMATION ON, AND RATIONALE FOR, THE MIGRATION AND THE ADOPTION OF THE NEW ARTICLES**

Your Board has concluded that the Migration is in the best interests of the Company. The Directors believe that Bermuda offers a more appropriate VAT, legal and regulatory environment for the Company going forwards.

The Company migrated its management and business operations from the Isle of Man to Jersey such that it became resident for tax purposes in Jersey in May 2017 and, as a consequence, was outside the scope of VAT. Whilst tax resident in the Isle of Man, the Company paid VAT on the majority of fees incurred (including management fees payable to its investment adviser, EPE and other professional fees) as the Isle of Man is within the scope of VAT. During the financial year ended 31 January 2017, the Company paid £310,161 in VAT. The Company was unable to recover any of such VAT. Many of the Company's peer listed private equity funds are tax resident in territories outside the scope of VAT and

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therefore are not required to pay VAT on their fees. Given that the investment decisions taken by potential investors in the Company are, in part, based on the Company's running expenses (commonly summarised as the Company's ongoing change ratio, or OCR), the Company was at a competitive disadvantage to the majority of its peer listed private equity funds as its fees were increased by VAT. The migration of the Company's tax residency to Jersey was, therefore, to remove this VAT expense. Jersey was selected for the interim step of migrating the Company's tax residency for, among other reasons, expediency and convenience and given that a number of the existing directors of the Company were resident in Jersey.

The migration of tax residency and operations, however, was intended to be an interim step ahead of migration of the incorporation of the Company to a jurisdiction outside of the scope of VAT. Migration of the Company's incorporation is advisable to bring the Company's arrangements in line with the arrangements of the majority of those of its peer listed funds that are tax resident outside the scope of VAT and to mitigate any possible doubt (whether legitimate or not) over the Company's tax residency outside of the scope of VAT.

The Board gave detailed consideration to a number of potential off-shore jurisdictions as a destination for the migration of the Company's jurisdiction of incorporation and chose Bermuda as the preferred destination. As noted above, the Directors believe that Bermuda offers a more appropriate VAT, legal and regulatory environment for the Company going forwards. The Directors believe that Bermuda is attractive to the Company given that, most notably, it is outside the scope of VAT (unlike the Isle of Man) in addition to, amongst other things, it having a legal framework which replicates many of the features of Isle of Man company law, it being an established centre for investment companies and it having a developed regulatory environment.

Two key reasons for the decision to choose Bermuda as the preferred destination for the Migration were:

- (a) **Reduced capital gains risk:** the discontinuance of the Company under the Isle of Man Companies Act and the registration of the continuance of the Company under the Bermuda Companies Act should not be deemed to create a new legal entity. There are express statements to this effect in Isle of Man and Bermuda company law. Therefore, the continuance should not be treated as a disposal event for the purposes of UK capital gains tax, which would significantly disadvantage the Shareholders. This can be compared with certain other jurisdictions which either do not permit a continuance or where the continuance law does not contain the above statement. In such jurisdictions, a scheme of arrangement would or might be needed to effect the re-domicile (for which Shareholders holding more than 5 per cent. of the Ordinary Shares would need HMRC clearance). A scheme of arrangement would be a significantly more involved, lengthy and costly process than the proposed Migration. Further, there is no guarantee that HMRC clearance would be received; and
- (b) **More secure VAT status:** in addition, Bermuda's VAT status is perceived by the Board to be more secure than that of certain other off-shore jurisdictions given the changes required to the tax regimes of the United Kingdom and other jurisdictions to effect Brexit. The Board understands that there is a reduced risk that Bermuda's tax regime is impacted by the Brexit settlement currently being negotiated by the United Kingdom Government as compared to other offshore jurisdictions, such as Jersey, Guernsey and the Isle of Man.

It is therefore proposed that the Company be re-domiciled in, and migrated to, Bermuda. A comparison of the relevant differences between the Isle of Man Companies Law and the Bermuda Companies Law is set out in Part II of this document.

### **Effect of the Migration**

On completion of the Migration, the laws of the Isle of Man cease to apply to the Company and the Company will thereupon become subject to the laws of Bermuda, as if it had been originally incorporated in Bermuda under the provisions of the Bermuda Companies Law. The registered office of the Company will be located in Bermuda after the Migration. Under the Bermuda Companies Law, the Migration would not be deemed to create a new legal entity or prejudice or affect the continuity of the Company.

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Further, upon the Migration becoming effective in accordance with the laws of the Isle of Man and Bermuda:

- (a) the property of the Company prior to the Migration will continue to be the property of the Company;
- (b) the Company will continue to be liable for the obligations of the Company incurred prior to the Migration;
- (c) any existing cause of action, claim or liability to prosecution in respect of the Company existing prior to the Migration will be unaffected;
- (d) any civil, criminal or administrative action or proceeding pending by, or against, the Company prior to the Migration may be continued by or against the Company;
- (e) any conviction against, or any ruling, order or judgement in favour of, or against, the Company prior to the Migration may be enforced by or against the Company; and
- (f) service of process may continue to be effected on the Isle of Man Registered Agent of the Company in the Isle of Man in respect of any claim, debt, liability or obligation of the Company during its existence as a company under the Isle of Man Companies Law.

Shareholders should note that following completion of the Migration, each Ordinary Share will still be a share in the capital of the Company and that their beneficial ownership to the Existing Ordinary Shares held by them will not be affected by the Migration. Except for the actions set out in paragraph 7 (*Action to be taken*) below, Shareholders are not required or requested to take any action to approve or effect the Migration.

The Company's ISIN and SEDOL will change as a result of the Migration and the Company will make an announcement incorporating details of the new ISIN and SEDOL when they are available.

There is no requirement under Bermuda law for a Shareholder to hold a share certificate in order to be able to enforce their rights against the Company or to enjoy any of the privileges of being a Shareholder and unless a request is received from a Shareholders listed in the Company's register of members, the Company will not issue new share certificates.

Details of the impact of the Migration on the ability of Shareholders to settle and pay for interests in the Ordinary Shares through the CREST system are set out in paragraph 5 below.

#### **Timing of and process for the Migration**

In order to effect the Migration, amongst other things:

- (a) the Isle of Man Companies Law requires the Company to:
  - (i) make an application to the Isle of Man Registry for consent to be continued in Bermuda and to be discontinued in the Isle of Man; and
  - (ii) file the Certificate with the Isle of Man Registry once issued; and
- (b) the Bermuda Companies Law requires the Company to:
  - (i) obtain all necessary authorisations required under the laws of the Isle of Man in order to enable it to continue as an exempted company registered in Bermuda;
  - (ii) make an application to the Bermuda Monetary Authority for permission to continue into Bermuda as an exempted company; and
  - (iii) make an application to the Bermuda Registry for continuance of the Company as an exempted company incorporated under the Bermuda Companies Law (which shall include provision of the previous year's financial statements) and obtain a certificate of continuance in respect of the Company.

Under the Isle of Man Companies Law, the Migration must be authorised by a resolution passed by members holding at least 75 per cent. of the voting rights exercised in relation to the resolution. The Migration will take effect, following the passing of the Resolutions, when all approvals are in place and

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on the issuance by the Bermuda Registry of the Certificate and the issuance of a certificate of discontinuance by the Isle of Man Registry, which is expected to be on or around 12 September 2018.

### **The New Articles**

As part of the Migration, the Company must adopt an updated memorandum of continuance and bye-laws in conformity with the Bermuda Companies Law. Accordingly, as part of the Resolutions, Shareholders will be asked to approve the adoption of the New Articles in place of the Existing Articles.

The form of the New Articles is set out in Part III of this document.

### **Material differences between the New Articles and the Existing Articles**

A summary of the material differences between the Existing Articles and New Articles is set out in Part IV of this document.

### **Centre of operations and the Board**

Although the registered office of the Company will be located in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda after completion of the Migration, the Company's centre of operations will remain in Jersey at Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW. The Company will also retain its management and operations in Jersey following the Migration.

There will be no board changes as part of the Migration. However, the Board will appoint a new Bermuda based company secretary and/or resident representative, Conyers Corporate Services (Bermuda) Limited.

### **Shareholder safeguards**

Similar shareholder safeguards will apply to the Company after the Migration to those that currently apply to the Company. The Company will comply with the AIM Rules and the NEX Rules and will comply with relevant institutional shareholder guidelines to the same extent that the Company currently complies with them. However, as the Company will be a company incorporated under the Bermuda Companies Law on completion of the Migration, it will no longer be subject to the Code. Details in relation to the differences between certain material provisions of Isle of Man Companies Law and the Bermuda Companies Law as at the date of this document are set out in Part II of this document and to the non-applicability of the Code to the Company following completion of the Migration are set out in paragraph 3 below

## **3. THE CODE**

The Code currently applies to the Company pursuant to section 3(a)(i) of the Introduction to the Code, as it is a company which has its registered office in the Isle of Man and whose shares are admitted to trading on a multilateral trading facility in the United Kingdom, i.e. AIM and the NEX Exchange Growth Market.

Following completion of the Migration, the Company will not be a company to which the Code applies under sections 3(a)(i) or (ii) of the Introduction to the Code as it will not have its registered office in the United Kingdom, the Channel Islands or the Isle of Man. It will also not satisfy the criteria in section 3(a)(iii) of the Introduction to the Code as it will not have its registered office in the United Kingdom or another member state of the European Economic Area and its securities will not be admitted to a regulated market in the United Kingdom or another member state of the European Economic Area.

The Board has decided not to incorporate provisions equivalent to the mandatory offer rules set out in Rule 9 of the Code, or any other provisions of the Code, into the New Articles which will be approved and adopted as part of the Migration.

The Board has taken this decision having obtained legal advice that the Company will not be a company to which the Code applies following completion of the Migration. In addition, the Board has considered legal advice that such provisions (when included in the constitutional documents of a company that is not subject to the Code) would typically grant considerable discretion to the board of directors of the relevant company to determine matters that would be determined by the Panel in the

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case of a company that is subject to the Code and that the exercise of, or failure to exercise, their powers by the directors of the relevant company could potentially lead to personal liability for the directors in circumstances where such exercise, or failure to exercise, amounted to a breach of their duties as directors under applicable law (albeit that the Directors would have the benefit of the indemnification provisions in the New Articles). In addition, the Board understands that the Panel has a body of precedent and wealth of experience in interpreting the Code, while no such precedent exists in Bermuda and a Bermuda court would not be expected to have the expertise that the Panel or a UK court would have in interpreting provisions based on the Code.

Pursuant to Resolution 1, Shareholders will be asked to approve the Board's decision not to incorporate provisions equivalent to the Code into the New Articles.

**Shareholders should note that, if the Migration becomes effective, they will not receive the protections afforded by the Code in the event that there is a subsequent offer to acquire their Ordinary Shares.**

Brief details of the Panel, the Code, the protections given by the Code and the legal and regulatory environment in Bermuda in respect of takeovers are described below. **Before giving your consent to the Migration, you may want to take independent professional advice from an appropriate independent financial adviser.**

### **The Code**

The Code is issued and administered by the Panel. The Company is a company to which the Code applies and the Shareholders are accordingly entitled to the protections afforded by the Code.

The Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

### **The General Principles and Rules of the Code**

The Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. For your information, these General Principles are set out in Section 1 of Part V. The General Principles apply to all transactions with which the Code is concerned. They are expressed in broad general terms and the Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

### **Giving up the protection of the Code**

A summary of key points regarding the application of the Code to takeovers generally is set out in Section 2 of Part V. **You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up if you agree to the Migration.**

Your attention is drawn in particular to the rules relating to mandatory offers set out in Rule 9 of the Code. In summary, a mandatory offer is required to be made under Rule 9 of the Code, broadly where: (i) any person acquires shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or (ii) if any person, together with any persons acting in concert with him, is interested in shares carrying not less than 30 per cent. of the voting rights of a company but does not hold more than 50 per cent. of such voting rights and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested.

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The Company considers that as at the date of this document, the two managing partners of the Company's investment adviser, EPE (Giles Brand and Hiren Patel), together with Delphine Brand (the wife of Giles Brand) and EPE Finance Limited (an entity wholly owned by Giles Brand), who collectively hold approximately 23.6 per cent. of the current issued Ordinary Shares (excluding Ordinary Shares held in treasury), should be considered to be acting in concert for the purposes of the Code, (herein referred to as the Concert Party). In addition, the Panel may consider, for the purposes of the Code, that certain further persons and/or entities, such as other employees of EPE who also own Ordinary Shares, should be included in the Concert Party. However, as at the date of this Document, the Company has not sought to discuss this with the Panel.

Shareholders should note that if the Migration becomes effective and the Concert Party subsequently increased its shareholding to 30 per cent. of more of the Ordinary Shares, it would not be required to make a general offer for the Company under Rule 9.1 of the Code.

Notwithstanding the fact that the Shareholders will not receive the protections afforded by the Code if the Migration becomes effective, as described in further detail in paragraph 2 above, the Board has concluded that the Migration is in the best interests of the Company as the Board believes that Bermuda offers a more appropriate VAT, legal and regulatory environment for the Company going forwards.

#### **Legal and regulatory environment in Bermuda in respect of takeovers**

In Bermuda there is no legislation or code that specifically regulates takeovers nor is there any regulatory body that oversees takeovers. Accordingly, under Bermuda law: (i) hostile bids are allowed; (ii) there are no rules regulating stake building and no corresponding provisions which allow a Bermuda company to investigate the beneficial ownership of its shares; (iii) there are no consultation requirements in connection with a proposed takeover; (iv) there is no restriction on the type of consideration that can be offered and no regulations that provide minimum levels of consideration; (v) there are no specific provisions regulating bid announcements or setting out any timetables for an offer to be made to, and accepted by, a target's shareholders; (vi) generally, there is no requirement that a bid is made for a specific percentage of a target's shares; and (vii) there are no restrictions on a bidder launching a new offer for, or buying shares in, a target after it has failed to obtain control of the target.

Shareholders should also be aware that under Bermuda law a bidder making an offer for a target company can, in certain situations, utilise the provisions of the Bermuda Companies Act to acquire the shares of shareholders who do not accept an offer.

#### **4. INFORMATION ON, AND RATIONALE FOR, THE AIM CANCELLATION AND THE NEX CANCELLATION**

##### **AIM Cancellation**

Due to the change in the Company's jurisdiction of incorporation, the AIM regulation department of the London Stock Exchange requires that the Migration be treated under Rule 41 of the AIM Rules as a cancellation of the admission to trading on AIM of the Ordinary Shares. In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the proposed AIM Cancellation. Shareholder approval for the AIM Cancellation is being sought at the General Meeting as part of the Resolutions and is conditional on the consent of not less than 75 per cent. of the votes cast by Shareholders at the General Meeting. The AIM Cancellation is conditional on the Migration becoming effective.

It is anticipated that the AIM Cancellation will occur up to six business days after completion of the Migration, to be followed immediately thereafter by the re-admission of the Ordinary Shares (as continued to Bermuda) to trading on AIM. Dealings in the Ordinary Shares on AIM will be suspended from 8.00 a.m. on the business day following completion of the Migration until AIM Admission becomes effective.

Subject to the requisite Shareholder approval and to the Migration becoming effective on 12 September 2018, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 12 September 2018, the suspension of dealings of the Ordinary Shares to AIM will occur at

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8.00 a.m. on 13 September 2018, and the AIM Cancellation will become effective at 7.30 a.m. on 21 September 2018.

In connection with AIM Admission, the Company is required to publish certain documentation including the Schedule One Announcement. On the date of this document, the Company provided the London Stock Exchange with, and published, the Schedule One Announcement. The Directors anticipate that AIM Admission will become effective in accordance with the AIM Rules and that dealings in the Ordinary Shares (as continued to Bermuda) on AIM will commence at 8.00 a.m. on 21 September 2018. Copies of the Schedule One Announcement may be viewed upon request at the registered office of the Company (being IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP) up until AIM Admission during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted). A copy of the Schedule One Announcement is available, free of charge, on the Company's website at [www.epespecialopportunities.com](http://www.epespecialopportunities.com). A copy of the Schedule One Announcement will also be available for inspection at the General Meeting.

### **NEX Cancellation**

In addition, the NEX Exchange will also require that the Migration be treated as a cancellation of the admission to trading on the NEX Exchange Growth Market of the Ordinary Shares. It is anticipated that the NEX Cancellation will occur up to six business days after completion of the Migration, to be followed immediately thereafter by the re-admission of the Ordinary Shares (as continued to Bermuda) to trading on the NEX Exchange Growth Market. Dealings in the Ordinary Shares on the NEX Exchange Growth Market will be suspended from 8.00 a.m. on the business day following completion of the Migration until NEX Admission becomes effective.

Subject to the Migration becoming effective on 12 September 2018, it is anticipated that the last day of dealings in the Ordinary Shares on the NEX Exchange Growth Market will be 12 September 2018, the suspension of dealings of the Ordinary Shares to the NEX Exchange Growth Market will occur at 8.00 a.m. on 13 September 2018, and the NEX Cancellation will become effective at 7.30 a.m. on 21 September 2018. In connection with the NEX Admission, the Company was required to publish the NEX Application Announcement and the announcement was published at the date of this document. The Directors anticipate that NEX Admission will become effective in accordance with the NEX Rules and that dealings in the Ordinary Shares (as continued to Bermuda) on the NEX Exchange Growth Market will commence at 8.00 a.m. on 21 September 2018.

The Company also has unsecured loan notes admitted to trading on the NEX Exchange Growth Market, which will remain so admitted following completion of the Migration. Details of the unsecured loan notes can be found on the NEX Exchange Growth Market's website (<https://www.nexexchange.com/member?securityid=2074413>).

### **Suspension of dealings of the Ordinary Shares on AIM and the NEX Exchange Growth Market**

Dealings in the Ordinary Shares on AIM and the NEX Exchange Growth Market will be suspended from 8.00 a.m. on the business day following completion of the Migration until AIM Admission and NEX Admission, at which point dealings in the Ordinary Shares (as continued to Bermuda) on the NEX Exchange Growth Market will commence. This period of suspension of dealings of the Ordinary Shares on AIM and the NEX Exchange Growth Market is required whilst a Bermudian ISIN is obtained in respect of the Ordinary Shares from the Bermuda Stock Exchange.

A Bermudian ISIN can only be procured following completion of the Migration and it is anticipated that this process, together with the necessary applications to be made with the London Stock Exchange, the NEX Exchange and Euroclear in respect of the Bermudian ISIN, will take up to six business days to complete. Without a Bermudian ISIN the Ordinary Shares cannot be re-admitted to AIM or the NEX Exchange Growth Market.

### **Principal effects of the AIM Cancellation if AIM Admission and NEX Admission do not become effective**

Shareholders should note that if AIM Admission and NEX Admission do not become effective, the principal effects of the AIM Cancellation would include, amongst other things:

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- (a) there would be no public stock market on which Shareholders can trade their Ordinary Shares and there can be no assurance that a Shareholder would be able to purchase or sell any Ordinary Shares following the AIM Cancellation;
  - (b) no price would be publicly quoted for the Ordinary Shares; and
  - (c) the Company would no longer be subject to the AIM Rules and, accordingly, it would not be required to retain a nominated adviser to comply with the requirements of AIM in relation to, amongst other things, annual accounts, half-yearly reports, the disclosure of price-sensitive information, corporate governance and rules on significant or related party transactions or MAR. The Company would, however, keep Shareholders up to date through regular releases on the Company's website: [www.epicprivateequity.com/our-business/capital/epe-special-opportunities-plc](http://www.epicprivateequity.com/our-business/capital/epe-special-opportunities-plc).

## **5. IMPACT OF THE MIGRATION ON THE ABILITY OF SHAREHOLDERS TO SETTLE AND PAY FOR INTERESTS IN THE ORDINARY SHARES THROUGH THE CREST SYSTEM**

### **Option to exchange Ordinary Shares for Depositary Interests**

Following the Migration, the Ordinary Shares will no longer be eligible for settlement in CREST. Securities issued by entities which are not incorporated in Guernsey, Jersey, the Isle of Man, Ireland or the UK cannot themselves be held electronically (i.e. in uncertificated form) or transferred in the CREST system. However, depositary interests, representing the securities, can be dematerialised and settled electronically in the CREST system.

So as to enable investors to continue to be able to settle and pay for interests in the Ordinary Shares through the CREST system, the Company intends, subject to the Resolutions being passed, to put in place arrangements pursuant to which the Depositary will, through a custodian, hold Ordinary Shares for Shareholders and issue Depositary Interests, being dematerialised depositary interests representing the underlying Ordinary Shares which will be held on bare trust for the holders of the Depositary Interests and which will be settled and paid for through the CREST system.

CREST Shareholders will, subject to the Resolutions being passed, be able to exchange their Ordinary Shares for an equivalent number of Depositary Interests. The procedure for CREST Shareholders wishing to exchange their Ordinary Shares for Depositary Interests is set out below (*Procedure for CREST Shareholders wishing to exchange Ordinary Shares for Depositary Interests*).

Any CREST Shareholder that does not elect to exchange their Ordinary Shares for Depositary Interests in accordance with the procedure set out below will, after completion of the Migration, receive a share certificate for their Ordinary Shares previously held in CREST. If a beneficial owner of Ordinary Shares held in CREST does not elect to exchange their Ordinary Shares into Depositary Interests in accordance with the procedure set out in paragraph 5 of Part I of this document, following completion of the Migration, the beneficial owner can contact their broker to make the necessary arrangement to deposit the Ordinary Shares into CREST in exchange for an equivalent number of Depositary Interests (subject to standard nominal charges).

Except for the cost of any standard nominal charges associated with exchanging Ordinary Shares for Depositary Interests after completion of the Migration, or to the extent that any costs arise from a change in the beneficial ownership of the Ordinary Shares, the Company will meet the costs of putting the above arrangements in respect of the Depositary Interests in place. As such, there will be no material impact on Shareholders from the arrangements.

### **Characteristics of the Depositary Interests**

The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system. The Depositary Interests will be created pursuant to and issued on the terms of a deed poll to be executed by the Depositary in favour of the holders of the Depositary Interests from time to time. Each Depositary Interest will be treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depositary will pass on to holders of Depositary Interests any stock or cash benefits received by it as holder of Ordinary Shares on bare trust for such Depositary Interest holder.

Depository Interest holders will also be able to receive notices of meetings of holders of Ordinary Shares and other notices issued by the Company to its Shareholders. However, holders of the Depository Interests will not be Shareholders and will not be entitled to receive share certificates from the Company.

Further information in regards to the Depository Interests, including a summary of the Deed Poll and the Depository Agreement, is set out in Part VI

#### **Procedure for CREST Shareholders wishing to exchange Ordinary Shares for Depository Interests**

Any CREST Shareholder wishing to exchange their Ordinary Shares for Depository Interests must send (or, if they are a CREST sponsored member, procure that their CREST sponsor sends) a TTE Instruction to Euroclear. The TTE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

Corporate Action ISIN	IM00B4JV7H77
Number of Ordinary Shares to be transferred to escrow	<i>[Shareholder to confirm]</i>
Shareholder's member account ID	<i>[Shareholder to confirm]</i>
Shareholder's participant ID	<i>[Shareholder to confirm]</i>
Escrow Agent's participant ID	3RA46
Escrow Agent's member account ID	EPE01
Corporate Action Number for the exchange	As allocated by Euroclear (note, can be found by viewing the relevant corporate action details in CREST)
Intended settlement date for the transfer to escrow	<i>[Shareholder to confirm – note, should be as soon as possible and in any event no later than 1.00 p.m. on 12 September 2018]</i>
Standard delivery instruction priority	80
Shareholder name and contact telephone	<i>[Shareholder to confirm and populate in the shared note field]</i>

Any CREST Shareholder wishing to exchange their Ordinary Shares for Depository Interests must submit a valid TTE Instruction by no later than 1.00 p.m. on 12 September 2018. Subject to the passing of the Resolutions, the earliest time a CREST Shareholder can submit a TTE Instruction is 9.00 a.m. on 25 August 2018.

Subject to a valid TTE Instruction begin received by Euroclear, on completion of the Migration the Depository will rematerialise the Ordinary Shares and credit Depository Interests into the CREST account of each CREST Shareholder on a one for one basis as to the number of the Ordinary Shares transferred into escrow. It is expected that the Depository Interests will be credited to CREST accounts at 8.00 a.m. on 21 September 2018.

#### **6. GENERAL MEETING**

Set out at the end of this document is the Notice convening the General Meeting to be held at Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW at 12.00 noon on 24 August 2018 at which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution. If passed, the Resolutions will allow the Company to effect the Migration. The Resolutions involve a number of components, as follows:

- (a) **Resolution 1:** this is an ordinary resolution to approve the Board's decision not to adopt equivalent protections to those contained in the Code in the New Articles;

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- (b) **Resolution 2:** this is a special resolution to approve:
- (i) the Migration and the taking of all steps in connection with the Migration, including, but not limited to:
    - (A) the making of an application to the Isle of Man Registry for the Company to be discontinued in the Isle of Man and continued in Bermuda;
    - (B) the continuance of the Company as an exempted company under the laws of Bermuda and the discontinuance of the Company as a company under the laws of the Isle of Man and authorisation for the Directors to effect all necessary actions and execute and deliver any and all necessary documents to the Minister of Finance and the Bermuda Registry in Bermuda and to the Isle of Man Registry in the Isle of Man in order to effect the continuance of the Company as an exempted company under the laws of Bermuda and the discontinuance of the Company as a company under the laws of Isle of Man,
    - (C) that, upon the effectiveness of the Migration, there shall be:
      - (I) no changes to the Board of Directors; and
      - (II) no changes to the issued or authorised capital of the Company and that the Company's authorised capital continue to consist of ordinary shares par value £0.05 each;
    - (D) subject to the Bermuda Registry issuing the Certificate, changing the Company's name to "EPE Special Opportunities Limited" and changing the Company's registered office to "Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda"; and
    - (E) subject to the Bermuda Registry issuing the Certificate, the adoption of the New Articles,and the taking of all other steps which the Directors consider necessary or desirable in connection with the Migration; and
  - (ii) subject to and conditional upon the Bermuda Registry issuing the Certificate, the approval of the AIM Cancellation.

Resolution 2 is subject to and conditional on the passing of Resolution 1. The Company cannot proceed with the Migration unless both Resolution 1 and Resolution 2 are duly passed. If either Resolution 1 or Resolution 2 is not duly passed, the Company will not proceed with the Migration and the benefits of the Migration summarised in this document will not be achieved. In particular, the benefit of bringing the Company's arrangements in line with the arrangements of the majority of those of its peer listed funds that are tax resident outside the scope of VAT and of mitigating any possible doubt (whether legitimate or not) over the Company's tax residency outside of the scope of VAT would not be achieved.

The quorum for the General Meeting is two persons entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, or one person entitled to attend and vote on the business to be transacted, being a member holding not less than one-tenth of the issued share capital of the Company.

In accordance with the Existing Articles, the ordinary and special resolution proposed at the General Meeting would ordinarily be voted on by a show of hands. However, in accordance with the Existing Articles, the chairman will require the resolutions to be put to a poll so that Shareholders' views can be fully represented and so that the same procedure is used for all the resolutions under consideration. On a poll, each holder who is present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for every Ordinary Share held.

On a poll, for an ordinary resolution to be passed a simple majority of the total number of votes cast at the General Meeting in person or by proxy must be cast in favour of the resolution and for a special resolution to be passed a majority consisting of not less than three quarters of the total number of votes cast at the General Meeting in person or by proxy must be cast in favour of the resolution.

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## 7. ACTION TO BE TAKEN

If you do not wish, or are unable, to attend the General Meeting, you may appoint someone (known as a proxy) to act on your behalf and vote on the poll. The proxy does not need to be a shareholder of the Company. You may appoint your proxy by completing the Form of Proxy. A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company Administrator at Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW as soon as possible, but in any event so as to be received by no later than 12.00 noon on 22 August 2018.

The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he or she so wish.

If the Resolutions are passed, a CREST Shareholder wishing to exchange their Ordinary Shares for Depositary Interests should refer to the procedure set out in paragraph 5 above.

## 8. TAXATION

Information regarding taxation is set out in Part VII of this document. These details are intended only as a general guide to the current tax position in the UK.

**If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your own independent financial adviser immediately.**

## 9. SHAREHOLDER IRREVOCABLE UNDERTAKINGS

Irrevocable undertakings to vote in favour of the Resolutions have been received in respect of 9,815,399 Ordinary Shares, representing, in aggregate, approximately 34.68 per cent. of the Company's Ordinary Shares (excluding Ordinary Shares held in treasury).

## 10. RECOMMENDATION

**The Directors consider the Migration to be in the best interests of the Company and its Shareholders as a whole and, accordingly, unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own holdings of Ordinary Shares, being approximately 1.06 per cent. of the Ordinary Shares currently in issue (excluding Ordinary Shares held in treasury).**

Yours faithfully

Geoffrey Vero  
**Chairman**

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## PART II

### COMPARISON OF THE ISLE OF MAN COMPANIES LAW AND THE BERMUDA COMPANIES LAW

Set forth below is a summary of differences between certain material provisions of the Isle of Man Companies Law and the Bermuda Companies Law as at the date of this document. This summary does not purport to give a complete overview nor does it constitute legal advice regarding such matters and should not be regarded as such. Shareholders are recommended to take their own legal advice from a qualified Isle of Man or Bermuda lawyer should they have any queries regarding Isle of Man or Bermuda law.

	<b>Isle of Man</b>	<b>Bermuda</b>
<b>Authority to allot shares</b>	The Isle of Man Companies Law does not contain provisions requiring the directors to be authorised by shareholders to issue shares.	The Bermuda Companies Law does not contain provisions requiring the directors to be authorised by shareholders to issue shares.
<b>Pre-emption rights</b>	The Isle of Man Companies Law does not confer statutory pre-emption rights on shareholders relating to new share issues.	The Bermuda Companies Law does not confer statutory pre-emption rights on shareholders relating to new share issues.
<b>Issues of partly paid shares</b>	The Isle of Man Companies Law permits companies incorporated in the Isle of Man to issue partly paid shares.	The Bermuda Companies Law contemplates that companies incorporated in Bermuda may issue partly paid shares.
<b>Share certificates</b>	<p>Unless a contrary provision is made in its memorandum or articles, a shareholder is entitled to receive a share certificate in respect of any shares held by that shareholder in certificated form. Any share certificate issued by a company shall be signed by a person acting under the express or implied authority of the company or shall be under the common seal of the company. Bearer shares are prohibited.</p> <p>Isle of Man law also permits shares to be held in uncertificated form through an appropriately authorised operator such as CREST. Share certificates are not issued in respect of uncertificated shares, rather title is evidenced by the records of the relevant authorised operator.</p>	<p>Unless a contrary provision is made in the conditions applying to an issuance, a company incorporated in Bermuda shall have a share certificate ready for delivery as soon as reasonably practicable after allotment, and in any case, within two months after a demand from the person to whom the shares have been allotted. Any share certificate issued by a company may be signed by a director, secretary or a person expressly authorised to sign or under the common seal of the company or in such manner as prescribed by the bye-laws of the company. Bearer shares are prohibited.</p>

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**Reduction of capital**

**Isle of Man**

Share capital may be reduced by resolution of the directors subject to contrary provision in the company's memorandum or articles of association, provided that the statutory solvency test is satisfied. A company satisfies the solvency test if:

- (a) the company is able to pay its debts as they become due; and
- (b) the value of the company's assets exceeds the value of its liabilities.

**Purchase and redemption of shares**

Buybacks or redemption of shares may be made:

- (a) by an offer to all shareholders which would leave relative voting and distribution rights unaffected or which affords each shareholder a reasonable opportunity to accept the offer; or
- (b) by an offer to one or more shareholders to which all shareholders have consented in writing or is permitted by the memorandum and articles of association and for which a resolution of the directors has been passed confirming that, in their opinion, the buyback or redemption is for the benefit of the remaining shareholders and the terms of the offer (including the consideration) are fair and reasonable to the company and the remaining shareholders.

Buybacks and redemptions must satisfy the statutory solvency test immediately after the buyback or redemption.

**Bermuda**

Share capital may be reduced by resolution of the shareholders subject to contrary provision in the company's memorandum or bye-laws, provided that a statutory notice is published in an appointed newspaper (Bermuda's Royal Gazette) not more than 30 days and not less than 15 days before the effective date and the statutory solvency test is satisfied. A company satisfies the solvency test if on the date the reduction is to be effected, there are reasonable grounds for believing that the company is, or after the reduction would be, able to pay its liabilities as they become due.

A company may purchase its own shares, if authorised to do so by its memorandum or bye-laws. A purchase by a company of its own shares may be authorised by its board of directors or otherwise by or in accordance with its bye-laws provided that no purchase by a company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due.

A company may also redeem its own shares, provided they are preference shares, on such terms and in such manner as may be provided by or determined in accordance with the bye-laws of the company; however, no redemption of preference shares may be effected if, on the date on which the redemption is to be effected, there are reasonable grounds for believing that the company is, or after the redemption would be, unable to pay its liabilities as they become due. The redemption of preference shares shall not be taken as reducing the amount of the company's authorised share capital.

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	<b>Isle of Man</b>	<b>Bermuda</b>
<b>Distributions</b>	<p>Subject to a company’s memorandum and articles of association, the directors of a company may authorise a distribution by the company to members at such time and of such amount as they think fit if they are satisfied, on reasonable grounds, that the company will, immediately after the distribution, satisfy the statutory solvency test.</p>	<p>Bermuda law permits a company to declare or pay a dividend or make a distribution out of contributed surplus, subject to complying with the tests set out in the Bermuda Companies Law. The tests provide that a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:</p> <ul style="list-style-type: none"> <li>(a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or</li> <li>(b) the realisable value of the company’s assets would thereby be less than its liabilities.</li> </ul>
<b>Duties of directors</b>	<p>Directors’ duties are not codified in the Isle of Man. Common law duties include duties to:</p> <ul style="list-style-type: none"> <li>(a) act honestly and in good faith;</li> <li>(b) act with care, skill and diligence;</li> <li>(c) avoid conflicts of interest;</li> <li>(d) remain independent and free from undue influence; and</li> <li>(e) act for a proper purpose.</li> </ul>	<p>The Bermuda Companies Law has codified duties of a company’s officers (which include directors) and these are broadly reflective of the position at common law. Every officer, in exercising his powers and discharging his duties, must:</p> <ul style="list-style-type: none"> <li>(a) act honestly and in good faith with a view to the best interests of the company; and</li> <li>(b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.</li> </ul>
<b>Disclosure of interests by directors</b>	<p>The Isle of Man Companies Law requires a director to disclose to the board any interest in a transaction entered or to be entered into by the company.</p>	<p>The Bermuda Companies Law specifically provides that an officer of a company is deemed not to be acting honestly and in good faith if, in addition to certain other disclosures, he fails to disclose at the first opportunity at a meeting of directors or by writing to the directors:</p> <ul style="list-style-type: none"> <li>(a) his interest in any material contract or proposed material contract with the company or any of its subsidiaries; or</li> <li>(b) his material interest in any person that is a party to a material contract or proposed material contract with the company or any of its subsidiaries.</li> </ul>

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**Indemnification  
of directors**

**Isle of Man**

Subject to contrary provision in its articles, a company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the company; or
- (b) is or was, at the request of the company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

The above only applies if the person acted honestly and in good faith and in what such person believed to be in the best interests of the company and, in the case of criminal proceedings, had no reasonable cause to believe that the conduct of such person was unlawful.

These provisions of the Isle of Man Companies Law do not prevent a company from purchasing and maintaining insurance for any such director or other officer against any such liability.

**Compensation  
for loss of  
office**

The Isle of Man Companies Law does not require that shareholders approve compensation payments made to directors for loss of office.

**Representation  
of corporations  
at shareholder  
meetings**

The Isle of Man Companies Law is silent on this issue, however generally an Isle of Man company's articles of association will provide that a body corporate (wherever incorporated) may, by resolution of its directors or other governing body, authorise such person or persons as it thinks fit to act as its representative at any meeting of the company and that a person so authorised is entitled to exercise the same powers on behalf of the body corporate that the person represents as that body corporate could exercise if it were an individual shareholder.

**Bermuda**

A company is permitted, in its bye-laws or in any contract or arrangement between the company and any officer, or any person employed by the company as auditor, to indemnify such officer or person against, or to exempt them from, any liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the officer or person may be guilty in relation to the company or any subsidiary thereof, other than in respect of fraud or dishonesty.

A company may advance monies to an officer (or auditor) for the costs of defending any civil or criminal action involving allegations of fraud or dishonesty against the officer (or auditor) on the condition that they shall repay the advance if the allegations are proved.

A company may purchase and maintain insurance for the benefit of its officers.

The Bermuda Companies Law does not require that shareholders approve compensation payments made to directors for loss of office.

A corporation, whether a company within the meaning of the Bermuda Companies Law or not, may authorise a person or, to the extent expressly permitted by the bye-laws of that company, persons, to act as its representative or representatives, as the case may be, at any meeting of the company or at any meeting of any class of members of the company. If more than one person is authorised, the authority shall specify the number and class of shares held by the relevant member in respect of which each such person is authorised to act as such representative.

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**Proxies****Isle of Man**

The Isle of Man Companies Law provides that, unless the memorandum and articles of association make contrary provision, a shareholder entitled to attend and vote at a meeting of a company is entitled to appoint another person (whether a shareholder or not) as the shareholder's proxy to attend and vote instead of the shareholder.

**Bermuda**

Shareholders may be represented at a meeting of the company by proxy. The form of appointment of a proxy is usually determined by the bye-laws of the company or as accepted by the board of directors. A proxy-holder may exercise multiple voting rights where he represents different shareholders, whether voting on a show of hands or on a poll.

It should be noted that a proxy may attend and vote at a meeting of the shareholders, but unless the bye-laws otherwise provide, is not entitled to speak.

A shareholder who holds two or more shares may appoint more than one proxy to represent him and vote on his behalf, whether on a show of hands or a poll.

**Demanding a poll vote**

Unless the memorandum and articles of association make contrary provision, votes of shareholders shall be counted according to the votes attached to the shares held by the shareholder voting.

The Isle of Man Companies Law does not address rights to demand voting on a poll where a company's articles of association provide that voting is otherwise on a show of hands. Rights to demand a poll vote would normally be contained in the articles of association.

The following people may demand a poll vote (either before or on the declaration of the result of a show of hands or of a count of votes received in the form of electronic records):

- (a) the Chairman;
- (b) at least three members (present in person or represented by proxy);
- (c) a member or members holding not less than one-tenth of the total voting rights of all members having the right to vote at the meeting (present or represented by proxy); or
- (d) a member or members present in person or represented by proxy holding shares in such company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all such shares conferring such right.

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**Disclosure of interests in shares by shareholders**

**Isle of Man**

The Isle of Man Companies Law does not contain any requirement on shareholders to disclose interests in shares, however the Isle of Man Registered Agent must have knowledge of the legal and beneficial ownership of the company and make filings at the Isle of Man Registry (which are not a matter of public record). The register of members is available for inspection by the members of the Company.

**Compulsory acquisition of shares**

Where a scheme or contract to purchase a company's shares has been approved by the holders of not less than 90 per cent. in value of the shares affected within 16 weeks of the offer being made, the person making the offer (the "Offeror") may (within the following 8 weeks) give notice to dissenting shareholders. Unless the dissenting shareholder applies to court within one month of receiving such notice, the Offeror will be entitled and bound to acquire those shares on the terms of the scheme or contract.

**Bermuda**

The Bermuda Companies Law does not contain any requirement on shareholders to disclose interests in shares. However, the register of members is available for inspection by the public. The consent of the Bermuda Monetary Authority must be obtained before any shares or other securities of an exempted company can be issued or transferred. However, a general permission for issue and transfer applies to any securities of a company while any of that company's equity securities are listed on an appointed stock exchange (which includes AIM) or while the company is classified under the Investment Funds Act 2006 of Bermuda.

Provided that holders of all shares subject to a compulsory acquisition are given the same terms, the holders of not less than 95 per cent. of the shares or any class of shares of a company (majority shareholders) may give notice to the remaining shareholders or class of shareholders of the intention to acquire their shares. A minority shareholder can apply to the Bermuda court for an appraisal of the value of the shares to be purchased from them and the purchasers shall be entitled to acquire the shares at the price so fixed by the Court. Within one month of the court appraising the shares, the majority shareholders must either acquire the shares at the price fixed by the court or cancel the notice.

Where the Court has appraised the value of any shares and the purchasers have, prior to such appraisal, already acquired the shares by virtue of a notice then, within one month of the Court appraising the value of the shares, if the price of the shares they have paid to any shareholder is less than that appraised by the Court, they shall either: (a) pay to such shareholder the difference in the price they have paid to him and the price appraised by the Court; or (b) cancel the notice and return to the shareholder any shares they have acquired and the shareholder shall repay the purchasers the purchase price.

There is no appeal from the Bermuda court's valuation of the shares and the costs of any application to the court are discretionary.

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**Schemes of arrangement**

**Isle of Man**

The Isle of Man Companies Law provides that, where an arrangement (including any compromise) is proposed between two or more companies or between a company and its creditors, or a class of them, or between the company and its members or a class of them, the Isle of Man court may on the application of the company or a creditor or member of it or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or the shareholders or class of members (as the case may be), to be called in a manner as the court directs. If a majority in number representing 75 per cent. in value of the creditors or class of creditors or the members or class of members (as the case may be) present and voting at the meeting, agree to an arrangement, the arrangement, if sanctioned by the Isle of Man court, is binding on all creditors or the class of creditors, or all members or the class of members (as the case may be) and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

**Mergers**

The Isle of Man Companies Law permits two or more companies to merge to form one successor company. The directors of each merging company must approve a written scheme of merger. The scheme must also be authorised by a resolution passed by members holding at least 75 per cent. of the voting rights exercised thereto and (where applicable) 75 per cent. of each share class. There are certain other substantive and procedural requirements.

**Bermuda**

The Bermuda Companies Law contains provisions for facilitating the reconstruction of companies (pursuant to a scheme of arrangement between a company and its shareholders or creditors) with the sanction of an order of the court.

Where a majority in number representing three-fourths in value of the creditors or class of creditors or members or class of members, as the case may be, present and voting either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall if sanctioned by the Bermuda court, be binding on all the creditors or the class of creditors, or on the members or class of members, as the case may be, and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

The Bermuda Companies Law permits two or more companies (which need not all be Bermuda incorporated companies) to either amalgamate and continue as one company or merge and the surviving company continue as the surviving company (referred to hereafter as a “**business combination**”). In the case of any company incorporated in Bermuda, any such business combination is subject to approval of its board of directors and, unless a merger amongst a holding company and one or more of its wholly owned subsidiaries, to approval by resolution of the shareholders, in addition to certain other substantive and procedural requirements.

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**Mergers**  
*(continued)*

**Isle of Man**

**Bermuda**

Unless the provisions of the bye-laws provide otherwise, the resolution of the shareholders or class must be approved by a majority of three fourths of those voting at the meeting, where the quorum is two people holding (or representing by proxy) more than one-third of the issued shares of the company (or the class).

It should be noted that all shares carry the right to vote on a business combination even where they usually carry no voting rights.

Any shareholder who did not vote in favour of the business combination and who is not satisfied that he has been offered fair value for his shares may within one month of the giving of the notice of meeting to approve the business combination apply to the Court to appraise the fair value of his shares.

Within one month of the Court appraising the fair value of the shares, the company shall be entitled either: (a) to pay to the dissenting shareholder an amount equal to the value of his shares as appraised by the Court; or (b) to terminate the business combination provided that such an ability was provided for in the statutory agreement to effect the business combination.

Where the Court has appraised any shares but the business combination has proceeded prior to the appraisal then, within one month of the Court appraising the value of the shares, if the amount paid to the dissenting shareholder for his shares is less than that appraised by the Court the amalgamated or surviving company shall pay to such shareholder the difference between the amount paid to him and the value appraised by the Court.

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	<b>Isle of Man</b>	<b>Bermuda</b>
<b>Accounts</b>	<p>The Isle of Man Companies Act requires a company to keep reliable accounting records which:</p> <ul style="list-style-type: none"> <li>(a) correctly explain the transactions of the company;</li> <li>(b) enable the financial position of the company to be determined with reasonable accuracy at any time; and</li> <li>(c) allow financial statements to be prepared.</li> </ul> <p>There is no requirement under the Isle of Man Companies Act for accounts to be audited or approved by shareholders.</p>	<p>The Bermuda Companies Law contemplates that every company will appoint an independent representative of the shareholders as its auditor, and that audited financial statements, prepared in accordance with generally accepted accounting principles, will be placed before the shareholders at each annual general meeting.</p> <p>Notwithstanding the general position, if all members and directors of a company, either in writing or at a general meeting, agree that, in respect of a particular interval, no financial statements or auditor's report thereon need be laid before a general meeting or that no auditor shall be appointed, then there shall be no obligation to lay financial statements for such period or to appoint an auditor (as the case may be).</p>
<b>Political donations</b>	<p>The Isle of Man Companies Law does not restrict companies from making political donations. The Isle of Man has anti-bribery legislation.</p>	<p>The Bermuda Companies Law does not restrict companies from making political donations. Bermuda has introduced new anti-bribery legislation in relation to actions intending to influence the actions of a person by way of a bribe. As such, care should be taken to ensure any such donations were made in compliance with this legislation.</p>
<b>Unfair prejudice</b>	<p>Under the Isle of Man Companies Law, a member of a company who considers that the affairs of the company have been, are being or are likely to be, conducted in a manner that is, or any act or acts of the company have been, or are, likely to be oppressive or unfairly prejudicial to such member in that capacity, may apply to the Isle of Man court for an order. The Isle of Man court has wide powers as to the type of order it can grant.</p>	<p>Any member of a company who complains that the affairs of the company are being conducted, or have been conducted, in a manner that is oppressive or prejudicial to the interests of the shareholders can make an application to the court, with a view to bringing to an end the matters complained of.</p> <p>If on such a petition the court is of the opinion that the company's affairs are being conducted, or have been conducted, as aforesaid but to wind the company up would also unfairly prejudice those shareholders that have cause to petition, but otherwise the facts would justify the making of a winding-up order on the ground that it was just and equitable, then the court may make any order it thinks fit.</p>

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**Dissolution****Isle of Man**

An Isle of Man company, can be wound up:

- (a) voluntarily by its members (solvent winding up);
- (b) voluntarily by its creditors (insolvent winding up);
- (c) by the court (compulsory winding up); or
- (d) under the supervision of the court.

Alternatively a solvent company may undergo an administrative dissolution.

**Bermuda**

The winding-up of a company may be ordered by the court or may be commenced voluntarily. Voluntary windings-up may be commenced by the shareholders, where a company is solvent, or by its creditors, where the company is insolvent. In the case of insolvency, a compulsory winding-up may be ordered by the court upon a petition presented either by the company itself or by any creditor, including any contributory or contingent or prospective creditor, or by all those parties, together or separately. The compulsory winding-up provisions of the Bermuda Companies Law have been extended to include permit companies and non-resident insurance undertakings. After the completion of a liquidation, the court may also order that the company be reinstated to a position prior to its liquidation or returned to liquidation; in either case the company will be deemed to have continued in existence as if it had not been dissolved.

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## PART III

### THE NEW ARTICLES

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#### BYE-LAWS

of

#### EPE SPECIAL OPPORTUNITIES LIMITED

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1. [RESERVED]

2. INTERPRETATION

2.1 In these Bye-laws, unless the context otherwise requires, the following expressions have the following meanings:

“**Act**” means the Companies Act 1981

“**Alternate Director**” means an alternate director appointed in accordance with these Bye-laws

“**approved transfer**” means, in relation to any shares held by a member: (a) a transfer by way of or pursuant to a takeover offer for the Company (within the meaning of section 974 of the UK Act); (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in section 285 of the UK Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company’s shares are normally traded; or (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares

“**Auditors**” means the auditors for the time being of the Company or, in the case of joint auditors, any one of them

“**bankruptcy**” means any state of bankruptcy, insolvency, winding-up, administration, administrative receivership or similar status under the laws of any jurisdiction and includes all the meanings ascribed to the terms “winding-up” or “liquidation” in the Act

“**Board**” means the board of Directors (including, for the avoidance of doubt, a sole Director) appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the Directors present at a meeting of Directors at which there is a quorum

“**these Bye-laws**” means these Bye-laws as originally adopted or altered or varied from time to time (and “**Bye-law**” means one of these Bye-laws)

“**certificated**” means in relation to a share, a share which is recorded in the Register as being held in a certificated form

“**Chairman**” means the chairman (if any) of the Board or, where the context requires, the chairman of a general meeting of the Company

“**clear days**” means (in relation to the period of a notice) that period, excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

“**Company**” means EPE Special Opportunities Limited

“**Default Notice**” has the meaning given in Bye-law 85.5

“**Default Shares**” has the meaning given in Bye-law 85.5

“**Defaulting Shareholder**” has the meaning given in Bye-law 85.5

“**Depositary**” means a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Board whereby such custodian or other person or nominee holds or is interested in shares of the Company or rights or interests in shares of the Company and issues securities or other documents

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of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Board for the purpose of these Bye-laws, and shall include, where approved by the Board, the trustees (acting in their capacity as such) of any employees' share scheme established by the Company or any other scheme or arrangement principally for the benefit of employees or those in the service of the Company and/or its subsidiaries or their respective businesses and the managers (acting in their capacity as such) of any investment or savings plan, which in each case the Board has approved

“**Director**” means a director for the time being of the Company

“**Disclosure Guidance and Transparency Rules**” means the UK Disclosure Guidance and Transparency Rules as published by the UK Financial Conduct Authority in force from time to time

“**disenfranchisement notice**” has the meaning given in Bye-law 88

“**DTR 5**” has the meaning given in Bye-law 85.2

“**execution**” includes any mode of execution (and “executed” shall be construed accordingly)

“**holder**” means (in relation to any share) the member whose name is entered in the Register as the holder or, where the context permits, the members whose names are entered in the Register as the joint holders, of that share

“**Information Notice**” means a notice served upon a member by the Board requiring such member to disclose to the Board in writing within such period (being not less than 10 days and not more than 30 days from the date of despatch) as may be specified in such notice any of the following information in relation to any or all of shares registered in such member's name at the date of the notice:

- (a) any beneficial interest of any third party in the shares the subject of the notice;
- (b) any other interest of any kind whatsoever which a third party may have in the shares; and
- (c) the identity of any third party having any such interest

“**London Stock Exchange**” means the London Stock Exchange plc or other principal stock exchange in the United Kingdom for the time being

“**member**” means a member of the Company or, where the context requires, a member of the Board or of any committee

“**notice shares**” has the meaning given in Bye-law 88

“**Office**” means the registered office for the time being of the Company

“**Ordinary Share**” means an ordinary share in the capital of the Company

“**paid up**” means paid up or credited as paid up

“**Participating Security**” means a share or class of shares or a renounceable right of allotment of a share, title to which is permitted to be transferred by means of an Uncertificated System in accordance with the Uncertificated Regulations

“**person entitled by transmission**” means a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the Register

“**Prohibited Person**” means any person, as determined by the Board, to whom a sale or transfer of shares:

- (a) would be in breach of the laws or requirements of any jurisdiction or governmental authority;
- (b) may cause the Company to be classified as an “investment company” under the United States Investment Company Act of 1940; or
- (c) in circumstances (whether taken alone or in conjunction with other persons or any other circumstances appearing to the Board to be relevant) which, in the opinion of the Board,

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might result in the Company and/or the members as a whole incurring any liability to taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage that the Company might not otherwise have suffered or incurred,

and for this purpose U.S. Persons without the consent of the Board are Prohibited Persons

“**recognised person**” means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange which is designated as such pursuant to section 285 of the UK Financial Services and Markets Act 2000 (an Act of Parliament)

“**Register**” means the register of members of the Company including, as the case may be, any overseas branch register kept pursuant to the Act

“**Register of Substantial Interests**” has the meaning given in Bye-law 86.1

“**Resident Representative**” means any person appointed to act as resident representative and includes any deputy or assistant resident representative

“**Secretary**” means the secretary for the time being of the Company, if any, or any other person appointed to perform any of the duties of the secretary of the Company including a joint, temporary, assistant or deputy secretary

“**share**” means a share of the Company

“**Treasury Share**” means a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled

“**uncertificated**” means in relation to a share, a share which is recorded in the Register as being held in uncertificated form for the purpose of trading via an Uncertificated System and references in these Bye-laws to a share being held in uncertificated form shall be construed accordingly

“**Uncertificated System**” means a relevant system as defined in the Uncertificated Regulations (and including, in particular, at the date of adoption of these Bye-laws, the UK CREST system)

“**Uncertificated Regulations**” means the UK Uncertificated Securities Regulations 2001

“**United Kingdom**” or “**UK**” means Great Britain and Northern Ireland

“**Unsecured Loan Notes**” means the unsecured loan notes issued by the Company prior to the date of adoption of these Bye-laws

“**UK Act**” means the UK Companies Act 2006, including any statutory modification or re-enactment thereof for the time being in force

“**U.S. Person**” shall have the meaning given in Regulation S of the Securities Act of 1933 (“**1933 Act**”) which currently defines a “U.S. Person” as:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organised or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. Person;
- (d) any trust of which any trustee is a U.S. Person;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or, if an individual, resident in the United States; or
- (h) any partnership or corporation if:

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- (i) organised or incorporated under the laws of any foreign jurisdiction; and
  - (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts

“**withdrawal notice**” has the meaning given in Bye-law 89

“**writing or written**” means and includes printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words in a legible and non-transitory form

2.2 Unless the context otherwise requires:

- (a) words in the singular include the plural, and vice versa;
- (b) words importing the masculine gender include the feminine gender; and
- (c) a reference to a person includes a body corporate and an unincorporated body of persons.

2.3 Words or expressions contained in these Bye-laws which are not defined in Bye-law 2.1 but are defined in the Act or the UK Act (or if defined in both, in the Act) have the same meaning as in the Act or the UK Act as the case may be (but excluding any modification of the Act or the UK Act not in force at the date of adoption of these Bye-laws) unless inconsistent with the subject or context.

2.4 Words or expressions contained in these Bye-laws which are not defined by or pursuant to these Bye-laws but are defined in the Uncertificated Regulations have the same meaning as in the Uncertificated Regulations (but excluding any modification of the Uncertificated Regulations not in force at the date of adoption of these Bye-laws) unless inconsistent with the subject or context.

2.5 Subject to the preceding two paragraphs, references to any provision of any legislation or enactment (including any statute, order, regulation or rules), whether of Bermuda or the United Kingdom or otherwise, include any modification or re-enactment of that provision for the time being in force.

2.6 References to United Kingdom statutes, ordinances, regulations or any other instruments or legislation having the force of law therein shall be interpreted as if the Company was incorporated in the United Kingdom and subject to such provisions, to the extent the same does not contravene the Act or any other law of Bermuda.

2.7 The headings are inserted for convenience only and shall not affect the construction of these Bye-laws.

### **3. FORM OF RESOLUTION**

In these Bye-laws, any reference to a special resolution shall be to a resolution passed or requiring to be passed by a majority of not less than two-thirds of such members as, being entitled so to do, vote in person (or, being a corporation, by representative) or by proxy, at a general or class meeting (as the case may be); otherwise, any reference in these Bye-laws to a resolution or an ordinary resolution shall be a reference to a resolution requiring to be passed by a majority of not less than half of such members as, being entitled so to do, vote in person (or, being a corporation, by representative) or by proxy, at a general or class meeting (as the case may be).

### **4. WRITTEN RESOLUTION**

4.1 Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution (including a special resolution) of a meeting of any class of the members may be done without a meeting by written resolution in accordance with this Bye-law.

4.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any member does not invalidate the passing of a resolution.

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- 4.3 A written resolution is passed when it is signed by (or in the case of a member that is a corporation, on behalf of) the members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of members at which all members entitled to attend and vote thereat were present and voting in person or by proxy.
- 4.4 A resolution in writing may be signed in any number of counterparts.
- 4.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to members voting in favour of a resolution shall be construed accordingly.
- 4.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.
- 4.7 This Bye-law shall not apply to:
- (a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or
  - (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.
- 4.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by (or in the case of a member that is a corporation, on behalf of) the last member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

## **5. UNCERTIFICATED SECURITIES**

- 5.1 Where, in accordance with this Bye-law 5, any shares or other securities of the Company are issued, transferred, registered or otherwise dealt with in uncertificated form, any references in these Bye-Laws requiring title to shares or other securities to be evidenced by or transferred by reference to share certificates or any other form of written instrument shall not apply and the holding, transfer, recording of title to and, registration of, uncertificated securities issued by the Company will be governed by reference to the provisions of this Bye-Law.
- 5.2 Nothing in these Bye-Laws shall preclude any share or other security of the Company from being issued, held, registered, converted, transferred or otherwise dealt with in an uncertificated form in accordance with the Uncertificated Securities Regulations and any rules or requirements laid down from time to time by the UK CREST system or any other Uncertificated System, and the Board may adopt (and each member shall hereby be deemed to consent to) any arrangement to permit transfer of the Company's shares or securities (or interests representing such shares or securities) pursuant to the Uncertificated Securities Regulations including, without limitation, transferring any or all of the Company's shares or securities to a depositary whom shall act as nominee for the purpose of issuing depositary interests (or receipts) representing such shares or securities in order to permit trading thereof pursuant to the Uncertificated Securities Regulations.
- 5.3 In relation to any share or other security which is in uncertificated form, these Bye-Laws shall have effect subject to the provisions of the Uncertificated Regulations and (so far as consistent with them) to the following provisions:
- (a) the Company shall not be obliged to issue a certificate evidencing title to shares and all references to a certificate in respect of any shares or securities held in uncertificated form in these Bye-Laws shall be deemed inapplicable to such shares or securities which are in uncertificated form and furthermore shall be interpreted as a reference to such form of evidence of title to uncertificated shares or securities as the Uncertificated Securities prescribe or permit;
  - (b) the registration of title to and transfer of any shares or securities in an uncertificated form shall be effected in accordance with the Uncertificated Regulations and there shall be no requirement for a written instrument of transfer;
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- (c) a properly authenticated dematerialised instrument given in accordance with the Uncertificated Regulations shall be given effect in accordance with the Uncertificated Regulations;
  - (d) any communication required or permitted by these Bye-Laws to be given by a person to the Company may be given in accordance with and in any manner (whether or not in writing) prescribed or permitted by the Uncertificated Regulations;
  - (e) if a situation arises where any provision of these Bye-Laws is inconsistent in any respect with the terms of the Uncertificated Regulations in relation to shares or securities of the Company which are in an uncertificated form then:
    - (i) the Uncertificated Regulations will be given effect thereto in accordance with their terms;
    - (ii) the Board shall have power to implement any procedures they may think fit and as may accord with the Uncertificated Regulations for the recording and transferring of title to shares and securities in uncertificated form and for the regulation of those proceedings and the persons responsible for or involved in their operation; and
    - (iii) the Directors shall have the specific powers to elect, without further consultation with the holders of any shares or securities of the Company (except where such shares or securities are constituted by virtue of some other deed, document or other source), that any single or all classes of shares and securities of the Company become capable of being traded in uncertificated form in accordance with the Uncertificated Regulations on the UK CREST system or any Uncertificated System.

## **SHARE CAPITAL**

### **6. [RESERVED]**

### **7. VOTING**

The holders of shares shall be entitled to receive notice of and to attend general meetings of the Company. Subject to the restrictions in these Bye-laws and subject to any special rights or restrictions for the time being attached to any class of shares, every holder of Ordinary Shares who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of each Ordinary Share held.

### **8. INCOME**

Subject to these Bye-laws, the Ordinary Shares shall otherwise rank *pari passu* in all respects as amongst themselves and shall carry the same rights as amongst themselves, including as to participation in the profits of the Company.

### **9. WINDING UP OR OTHER RETURN OF CAPITAL**

The surplus assets available for members shall be paid to the holders of Ordinary Shares in proportion to the number of Ordinary Shares held.

### **10. ALLOTMENT**

Unissued shares at the date of adoption of these Bye-laws and any shares hereafter created shall be at the disposal of the Board, which may allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons (including the Directors themselves), at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

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## **11. REDEEMABLE PREFERENCE SHARES**

Subject to the Act and to any shares expressly being non-redeemable as a term of their issue, any preference shares may be issued or converted into shares that may be redeemed for any consideration; the process for redemption of such shares shall be determined by the Directors in their absolute discretion.

## **12. POWER TO ATTACH RIGHTS**

Subject to the Act and to any special rights for the time being attached to any existing shares, the Board may, if so authorised by a resolution of the Company, allot or issue shares that have attached to them such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Board may determine.

## **13. [RESERVED]**

## **14. COMMISSION AND BROKERAGE**

The Company may pay commissions or brokerage to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company to the full extent permitted by the Act. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of an option to call for an allotment of shares or any combination of such methods.

## **15. EQUITABLE CLAIMS NOT TO BE RECOGNISED**

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

## **16. RENUNCIATION OF SHARES**

Subject to the provisions of the Act and of these Bye-laws, the Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation of it by the allottee in favour of some other person and may accord to any allottee of a share the right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

# **SHARE CERTIFICATES**

## **17. RIGHT TO CERTIFICATES**

- 17.1 On becoming the holder of any certificated share every person shall be entitled without charge to have issued within two months after allotment or 14 days after lodgement of a transfer (unless the terms of issue of the shares provide otherwise or the transfer is one which the Company is for any reason entitled to refuse to register and does not register) one certificate for all the certificated shares of any one class registered in their name and to a separate certificate for each class of certificated shares so registered. Such certificate shall specify the number, class and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount or respective amounts paid up on them and shall be issued either under the seal (which may be affixed to it or printed on it) or in such other manner having the same effect as if issued under a seal and, having regard to the rules and regulations applicable to the appointed stock exchange to which the Company's shares are admitted, as the Board may approve.
  - 17.2 If and so long as all the issued shares of the Company or all the issued shares of a particular class are fully paid up and rank *pari passu* for all purposes then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.
  - 17.3 The Company shall not be bound to issue more than one certificate in respect of certificated shares held jointly by two or more persons. Delivery of a certificate to the person first named on the register shall be sufficient delivery to all joint holders.
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- 17.4 Where a member (other than a recognised person) has transferred part only of the shares comprised in a certificate he shall be entitled without charge to a certificate for the balance of such certificated shares.
- 17.5 No certificate shall be issued representing certificated shares of more than one class or in respect of shares held by a recognised person.

#### **18. REPLACEMENT CERTIFICATES**

- 18.1 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu, subject to the payment of such reasonable fee (if any) as the Board may determine, on surrender of the original certificates for cancellation.
- 18.2 If any member shall surrender for cancellation a share certificate representing certificated shares held by him and request the Company to issue in lieu two or more share certificates representing such certificated shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request subject to the payment of such reasonable fee (if any) as it may determine.
- 18.3 Share certificates may be renewed or replaced on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out of pocket expenses (including those incurred by the Company in investigating such evidence and preparing such indemnity and security) as the Board may decide, and on surrender of the original certificate (where it is defaced, damaged or worn out), but without any further charge.
- 18.4 In the case of shares held jointly by several persons, any such request as is mentioned in this Bye-law 18 may be made by any one of the joint holders.

### **LIEN ON SHARES**

#### **19. LIEN ON SHARES NOT FULLY PAID**

The Company shall have a first and paramount lien on any of its shares which are not fully paid, but only to the extent and in the circumstances permitted by law. The lien shall also extend to all distributions and other moneys from time to time declared or payable in respect of such share. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Bye-law. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien (if any) on that share.

#### **20. ENFORCEMENT OF LIEN BY SALE**

- 20.1 The Company may sell in any manner decided by the Board all or any of the shares subject to any lien at such time or times and in such manner as it may determine, save that no sale shall be made until such time as the moneys in respect of which such lien exists or some part of them are or is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due, or specifying the liability or engagement and demanding payment or fulfilment or discharge of them, and giving notice of intention to sell in default, shall have been served on the holder or the persons (if any) entitled by transmission to the shares and default in payment, fulfilment or discharge shall have been made by him or them for 14 clear days after service of such notice.
- 20.2 For giving effect to any such sale, the Board may in the case of certificated shares authorise some person to execute an instrument of transfer of the shares sold in the name and on behalf of the holder or the persons entitled by transmission in favour of the purchaser or as the purchaser may direct and in the case of uncertificated shares the Board may take such other steps in the name of the holder as may be necessary to transfer the shares. The purchaser shall not be bound to see to the application of the purchase money in respect of any such sale and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the

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sale. Any instrument or exercise shall be effective as if it had been executed or exercised by the holder of, or the person entitled by transmission to, the shares to which it relates.

#### **21. APPLICATION OF PROCEEDS OF SALE**

The net proceeds of any sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person who was the holder of the share immediately before such sale.

### **CALLS ON SHARES**

#### **22. CALLS**

Subject to the terms of allotment of shares, the Board may from time to time make calls on the members in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares or any class of shares held by them respectively and not payable on a date fixed by or in accordance with the terms of issue provided that no call on any share shall be payable within one month from the date fixed for the payment of the last preceding call. Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made and whether or not by instalments) be liable to pay the amount of every call so made on him as required by the notice. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed or (as the case may require) any person to whom power has been delegated pursuant to these Bye-laws serves notice of exercise of such power. A call may be revoked or postponed as the Board may decide. A call may be required to be paid by instalments and may before receipt by the Company of any sum due under it be either revoked or postponed in whole or part as regards all or any such members as the Board may determine. A person on whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call was made.

#### **23. LIABILITY OF JOINT HOLDERS**

The joint holders of a share shall be jointly and severally liable for the payment of all calls and any interest, costs and expenses in respect thereof.

#### **24. INTEREST ON CALLS**

If the whole of the sum payable in respect of any call is not paid on or before the day appointed for payment, the person from whom it is due and payable shall pay all reasonable costs, charges and expenses that the Company may have incurred by reason of such non-payment together with interest on the unpaid amount from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or, if no rate is so fixed, at a floating rate calculated at three month intervals from the day appointed for payment at a rate equal to the three-month sterling London Interbank Offered Rate plus eight hundred basis points (compounded on a quarterly basis), as the Board shall determine and specify in the notice of the call. The Board may waive payment of such costs, charges, expenses or interest in whole or in part.

#### **25. RIGHTS OF MEMBER WHEN CALL UNPAID**

Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at any general meeting or at any separate meeting of the holders of any class of shares either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum or to exercise any other privilege as a member unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any).

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## **26. SUMS DUE ON ALLOTMENT TREATED AS CALLS**

Any sum payable in respect of a share on allotment or at any fixed date whether in respect of the nominal value of the share or by way of premium or as an instalment of a call or otherwise, shall for all purposes of these Bye-laws be deemed to be a call duly made, notified and payable on the date on which, by the terms of allotment or in the notice of call, it becomes payable. If it is not paid, the provisions of these Bye-laws shall apply as if such amount had become due and payable by virtue of a call duly made and notified.

## **27. POWER TO DIFFERENTIATE**

The Board may, at its discretion, make arrangements on the allotment or issue of shares for a difference as between the allottees or holders of such shares in the amount and time of payment of calls.

## **28. PAYMENT IN ADVANCE OF CALLS**

The Board may if it thinks fit receive from any member willing to advance it all or any part of the moneys uncalled and unpaid on the shares held by him. Such payment in advance of calls shall extinguish *pro tanto* the liability on the shares on which it is made. The Company may pay interest on the money paid in advance or so much of it as exceeds the amount for the time being called up on the shares in respect of which such advance has been made at such rate, not exceeding fifteen per cent per annum, as the Board may decide until and to the extent that it would, but for the advance, become payable. The Board may at any time repay the amount so advanced on giving to such member not less than three months' notice in writing of its intention in that regard, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. No sum paid by any member in advance of calls shall entitle the holder of a share to any portion of a dividend attributable to such sum and subsequently declared in respect of any period prior to the date upon which such sum becomes payable whether by reason of a call or otherwise.

## **29. DELEGATION OF POWER TO MAKE CALLS**

If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may delegate on such terms as it thinks fit to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys. The power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

# **FORFEITURE OF SHARES**

## **30. NOTICE IF CALL NOT PAID**

If any member fails to pay the whole of any call or any instalment of any call on or before the day appointed for payment the Board may at any time serve a notice in writing on such member, or on any person entitled to the shares by transmission, requiring payment, on a date not less than 14 clear days from the date of the notice, of the amount unpaid and any interest which may have accrued on it and any reasonable costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where the payment is to be made and state that, if the notice is not complied with, the shares in respect of which such call was made will be liable to be forfeited.

## **31. FORFEITURE FOR NON-COMPLIANCE**

If the notice referred to in Bye-law 30 is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not paid before the forfeiture, and shall be deemed to occur at the time of the passing of the said resolution of the Board.

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### **32. NOTICE AFTER FORFEITURE**

When any share has been forfeited notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share or the person entitled to such share by transmission (as the case may be). An entry of such notice having been given and of the forfeiture with the date of it shall forthwith be made in the Register in respect of such share together with a note that dealings are not permitted in the share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry as aforesaid.

### **33. FORFEITURE MAY BE ANNULLED**

The Board may at any time before any share so forfeited has been cancelled or sold, re-allotted or otherwise disposed of annul the forfeiture, on the terms that payment shall be made of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

### **34. SURRENDER**

The Board may accept a surrender of any share liable to be forfeited under these Bye-laws upon such terms and conditions as may be agreed by it and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited. In such case, references in these Bye-laws to forfeiture shall include surrender.

### **35. DISPOSAL OF FORFEITED SHARES**

Every share which shall be forfeited may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture its holder or entitled to it or to any other person on such terms and in such manner as the Board shall determine and, in the case of re-allotment, whether with or without all or any part of the amount previously paid up on the share being treated as so paid up. The Board may, for the purposes of the disposal in the case of certificated shares, authorise some person to transfer the share in question and may enter the name of the transferee in respect of the transferred share in the Register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee in respect of such certificated shares so transferred. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of or the person entitled by transmission to the share. In the case of uncertificated shares the Board may take such other steps in the name of the holder as may be necessary to transfer the shares. The Company may, if the Board considers it just and equitable to do so, receive the consideration (if any) given for the share on its disposal.

### **36. EFFECT OF FORFEITURE**

A shareholder whose shares have been forfeited shall cease to be a member in respect of the shares forfeited and shall in the case of a certificated share surrender to the Company for cancellation the certificate for such shares. He shall nevertheless be liable (unless payment is waived in whole or in part by the Directors) to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest on them from the date of the forfeiture to the date of payment at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at such rate, not exceeding fifteen per cent per annum, as the Board may determine, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) claims, demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on the disposal.

### **37. EXTINCTION OF CLAIMS**

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Bye-laws expressly saved, or as are by the Act given or imposed in the case of past members. The forfeiture of a share shall include all dividends and other

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payments or distributions declared in respect of the forfeited shares and not paid or distributed before such forfeiture.

### **38. EVIDENCE OF FORFEITURE**

An affidavit in writing that the deponent is a Director of the Company or the Secretary and that a share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorise a person to transfer the share (or in the case of a share for the time being in uncertificated form to take such other steps in the name of the holder as may be necessary to transfer the share (or any interests representing such shares)) to the person to whom the same is sold, reallocated or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

## **TRANSFER OF SHARES**

### **39. FORM OF TRANSFER**

Subject to such of the restrictions of these Bye-laws as may be applicable, each member may transfer all or any of his shares in the case of certificated shares by instrument of transfer in writing in any usual form or in any form approved by the Board or in the case of uncertificated shares without a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall contain the business or residential address of the transferee and be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it

### **40. RIGHT TO REFUSE REGISTRATION**

40.1 The Board may in its absolute discretion and without giving any reason refuse to register any transfer of a certificated share (or renunciation of a renounceable letter of allotment) unless:

- (a) the transferee has furnished a declaration, in a form satisfactory to the Board, together with such documents as the Board may require for the purposes of anti-money laundering compliance and, if the Board so requires, such other evidence and declarations as to status, residence or otherwise;
- (b) it is in respect of a share which is fully paid up;
- (c) it is in respect of a share on which the Company has no lien;
- (d) it is in respect of only one class of shares;
- (e) it is in favour of a single transferee or not more than four joint transferees;
- (f) it is duly stamped (if so required);
- (g) it is delivered for registration to the Office, or such other person as the Board may from time to time appoint, accompanied (except in the case of a transfer where a certificate has not been required to be issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so; and
- (h) the holding of such share would not result in a regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or its shareholders as a whole which is not otherwise generally associated with the holding of the Company's shares including, but

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not limited to, where such a disadvantage would arise out of the transfer of any share to a Prohibited Person,

and provided that the Board shall not refuse to register any transfer or renunciation of shares which are traded on the London Stock Exchange in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

- 40.2 Transfers of shares to a Prohibited Person will not be registered, nor will transfers that have not received all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda.
- 40.3 Transfers of shares will not be registered in the circumstances referred to in Bye-law 88.
- 40.4 The Board shall register a transfer of title to any uncertificated share or the renunciation or transfer of any renounceable right of allotment of a share which is a Participating Security held in uncertificated form in accordance with the Uncertificated Regulations, except that the Board may refuse (subject to any relevant requirements applicable to the recognised investment exchange(s) to which the shares of the Company are admitted) to register any such transfer or renunciation which is in favour of more than four persons jointly or in any other circumstance permitted by the Uncertificated Regulations.
- 40.5 No transfer of any share shall be made:
- (a) to a minor; or
  - (b) to a bankrupt; or
  - (c) to any person who is, or may be, suffering from mental disorder and either:
    - (i) has been admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 (an Act of Parliament) or any similar statute relating to mental health (whether in the United Kingdom, Bermuda or elsewhere); or
    - (ii) an order has been made by any court having jurisdiction (whether in the United Kingdom, Bermuda or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs,

and the Directors shall refuse to register the purported transfer of a share to any such person.

- 40.6 If the transferee of any shares of the Company is a Prohibited Person or the Board otherwise determines that the holding of shares by such transferee would be in breach of any relevant legal or regulatory requirement or would subject the Company to any adverse legal, regulatory or taxation consequences or the Board otherwise determines (in its sole discretion and without being obliged to provide its reasons therefor) that such holding is not in the Company's interests, the Company may direct such transferee to sell his shares to a person who is not a Prohibited Person within 30 days of the notice of refusal and the transferee shall comply with any such direction.

#### **41. NOTICE OF REFUSAL**

If the Board refuses to register a transfer of a share it shall, within three months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may be retained by the Company.

#### **42. CLOSING OF REGISTER**

The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Board in its absolute discretion may from time to time determine (subject to (i) the Uncertificated Regulations in the case of any shares of a class which is a Participating Security; and (ii) complying with the notice requirements under the Act).

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#### **43. FEES ON REGISTRATION**

No fee shall be charged for registration of a transfer or on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

#### **44. Other powers in relation to transfers**

Nothing in these Bye-laws shall preclude the Board:

- (a) from recognising a renunciation of the allotment of any share by the allottee in favour of some other person; or
- (b) if empowered by these Bye-laws to authorise any person to execute an instrument of transfer of a share or to authorise any person to transfer that share in accordance with any procedures implemented pursuant to Bye-law 20.

### **TRANSMISSION OF SHARES**

#### **45. ON DEATH**

If a member dies the survivors or survivor where he was a joint holder and his executors or administrators where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares. Nothing in these Bye-laws shall release the estate of a deceased member from any liability in respect of any share which has been solely or jointly held by him.

#### **46. ELECTION OF PERSON ENTITLED BY TRANSMISSION**

Any person entitled to a share by transmission, may, on such evidence as to his title being produced as the Board may reasonably require, elect either to become registered as a member or to have some person nominated by him registered as a member. If he elects to become registered himself he shall give written notice signed by him to the Company to that effect. If he elects to have some other person registered he shall, in the case of a certificated share, execute an instrument of transfer of such shares to that person and, in the case of an uncertificated share, either procure that all appropriate instructions are given by means of the Uncertificated System to effect the transfer of such share to such person or change the uncertificated share to certificated form and then execute an instrument of transfer of such share to such person. All the provisions of these Bye-laws relating to the transfer of shares shall apply to the notice, instrument of transfer or instructions (as the case may be) as if it were an instrument of transfer executed or instructions given by the member and his death, bankruptcy or other event had not occurred and any notice or transfer were executed by such member. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall, within two months after proof, cause the entitlement of that person to be noted in the Register.

#### **47. RIGHTS ON TRANSMISSION**

Where a person is entitled to a share by transmission, the rights of the holder in relation to such share shall cease. However, the person so entitled may give a good discharge for any dividends and other moneys payable in respect of it and shall have the same rights to which he would be entitled if he were the holder of the share except that he shall not before he is registered as the holder of the share be entitled in respect of it to receive notice of or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the requirements of the notice have been complied with.

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## **DESTRUCTION OF DOCUMENTS**

### **48. DESTRUCTION OF DOCUMENTS**

48.1 Subject to compliance with the Act and applicable law, the Company may destroy:

- (a) any instrument of transfer after six years from the date on which it is registered;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address after two years from the date on which it is recorded;
- (c) any share certificate, after one year from the date on which it is cancelled;
- (d) any other document on the basis of which any entry in the Register is made after six years from the date on which an entry was first made in the Register in respect of it;
- (e) any registered certificate for debentures or representing any other form of securities after one year from the date on which it is cancelled;
- (f) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof; and
- (g) all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded,

provided that the Company may destroy any such type of document after such shorter period as the Board may determine if a copy of such document is retained on microfilm or other similar or electronic means (which shall not be destroyed before the expiration of the relevant period) and provided that adequate precautions against falsification and to share reproduction are taken.

48.2 It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was a valid and effective certificate duly cancelled, that every other document so destroyed had been properly dealt with in accordance with its terms and was valid and effective in accordance with the particulars in the records of the Company, provided that:

- (a) this Bye-law 48 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this Bye-law 48 shall be construed as imposing on the Company any liability in respect of the destruction of any such document or otherwise than as provided for in this Bye-law 48 which would not attach to the Company in the absence of this Bye-law 48; and
- (c) references in this Bye-law 48 to the destruction of any document include references to the disposal of it in any manner.

## **ALTERATION OF SHARE CAPITAL**

### **49. INCREASE, CONSOLIDATION, CANCELLATION AND SUB-DIVISION**

The Board may if authorised by a resolution of the Company increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.

### **50. FRACTIONS**

50.1 Whenever as the result of any consolidation, division or sub-division of shares any member would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular (but without prejudice to the generality of the foregoing) where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share

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and as a result of such consolidation such holder would become entitled to a fraction of a consolidated share:

- (a) the Board may determine which of the shares of such holder are to be treated as giving rise to such fractional entitlement and may decide that any of those shares shall be consolidated with any of the shares of any other holder or holders which are similarly determined by it to be treated as giving rise to a fractional entitlement for such other holder or holders into a single consolidated share and the Board may on behalf of all such holders, sell such consolidated share for the best price reasonably obtained to any person (including the Company) and distribute the net proceeds of sale after deduction of the expenses of sale in due proportion among those holders (except that any amount otherwise due to a holder, being less than £3 or such other sum as the Board may from time to time determine may be retained for the benefit of the Company); or
- (b) provided that the necessary unissued shares are available, the Board may issue to such holder, credited as fully paid, by way of capitalisation the minimum number of shares required to round up his holding to an exact multiple of the number of shares to be consolidated into a single share (such issue being deemed to have been effected prior to consolidation), and the amount required to pay up such shares shall be appropriated at the Board's discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up the share.

50.2 For the purposes of any sale of consolidated shares pursuant to Bye-law 50.1, the Board may in the case of certificated shares authorise some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser or in the case of uncertificated shares the Board may take such other steps in the name of the holder as may be necessary to transfer the shares, and the transferee shall not be bound to see to the application of the purchase money in respect of any such sale, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale or transfer and any instrument or exercise shall be effective as if it had been executed or exercised by the holder of the shares to which it relates.

## **51. [RESERVED]**

## **52. PURCHASE OF OWN SHARES AND DEBT**

52.1 Subject to Bye-law 52.2, the Company may purchase its own shares and/or debt for cancellation or acquire any shares as Treasury Shares in accordance with the Act on such terms as the Board shall think fit. Subject to Bye-law 52.2, the Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act. For the avoidance of doubt the Board's powers under this Bye-law may be delegated in accordance with Bye-laws 120 or 121.

52.2 Any purchase by the Company of its own shares and/or debt which:

- (i) is not made pursuant to a contract existing as at the date of the adoption of these Bye-laws; and
- (ii) where the aggregate purchase price payable by the Company in respect of the proposed purchase either by itself or, together with all amounts paid in respect of any other share or debt purchases in the preceding 12 months, exceeds 10 per cent. of the mean market capitalisation of all of the Company's equitable securities listed on any stock exchange for the 12 months preceding the proposed record date for the proposed purchase,

shall require authorisation by a resolution of the Company, provided that this Bye-law 52.2 shall not apply in respect of any purchases by the Company of Unsecured Loan Notes.

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## VARIATION OF CLASS RIGHTS

### 53. SANCTION TO VARIATION

If at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters, in par value, of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of the class duly convened and held as provided in these Bye-laws (but not otherwise). The foregoing provisions of this Bye-law shall apply also to the variation or abrogation of any special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class, the separate rights of which are to be varied. Subject to the terms of issue or the rights attached to any shares the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the Board resolving that a class of shares is to become or to cease to be a Participating Security.

### 54. CLASS MEETINGS

All the provisions in these Bye-laws as to general meetings shall mutatis mutandis apply to every meeting of the holders of any class of shares. The Board may convene a meeting of the holders of any class of shares whenever it thinks fit and whether or not the business to be transacted involves a variation or abrogation of class rights. The quorum at every such meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares, if applicable, of the class. Every holder of shares of the class, present in person (or, being a corporation, by representative) or by proxy, may demand a poll. Each such holder shall on a poll be entitled to one vote for every share of the class held by him. If at any adjourned meeting of such holders such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum.

### 55. DEEMED VARIATION

Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority for the payment of a dividend or in respect of capital or howsoever or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the exercise of any power by the Company under Bye-law 88 or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and these Bye-laws.

## GENERAL MEETINGS

### 56. ANNUAL GENERAL MEETINGS

Subject to the provisions of the Act, an annual general meeting shall be held in each year at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall determine.

### 57. EXTRAORDINARY GENERAL MEETINGS

All general meetings other than annual general meetings, shall be called extraordinary general meetings.

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## **58. CONVENING OF EXTRAORDINARY GENERAL MEETING**

The Board may convene an extraordinary general meeting whenever they think fit. At any meeting convened by the Board or any meeting requisitioned pursuant to section 74 of the Act, no business shall be transacted except that stated by the requisition or proposed by the Board.

## **59. NOTICE OF GENERAL MEETINGS**

59.1 Any annual general meeting and any extraordinary general meeting convened for the passing of a special resolution or a resolution appointing a person as a Director shall be convened by not less than 21 clear days' notice in writing. Other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing.

59.2 Notwithstanding that a meeting is convened by shorter notice than that specified in this Bye-law 59, a general meeting shall be deemed to have been duly convened if it is so agreed:

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- (b) in the case of any other meeting, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving a right to attend and vote thereat.

59.3 The notice shall specify:

- (a) whether the meeting is an annual general meeting or an extraordinary general meeting;
- (b) the place, the day and the time of the meeting;
- (c) in the case of special business, the general nature of that business;
- (d) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as a special resolution; and
- (e) with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member, and the place where instruments of proxy are to be deposited if the Board determines that place to be other than the Office.

59.4 The notice shall be given to the members (other than any members who under the provisions of these Bye-laws or of any restrictions imposed on any shares are not entitled to receive notice from the Company), to the Directors and to the Auditors, and if more than one for the time being, to each of them.

## **60. OMISSION TO SEND NOTICE**

The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

## **61. SPECIAL BUSINESS**

All business that is transacted at a general meeting shall be deemed special, except the following transactions at an annual general meeting:

- (a) the declaration of dividends;
- (b) the receipt and consideration of any annual accounts and any report of the Directors and the Auditors and other documents attached or annexed to the accounts;
- (c) the election or re-election of Directors;
- (d) the fixing of the Directors fees; and
- (e) the re-appointment of the Auditors retiring (unless they were last appointed otherwise than by the Company in general meeting) and the fixing of the remuneration of the Auditors or the determination of the manner in which such remuneration is to be fixed.

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## PROCEEDINGS AT GENERAL MEETINGS

### 62. QUORUM

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a Chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of Bye-law 63, two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, or one person entitled to attend and to vote on the business to be transacted, being a member holding not less than one-tenth of the nominal issued share capital of the Company to which the voting rights are attached and being present in person (or, being a corporation, by representative) or by proxy, shall be a quorum.

### 63. IF QUORUM NOT PRESENT

If within five minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to later on the same day or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine. If at such adjourned meeting a quorum is not present within five minutes from the time appointed for holding the meeting, one person entitled to vote on the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.

### 64. CHAIRMAN

The Chairman of the Board shall preside at every general meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within five minutes after the time appointed for holding the meeting, or shall be unwilling to act as Chairman, the Deputy Chairman (if any) of the Board shall if present and willing to act preside at such meeting. If no Chairman or Deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be Chairman if willing to act. If there be no Director present and willing to act, the members present and entitled to vote shall choose one of their number to be Chairman of the meeting.

### 65. DIRECTORS AND OTHER PERSONS MAY ATTEND AND SPEAK

A Director (and any other person invited by the Chairman to do so whom the Chairman considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting) shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company.

### 66. POWER TO ADJOURN

The Chairman of the general meeting may, with the consent of a meeting at which a quorum is present, and shall if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from place to place as he shall determine. However, without prejudice to any other power which he may have under these Bye-laws or under law the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

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**67. NOTICE OF ADJOURNED MEETING**

Where a meeting is adjourned indefinitely the Board shall fix the time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.

**68. BUSINESS OF ADJOURNED MEETING**

No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

**69. ACCOMMODATION OF MEMBERS AND SECURITY ARRANGEMENTS**

69.1 The Board may, for the purpose of controlling the level of attendance and ensuring the safety of those attending at any place specified for the holding of a general meeting, from time to time make such arrangements as the Board shall in its absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place therefor. The entitlement of any member or proxy to attend a general meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Board. In the case of any meeting to which such arrangements apply the Board may, when specifying the place of the meeting:

- (a) direct that the meeting shall be held at a place specified in the notice at which the Chairman of the meeting shall preside (the “**Principal Place**”); and
- (b) make arrangements for simultaneous attendance and participation at other places by members otherwise entitled to attend the general meeting but excluded therefrom under the provisions of this Bye-law or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any of such other places shall be able to see, and hear and be seen and heard by, persons attending at the Principal Place and at such other places (by any means).

Such arrangements for simultaneous attendance may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded members as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these Bye-laws any such meeting shall be treated as being held and taking place at the Principal Place.

69.2 The Board may direct that any person wishing to attend any meeting should provide such evidence of identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to any meeting to any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions.

69.3 Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

**VOTING**

**70. METHODS OF VOTING**

70.1 At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:

- (a) the Chairman of the meeting; or

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- (b) by at least three members present in person or by proxy having the right to vote at the meeting; or
  - (c) a member or members present in person or by proxy representing not less than one tenth of the voting rights of all the members having the right to vote at the meeting; or
  - (d) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right,

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

70.2 At general meetings, resolutions shall be put to the vote by the Chairman and there shall be no requirement for the resolution to be proposed or seconded by any person.

#### **71. CHAIRMAN'S DECLARATION CONCLUSIVE ON A SHOW OF HANDS**

Unless a poll is duly demanded and the demand is not withdrawn a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

#### **72. OBJECTION TO ERROR IN VOTING**

No objection shall be raised to the qualification of any voter or to the counting of or failure to count any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that it is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

#### **73. AMENDMENT TO RESOLUTIONS**

73.1 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, any error in such ruling shall not invalidate the proceedings on the substantive resolution.

73.2 In the case of a resolution duly proposed as a special resolution no amendment to it (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted on. In the case of a resolution, no amendment to it (other than a mere clerical amendment to correct a patent error) may be considered or voted upon unless notice in writing of such proposed amendment is given to the Office at least 48 hours prior to the time appointed for holding the relevant meeting or adjourned meeting and the Chairman of the meeting in his absolute discretion rules that the amendment is fit for consideration at the meeting. Save for procedural motions that are considered by the Chairman in his absolute discretion to be fit for consideration at the meeting, and notwithstanding any other provision of these Bye-laws, no resolution may be proposed at a meeting unless the resolution is set out in the notice of the meeting circulated to members in accordance with Bye-laws 59.1 and 59.2.

#### **74. PROCEDURE ON A POLL**

74.1 Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman shall direct. The Chairman may, and if so directed by a member or members present in person or by proxy representing not less than one-tenth of the voting rights of all the members having the right to vote at the meeting or by not less than three members having the right to vote at the meeting the Chairman shall, appoint scrutineers who need not be members and

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may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- 74.2 The demand for a poll (other than on the election of a Chairman or any question of adjournment) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded. If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn the meeting shall continue as if the demand had not been made.
- 74.3 The demand for a poll may before the poll is taken, be withdrawn, but only with the consent of the Chairman. A demand so withdrawn shall validate the result of a show of hands declared before the demand was made. If a demand is withdrawn, the persons entitled in accordance with Bye-law 70.1 may demand a poll.
- 74.4 On a poll votes may be given in person or by proxy or (in the case of a corporate member) by a duly appointed representative. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

#### **75. VOTES OF MEMBERS**

- 75.1 If two or more persons are joint holders of a share, then in voting on any question the vote of the senior person who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the Register.
- 75.2 Where in Bermuda or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Board may in its absolute discretion on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person authorised by a court or official, to vote in person or, on a poll, by proxy on behalf of such member at any general meeting. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office or at such other place as is specified in accordance with these Bye-laws for the deposit of instruments of proxy not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

#### **76. CASTING VOTE**

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote in addition to any other vote that he may have.

#### **77. RESTRICTION ON VOTING RIGHTS FOR UNPAID CALLS ETC**

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a member in respect of a share held by him unless and until all calls or other sums presently due and payable by him in respect of that share whether alone or jointly with any other person together with interest and expenses (if any) have been paid to the Company.

#### **78. VOTING BY PROXY**

Any person (whether a member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment of it.

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## 79. FORM OF PROXY

The appointment of a proxy shall:

- (a) be in writing in any common form or in such other form as the Board may approve under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of some officer or attorney duly authorised in that behalf;
- (b) be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit, but shall not confer any further right to speak at the meeting except with the permission of the Chairman (or as otherwise determined by the Board where the relevant shares are held by a Depositary);
- (c) unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates; and
- (d) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of any such meetings.

## 80. DEPOSIT OF PROXY

80.1 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board, shall:

- (a) in the case of an instrument in writing, be deposited at such place as is specified in the notice convening the meeting or in any notice of any adjourned meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time of the holding of the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman of the meeting; or
- (d) in the case of an appointment contained in an electronic medium, where an address has been specified for the purpose of receiving electronic communications:
  - (i) in the notice convening the meeting;
  - (ii) in any instrument of proxy sent out by the Company in relation to the meeting;
  - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

and an appointment of a proxy not deposited, delivered or received in a manner so permitted shall be invalid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date. The Board may at its discretion treat a faxed or other electronic copy of a written instrument appointing a proxy as such an appointment for the purpose of this Bye-Law.

80.2 Without limiting the foregoing, in relation to any shares (or interests representing shares) which are held in uncertificated form, the Board may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an uncertificated proxy instruction

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(that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of an Uncertificated System and received by such participant in the Uncertificated System acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the Uncertificated System)); and may in a similar manner permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction to be made by like means. The Board may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The Board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a holder of a share (or interests representing such share) as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

80.3 The proceedings at a general meeting shall not be invalidated where an appointment of a proxy in respect of that meeting is delivered in a manner permitted by these Bye-laws by electronic communication, but because of a technical problem it cannot be read by the recipient.

#### **81. MORE THAN ONE PROXY MAY BE APPOINTED**

A member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing appointments of proxy are delivered in respect of the same share for use at the same meeting and in respect of the same matter, the one which is last validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered, none of them shall be treated as valid in respect of that share.

#### **82. BOARD MAY SUPPLY PROXY CARDS**

The Board may at the expense of the Company send, by post or otherwise, instruments of proxy (reply-paid or otherwise) to members for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall, subject to Bye-law 60, be issued to all (and not some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

#### **83. REVOCATION OF PROXY**

A vote given or poll demanded in accordance with the terms of an appointment of a proxy shall be valid notwithstanding the death or mental disorder of the principal or the revocation of the appointment of the proxy, or of the authority under which the appointment of the proxy was executed or the transfer of the share in respect of which the appointment of the proxy is given unless notice of such death, mental disorder, revocation or transfer shall have been delivered to or received by the Company not later than the latest time at which the proxy should have been delivered to or received by the Company in order to be valid for use at the meeting or adjourned meeting at which the proxy is used, or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) not later than 48 hours before the time of the taking of the poll at which the vote is cast. Such notice of determination shall be either by means of an instrument delivered to the Office or to such other place within Bermuda or elsewhere as may be specified by or on behalf of the Company.

#### **84. CORPORATE REPRESENTATIVE**

A corporation (whether or not a company within the meaning of the Act) which is a member may, by resolution of its directors or other governing body, authorise such person (or if, but only if, such corporation is a Depositary voting in its capacity as such, persons) as it thinks fit to act as its representative (or, as the case may be, representatives) at any meeting of the Company or at any separate meeting of the holders of any class of shares. Any person so authorised shall be entitled to exercise the same powers on behalf of the corporation (in respect of that part of the corporation's

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holdings to which the authority relates) as the corporation could exercise if it were an individual member. The corporation shall for the purposes of these Bye-laws be deemed to be present in person at any such meeting if a person so authorised is present at it; and all references to attendance and voting in person shall be construed accordingly. A Director, the Secretary or some person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably satisfactory to them before permitting him to exercise his powers.

## **85. DISCLOSURE OF SUBSTANTIAL INTERESTS IN SHARES**

- 85.1 Without limiting Bye-laws 86 and 88 to 91 (inclusive), each holder shall be under an obligation to make notifications in accordance with the provisions of this Bye-law 85.
- 85.2 The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (“DTR 5”) shall be deemed to be incorporated by reference into these Bye-laws and accordingly the vote holder and issuer notification rules set out in DTR 5 shall apply to the Company and each holder, save that: (i) notwithstanding the time limits for disclosure set out in DTR 5, the Company must notify such information without delay and (ii) the information must be notified by delivery of an announcement to a Regulatory Information Service for distribution to the public as opposed to “made public” in accordance with DTR 5.
- 85.3 For the purposes of the incorporation by reference of DTR 5 into these Bye-laws and the application of DTR 5 to the Company and each holder, the Company shall (for the purposes of this Bye-law 85 only) be deemed to be an “issuer”, as such term is defined in DTR 5, and not, for the avoidance of doubt, a “non-UK issuer” (as such term is defined in DTR 5).
- 85.4 For the purposes of this Bye-law 85 only, defined terms in DTR 5 shall bear the meaning set out in DTR 5, and if the meaning of a defined term is not set out in DTR 5, the defined term shall bear the meaning set out in the glossary to the UK Financial Conduct Handbook (in each case, read as the definition applicable to DTR 5).
- 85.5 If the Company determines that a holder (a “Defaulting Shareholder”) has not complied with the provisions of DTR 5 referred to above with respect to some or all of such shares held by such holder (the “Default Shares”), the Company shall have the right by delivery of notice to the Defaulting Shareholder (a “Default Notice”) to:
- (a) suspend the right of such Defaulting Shareholder to vote the Default Shares in person or by proxy or by corporate representative at any meeting of the Company. Such a suspension shall have effect from the date on which the Default Notice is delivered by the Company to the Defaulting Shareholder until a date that is not more than seven days after the Board has determined in its sole discretion that the Defaulting Shareholder has cured the non-compliance with the provisions of DTR 5; provided however, that the Company may at any time by subsequent written notice cancel or suspend the operation of a Default Notice; and/or
  - (b) withhold, without any obligation to pay interest thereon, any dividend or other amount payable with respect to the Default Shares with such amount to be payable only after the Default Notice ceases to have effect with respect to the Default Shares; and/or
  - (c) render ineffective any election to receive shares of the Company instead of cash in respect of any dividend or part thereof; and/or
  - (d) prohibit the transfer of any shares of the Company held by the Defaulting Shareholder except with the consent of the Company or if the Defaulting Shareholder can provide satisfactory evidence to the Company to the effect that, after due inquiry, such shareholder has determined that the shares to be transferred are not Default Shares.

## **86. REGISTER OF SUBSTANTIAL INTERESTS**

- 86.1 The Directors shall keep a register for the purposes of Bye-law 85 (in this Bye-law hereafter referred to as “**the Register of Substantial Interests**”) and shall procure that, whenever the Company receives information from a person in consequence of the fulfilment of an obligation imposed on him by that

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Bye-law, that information is within three working days thereafter inscribed in the Register of Substantial Interests against that person's name, together with the date of the inscription.

86.2 Unless the Register of Substantial interests is in such a form as to constitute an index, the Directors shall ensure that the Register of Substantial Interests is made up in such a way that the entries against the respective names entered in it appear in chronological order.

86.3 The Directors shall cause to be maintained an index of the names entered in the Register of Substantial Interests, containing in relation to each such name a sufficient indication to enable the information entered against it to be readily found, and shall procure that within 10 days after the date on which a name is entered in the Register of Substantial Interests any necessary alteration is made in the index.

86.4 The Register of Substantial Interests shall be kept at the Office.

86.5 The Register of Substantial Interests shall be open to inspection in the same manner as the Register in accordance with these Bye-laws.

## **87. [RESERVED]**

## **88. DISENFRANCHISEMENT NOTICE**

The Board may at any time serve an Information Notice upon a member. If a member has been issued with an Information Notice and has failed in relation to any shares the subject of the Information Notice (“**notice shares**”) to furnish any information required by such notice within the time period specified therein, then the Board may at any time following 14 days from the expiry of the date on which the information required to be furnished pursuant to the relevant Information Notice is due to be received by the Board, serve on the relevant holder a notice (in this Bye-law called a “**disenfranchisement notice**”) whereupon the following sanctions shall apply:

- (a) the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the notice shares to attend or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll;
- (b) where the notice shares represent at least 0.25 per cent., in par value (if applicable), of their class:
  - (i) any dividend or other money payable in respect of the notice shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect pursuant to Bye-law 160 to receive shares instead of that dividend; and
  - (ii) subject in the case of uncertificated shares to the Uncertificated Regulations no transfer, other than an approved transfer, of any notice shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

## **89. WITHDRAWAL NOTICE**

The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the shares to which the same relates a notice in writing to that effect (a “**withdrawal notice**”).

## **90. CESSATION OF SANCTIONS**

Where the sanctions under Bye-law 88 apply in relation to any shares they shall cease to have effect:

- (a) if the shares are transferred by means of an approved transfer;
- (b) at the end of the period of one week (or such shorter period as the Board may determine) following receipt by the Company of the information required by the notice mentioned in Bye-law 88 and the Board being fully satisfied that such information is full and complete; or
- (c) on the date on which a withdrawal notice is served by the Company.

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## **91. CERTIFICATED FORM**

The Board may:

- (a) give notice in writing to any member holding notice shares in uncertificated form requiring the member to change his holding of such shares from uncertificated form into certificated form within a specified period and then to hold such notice shares in certificated form until the issue of a withdrawal notice; and
- (b) appoint any person to take any steps, by instruction by means of an Uncertificated System or otherwise, in the name of any holder of notice shares as may be required to change such shares from uncertificated form into certificated form (and such steps shall be effective as if they had been taken by such holder).

## **UNTRACED MEMBERS**

### **92. POWER OF SALE**

92.1 The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (b) below (or if published on different dates, the earlier or earliest of them) no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share at his address on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person provided that during such period of 12 years at least three cash dividends (whether interim or final) in respect of the shares in question have become payable and no such dividend during that period has been claimed by the person entitled to it;
- (b) on or after expiry of the said period of 12 years the Company has given notice of its intention to sell such share by advertisements in both a national daily newspaper published in the United Kingdom and in a newspaper circulating in the area in which the last known address of such member or person appeared;
- (c) the said advertisements, if not published on the same day, shall have been published within 30 days of each other;
- (d) during the further period of three months following the date of publication of the said advertisements (or, if published on different dates the later or latest of them) and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and
- (e) the Company has given notice to the London Stock Exchange of its intention to make such sale, if shares of the class concerned are listed or dealt in on that exchange.

92.2 To give effect to any sale of shares pursuant to this Bye-law, the Board may in the case of certificated shares authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee and in the case of uncertificated shares the Board may take such other steps in the name of the holder as may be necessary to effect a transfer of the shares. The purchaser shall not be bound to see to the application of the purchase moneys in respect of any such sale nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale or transfer. Any instrument or exercise shall be effective as if it had been executed or exercised by the holder of or the person entitled by transmission to the shares to which it relates.

92.3 If during the period of 12 years referred to in Bye-law 92.1 or during any period ending on the date when all the requirements of paragraphs (a) to (d) of Bye-law 92.1 have been satisfied, any

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additional shares have been issued in respect of those held at the beginning of such period or of any previously so issued during such period and all the requirements of paragraphs (b) to (d) of Bye-law 92.1 have been satisfied in regard to such additional shares the Company shall also be entitled to sell the additional shares.

**93. APPLICATION OF PROCEEDS OF SALE**

The Company shall account to the member or other person entitled to such share or shares for the net proceeds of such sale by carrying all moneys in respect of it to a separate account. The Company shall be deemed to be a debtor to and not a trustee for such member or other person in respect of such moneys. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments as the Board may from time to time think fit. No interest shall be payable to such member or other person in respect of such moneys and the Company shall not be required to account for any money earned on them.

**APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

**94. NUMBER OF DIRECTORS**

Unless and until otherwise determined by the Company by resolution, the number of Directors (other than any alternate Directors) shall be not less than two but there shall be no maximum. A majority of the Directors shall not be resident in the United Kingdom.

**95. POWER OF COMPANY TO APPOINT DIRECTORS**

Subject to the provisions of these Bye-laws (including those concerning the residency of Directors), the Company may by resolution appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with these Bye-laws.

**96. POWER OF BOARD TO APPOINT DIRECTORS**

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to these Bye-laws the Board shall have power (subject to the requirements of these Bye-laws concerning the residency of Directors) at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Bye-laws. Any Director so appointed shall hold office only until the annual general meeting of the Company next following such appointment.

**97. APPOINTMENT OF EXECUTIVE DIRECTORS**

Subject to the provisions the Act, the Board may from time to time appoint one or more of its body to hold any employment or executive office (including that of Chief Executive or Managing Director) for such term (subject to the provisions of the Act) and subject to such other conditions as the Board thinks fit in accordance with Bye-law 120, provided that no person who is resident in the United Kingdom may be so appointed. The Board may revoke or terminate any such appointment without prejudice to any claim for damages for breach of contract between the Director and the Company.

**98. ELIGIBILITY OF NEW DIRECTORS**

No person other than a Director retiring at the meeting (whether by rotation or otherwise) shall be appointed or re-appointed a Director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) not less than seven nor more than 42 days before the date appointed for the meeting notice duly executed by a member or members (other than the person to be proposed) qualified to vote at the meeting and holding in aggregate not less than 10 per cent. of all voting rights exercisable at general meeting, has been given to the Company (by being lodged at the Office) stating the particulars which would if that person were so appointed or re-appointed be required to be included in the Company's register of directors together with notice executed by that person of his willingness to be appointed

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or re-appointed. In order to be valid such notice must include as to the member(s) giving the notice and the beneficial owner(s), if any, on whose behalf the proposal is made:

- (i) the name and address of such member(s) (as they appear in the Register) and any such beneficial owner(s);
  - (ii) the class or series and number of shares of the Company which are held of record or are beneficially owned by such member(s) and by any such beneficial owner(s);
  - (iii) a description of any agreement, arrangement or understanding between or among such member(s) and any such beneficial owner(s), any of their respective affiliates or associates, and any other person or persons (including their names) in connection with the proposal of such nomination or other business;
  - (iv) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, share appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of, or any other agreement, arrangement or understanding that has been made, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such member(s) or any such beneficial owner(s) or any such nominee(s) with respect to the Company's securities (a "Derivative Instrument");
  - (v) to the extent not disclosed pursuant to clause (iv) above, the principal amount of any indebtedness of the Company or any of its subsidiaries beneficially owned by such member(s) or by any such beneficial owner(s), together with the title of the instrument under which such indebtedness was issued and a description of any Derivative Instrument entered into by or on behalf of such member(s) or such beneficial owner(s) relating to the value or payment of any indebtedness of the Company or any such subsidiary; and
  - (vi) a representation that the member(s) is a holder of record of shares of the Company entitled to vote at such general meeting and intends to appear in person or by proxy at the general meeting to bring such nomination or other business before the general meeting; and
- (c) in either case, his appointment would not result in a majority of the Board being resident in the United Kingdom.

#### **99. SHARE QUALIFICATION**

A Director shall not be required to hold any shares of the Company.

#### **100. RESOLUTION FOR APPOINTMENT**

A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved unless a resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void. For the purpose of this Bye-law, a resolution for approving a person's appointment or for nominating a person for appointment as a Director shall be treated as a resolution for his appointment.

#### **101. RETIREMENT BY ROTATION**

There is no obligation on Directors to retire by rotation.

#### **102. POSITION OF RETIRING DIRECTOR**

A Director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed or deemed to have been re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

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### **103. DEEMED RE-APPOINTMENT**

A Director who retires at an annual general meeting may, if willing to act, be re-elected. If he is not re-elected or deemed to have been re-elected, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

### **104. NO RETIREMENT ON ACCOUNT OF AGE**

No person shall be or become incapable of being appointed a Director by reason of his having attained the age of 70 or any other age, nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person. No Director shall vacate his office at any time by reason of the fact that he has attained the age of 70 or any other age.

### **105. REMOVAL BY ORDINARY RESOLUTION**

The Company may by resolution remove any Director before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may (subject to these Bye-laws) by resolution appoint another person who is willing to act to be a Director in his place, provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal. Any person appointed as a replacement Director shall be treated, for the purposes of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director. The exercise of these powers is subject in every case to the provisions of the Bye-laws concerning the residence of Directors.

### **106. VACATION OF OFFICE BY DIRECTOR/AUTOMATIC REMOVAL OF DIRECTOR**

Without prejudice to any provisions for retirement contained in these Bye-laws the office of a Director shall be vacated if:

- (a) he resigns by notice in writing delivered to the Secretary or the Office or tendered at a Board meeting in accordance with the notice provisions contained in any service agreement or letter of appointment then in force (provided that no resignation should become effective without an immediate appointment of a replacement Director if it would otherwise result in a majority of the Directors being resident in the United Kingdom) in which event he shall vacate that office on the service of that notice on the Company or at such later time as is specified in the notice or he offers in writing to resign from his office and the Directors resolve to accept such offer; or
- (b) he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to these Bye-laws or becomes prohibited by law from being a Director (including, without limitation, by virtue of section 95 of the Act); or
- (c) he becomes bankrupt, has a bankruptcy order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the United Kingdom Insolvency Act 1986 in connection with a voluntary arrangement under that act or any analogous provisions in any other jurisdiction; or
- (d) an order is made by any court of competent jurisdiction (whether in Bermuda, the United Kingdom or elsewhere) on the ground (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian, curator or receiver or other person to exercise powers with respect to his property or affairs or he is admitted to hospital in pursuance of an application for admission for treatment under any statute for the time being in force in Bermuda or the United Kingdom relating to mental disorder or, in any other territory, in pursuance of an application for admission under analogous legislation or regulations and the Board resolves that his office be vacate; or
- (e) both he and his alternate Director appointed pursuant to these Bye-laws (if any) are absent, without the permission of the Board, for three consecutive Board meetings and the Board resolves that his office be vacated.

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Without prejudice to the foregoing, a Director's appointment shall be automatically terminated and he shall be removed from office if:

- (a) he is requested to resign by notice in writing addressed to him at his address as shown in the register of Directors and signed by all the other Directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company) provided that the vacation does not cause a majority of the Directors to be resident in the United Kingdom; or
- (b) he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director of the Company; or
- (c) the conduct of that Director (whether or not concerning the affairs of the Company) is the subject of either: (i) an order pursuant to section 95 of the Act; or (ii) an investigation by the police of any jurisdiction and the Board shall resolve that it is undesirable that he remains a Director; or
- (d) notice is given to terminate his contract of employment or engagement with the Company where he is in breach of such contract; or
- (e) he has been disqualified from acting as a director; or
- (f) subsequent to his appointment, he becomes resident in the United Kingdom and as a result thereof the majority of the Directors are resident in the United Kingdom,

and upon such automatic termination and removal from office, the remaining Directors shall have the power to fill the vacancy arising as if it were a casual vacancy.

#### **107. RESOLUTION AS TO VACANCY CONCLUSIVE**

A resolution of the Board declaring a Director to have vacated office under the terms of Bye-law 106 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

### **ALTERNATE DIRECTORS**

#### **108. APPOINTMENTS**

108.1 Each Director (other than an alternate Director) may by notice in writing under his hand delivered to the Secretary or the Office or at a meeting of the Directors or in any other manner approved by the Board appoint any other Director or any person approved for that purpose by the Board and willing to act to be his alternate and may in like manner remove from office an alternate director so appointed by him.

108.2 No appointment of an Alternate Director shall be effective until his consent to act as a Director has been received by the Secretary or at the Office. No person who is resident in the United Kingdom may be appointed as an Alternate Director unless his appointor is also so resident.

108.3 An Alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum number of Directors allowed by these Bye-laws.

#### **109. PARTICIPATION IN BOARD MEETINGS**

109.1 Every Alternate Director shall be entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a member and, in the absence from such meetings of his appointor, to attend and vote and be counted in the quorum at such meetings and to exercise all the powers, rights, duties and authorities of his appointor as a Director.

109.2 No Alternate Director shall be permitted to act by written resolution.

#### **110. ALTERNATE DIRECTOR RESPONSIBLE FOR OWN ACTS**

110.1 Every person acting as an Alternate Director shall be an officer of the Company, shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

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110.2 Save as otherwise provided in these Bye-laws, an alternate Director shall be subject in all respects to the provisions of these Bye-laws relating to Directors and shall be deemed for all purposes to be a Director.

#### **111. INTERESTS OF ALTERNATE DIRECTOR**

An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company (provided such contracts or arrangements are disclosed at the first possible opportunity) and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director. However, he shall not, unless the Company by resolution otherwise determines, be entitled to receive from the Company any fees for his services as Alternate Director except only such part (if any) of the fee payable to his appointor as such appointor may by notice in writing to the Company direct. Subject to this Bye-law, the Company shall pay to an Alternate Director such expenses as might properly have been paid to him if he had been a Director.

#### **112. REVOCATION OF APPOINTMENT**

An alternate Director shall cease to be an alternate Director:

- (a) if his appointor revokes his appointment; or
- (b) if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-appointed or deemed to be re-appointed at the same meeting at which he retires, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or
- (c) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office.

### **DIRECTOR'S REMUNERATION, EXPENSES AND PENSIONS**

#### **113. DIRECTOR'S FEES**

The Directors (other than Alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine, provided that such amount shall not exceed in aggregate £150,000 (or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or in default of such determination, equally (except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees payable pursuant to this Bye-law shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of these Bye-laws and shall accrue from day to day.

#### **114. EXPENSES**

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.

#### **115. ADDITIONAL REMUNERATION**

If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

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## **116. REMUNERATION OF EXECUTIVE DIRECTORS**

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of these Bye-laws may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to these Bye-laws.

## **117. PENSIONS AND OTHER BENEFITS**

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for, or to institute and maintain any institution, association, society, club, trust, other establishment or profit-sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit, any person who is or has at any time been a Director or employee of the Company or any company which is a holding company or a subsidiary undertaking of or allied to or associated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking, and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the law, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the aforesaid matters. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Bye-law and shall not be obliged to account for it to the Company.

## **POWERS AND DUTIES OF THE BOARD**

### **118. POWERS OF THE BOARD**

The management and control of the business of the Company shall be in and from such place outside the United Kingdom as the Board may determine from time to time. Subject to the provisions of the Act, these Bye-laws and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of continuance, or of these Bye-laws and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained elsewhere in these Bye-laws as to any specific power of the Board shall not be deemed to limit the general powers given by this Bye-law.

### **119. POWERS OF DIRECTORS BEING LESS THAN MINIMUM NUMBER**

If the number of Directors is less than the minimum for the time being prescribed by these Bye-laws the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there are no Director or Directors able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of these Bye-laws, any additional Director so appointed shall hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

### **120. POWERS OF EXECUTIVE DIRECTORS**

The Board may from time to time:

- (a) delegate or entrust to and confer on any Director holding executive office and who is not resident in the United Kingdom (including a Chief Executive or Managing Director) such of its powers,

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authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit; and

- (b) revoke, withdraw, alter or vary all or any of such powers.

## **121. DELEGATION TO COMMITTEES**

121.1 The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons provided that:

- (a) a majority of the members of a committee shall be Directors or Alternate Directors and non-residents of the United Kingdom; and
- (b) no resolution of a committee shall be effective unless passed outside the United Kingdom and a majority of those present when it is passed are Directors or Alternate Directors and non-residents of the United Kingdom.

Any committee so formed may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the committee).

121.2 The Board may confer such powers either collectively with or to the exclusion of and in substitution for all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part. Insofar as any power, authority or discretion is so delegated any reference in these Bye-laws to the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee. Subject to any terms and conditions expressly imposed by the Board, the proceedings of a committee with two or more members shall be governed by such of these Bye-laws as regulate the proceedings of the Board so far as they are capable of applying.

## **122. LOCAL MANAGEMENT**

The Board may establish any local group or divisional boards or agencies for managing any of the affairs of the Company in any specified locality either in Bermuda or elsewhere outside the United Kingdom and may appoint any persons to be members of such local group or divisional board or any managers or agents, may fix their remuneration and remove any person so appointed. The Board may delegate to any local group or divisional board manager or agent so appointed any of its powers, authorities and discretions other than the power to borrow and make calls (with power to sub-delegate) and may authorise the members for the time being of any such local group or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies, and any such appointment or delegation may be made for such time on such terms and subject to such conditions as the Board may think fit. The Board may confer such powers either collectively with or to the exclusion of and in substitution for all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary all or any of such powers. Subject to any terms and conditions expressly imposed by the Board, the proceedings of any local group or divisional board or agency with two or more members shall be governed by such of these Bye-laws as regulate the proceedings of the Board so far as they are capable of applying.

## **123. POWER OF ATTORNEY**

The Board may by power of attorney or otherwise appoint any company, firm, person or persons (including registrars) to be the agent or attorney of the Company and may delegate to any such agent or attorney or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, any of its powers, authorities and discretions (with power to sub-delegate), in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as it thinks fit. The Board may confer such powers either collectively with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers. Any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the Board may think fit and may also authorise any such agent or attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

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#### **124. ASSOCIATE DIRECTORS**

The Board may appoint any person (not being a Director) to any office or employment having a designation or title including the word “director” or attach to any existing office or employment with the Company such designation or title and may define, limit, vary or restrict the powers, authorities and discretions of persons so appointed and may terminate any such appointment subject to any contract between him and the Company or the use of such designation or title. The inclusion of the word “director” in the designation or title of any such office or employment shall not imply that such person is or is deemed to be or is empowered in any respect to act as a Director or a member of any committee of the Board of Directors for any of the purposes of the Act or these Bye-laws.

#### **125. EXERCISE OF VOTING POWER**

The Board may exercise or cause to be exercised the voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised by the Company in such manner in all respects as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of any Director as a director or other officer or employee of such company or in favour of the payment of remuneration to the directors, officers or employees of such company).

#### **126. PROVISION FOR EMPLOYEES**

The Board may exercise any power conferred on the Company by the law to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

#### **127. OVERSEAS REGISTERS**

Subject to the provisions of the Act, the Board may exercise the powers conferred on the Company with regard to the keeping of an overseas branch, local or other register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

#### **128. BORROWING POWERS**

Subject as herein provided and to the provisions of applicable laws, the Directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

### **PROCEEDINGS OF DIRECTORS AND COMMITTEES**

#### **129. BOARD MEETINGS**

Subject to the provisions of these Bye-laws, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit. No Board meetings shall be held in the United Kingdom and any decision reached or resolution passed by the Directors at any meeting taking place in the United Kingdom or at which a majority of Directors present are resident in the United Kingdom shall be invalid and of no effect.

#### **130. NOTICE OF BOARD MEETINGS**

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director’s last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

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### **131. QUORUM**

The quorum necessary for the transaction of business shall be two persons (provided that if there is only one Director for the time being in office the quorum shall be one), each being a Director or an Alternate Director, provided that if a majority of the Directors present at the meeting are resident in the United Kingdom the Directors present, irrespective of their number, shall not constitute a quorum and the Directors may not meet. A person who holds office only as an Alternate Director shall only be counted in the quorum if his appointor is not present. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Board. Any Director who ceases to be a Director at a meeting of the Directors may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting of the Directors if a majority of the Directors present do not object and if otherwise a quorum of Directors would not be present.

### **132. CHAIRMAN AND OTHER OFFICES**

The Board shall appoint one or more of its body who is not resident in the United Kingdom as Chairman, joint Chairman or Deputy Chairman of the Board and shall determine the period for which he is or they are to hold office and may at any time remove him or them from office. If no such Chairman or Deputy Chairman is elected or if at any meeting neither a Chairman nor a Deputy Chairman is present within five minutes of the time appointed for holding it, the Directors present shall choose one of their number to be Chairman of such meeting. In the event of two or more Joint Chairmen or in the absence of a Chairman, two or more Deputy Chairmen being present, the Joint Chairman or Deputy Chairman to act as Chairman of the meeting shall be decided by those Directors present. Any Chairman or Deputy Chairman may also hold executive office under the Company.

### **133. VOTING**

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman of that meeting shall have a second or casting vote but only if the effect of the exercise of such a vote is not to render a decision or vote in question one which is reached or passed by a majority of Directors who are resident in the United Kingdom.

### **134. PARTICIPATION BY TELEPHONE AND ELECTRONIC MAIL**

134.1 Any Director or his alternate or member of a committee of the Directors (in each case not present in the United Kingdom) may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or electronic mail or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting or are able to receive communications from each of the other Directors participating in the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no group which is larger than any other group where the Chairman of the meeting then is, but in no event shall any meeting take place or be deemed to take place in the United Kingdom. Subject to these Bye-laws, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Bye-laws be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that two or fewer than two Directors or alternate Directors are physically present at the same place.

134.2 A resolution passed at any meeting held in the above manner, and signed by the Chairman of the meeting, shall be as valid and effectual as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held.

### **135. RESOLUTION IN WRITING**

A resolution in writing drafted by or on behalf of a Director who is resident outside of the United Kingdom and executed by all the Directors for the time being entitled to receive notice of a Board meeting shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee as the case may be). Such a resolution:

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- (a) may consist of several documents in the same form each executed by one or more of the Directors or members of the relevant committee, including executions evidenced by means of facsimile or electronic transmission;
  - (d) to be effective, need not be signed by a Director who is prohibited by these Bye-laws from voting thereon, or by his alternate; and
  - (e) shall not be effective if a majority of those signing it were resident or located in the United Kingdom at the time of signing.

### **136. PROCEEDINGS OF COMMITTEES**

All committees of the Board shall, in the exercise of the powers delegated to them and in the transaction of business, conform with any mode of proceedings and regulations which the Board may prescribe and subject thereto shall be governed by such of these Bye-laws as regulate the proceedings of the Board as are capable of applying.

### **137. MINUTES OF PROCEEDINGS**

137.1 The Board shall cause minutes to be made in books kept for the purpose of recording all orders, resolutions and proceedings of every meeting of the Board, of a committee of the Board, of the Company or of the holders of any class of shares or debentures of the Company including:

- (a) all appointments of officers and committees made by the Board and of any such officer's salary or remuneration;
- (b) the names of Directors present at every such meeting, of a committee of the Board, of the Company or of the holders of any class of shares or debentures of the Company, and all orders, resolutions and proceedings of such meetings; and
- (c) of all resolutions and proceedings of general meetings of the members, Board meetings, meetings of managers and meetings of committees appointed by the Board.

137.2 Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting or the Secretary, shall be prima facie evidence of the matters stated in such minutes without any further proof.

137.3 Subject to applicable law, all acts done by a meeting of the Board or of any committee of the Board, local group or divisional board or agency or by any person acting as a Director, Alternate Director or member of a committee, local group, divisional board or agency shall, as regards all persons dealing in good faith with the Company notwithstanding that it is afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid or that they or any of them were or was disqualified from holding office or not entitled to vote or had in any way vacated their or his office or that the delegation to such committee, local group, divisional board or agency had been annulled, varied or revoked, be as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a Director, Alternate Director or member of a committee, local group, divisional board or agency, and had been entitled to vote or as if the delegation had continued in full force and effect.

137.4 Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary or the Resident Representative at the Office of the Company.

## **DIRECTORS' INTERESTS**

### **138. DIRECTOR MAY HAVE INTERESTS**

Subject to the provisions of section 97 of the Act and provided that Bye-law 139 is complied with, a Director, notwithstanding his office:

- (a) may be a party to or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;

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- (b) may hold any other office or place of profit under the Company (except that of Auditor or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by itself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the remuneration committee or the Board may arrange either in addition to or in lieu of any remuneration provided for by any other Bye-law;
  - (c) may be a member of, or a director or other officer of, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
  - (d) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate,

and no such contract, arrangement, transaction or proposal shall be void on the grounds of any such interest or benefit.

### **139. DISCLOSURE OF INTERESTS TO BOARD**

139.1 A Director who to his knowledge is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

139.2 For the purposes of this Bye-law:

- (a) a general notice given to the Board by a Director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified firm, company, person or class of persons is interested shall be deemed to be a sufficient disclosure under this Bye-law in relation to such contract, transaction, arrangement or proposal of the nature and extent thereof as so specified provided that no such notice shall be effective unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the first possible meeting of the Directors after it is given; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

### **140. INTERESTED DIRECTOR NOT TO VOTE OR COUNT FOR QUORUM**

Save as provided in this Bye-law, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party in which (together with any interest of any person connected with him within the meaning of sections 252 to 255 of the UK Act) he has (directly or indirectly) an interest which is material (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts with the interests of the Company unless his duty or interest arises only because the resolution relates to one of the matters set out in the following sub-paragraphs in which case he shall be entitled to vote and be counted in the quorum provided that he has disclosed to the Board the nature and extent of his interest which he is required to disclose pursuant to section 97 of the Act and these Bye-laws:

- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
  - (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole
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or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

- (c) where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (d) relating to another company in which he and any persons connected with him (within the meaning of sections 252 to 255 of the UK Act) do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the UK Act) representing one per cent or more of either any class of the equity share capital, or the voting rights, in such company;
- (e) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (f) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

An interest of a person who is, for any purpose of the Act (excluding any such modification thereof not in force when these Bye-laws became binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director otherwise has.

#### **141. DIRECTOR'S INTEREST IN OWN APPOINTMENT**

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these Bye-laws) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

#### **142. CHAIRMAN'S RULING CONCLUSIVE ON DIRECTOR'S INTEREST**

If any question arises at any meeting of the Board or any committee of the Board as to the materiality of a Director's interest (other than the Chairman's interest) or as to the entitlement of any Director (other than the Chairman) to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum such question (unless the Director concerned is the Chairman in which case Bye-law 143 shall apply) shall before the conclusion of the meeting be referred to the Chairman of the meeting. The Chairman's ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of such interests in the accounts of the company, be finally and conclusively decided by a majority of the Directors (other than the Director concerned).

#### **143. DIRECTOR'S RESOLUTION CONCLUSIVE ON CHAIRMAN'S INTEREST**

If any question arises at any meeting of the Board or any committee of the Board as to the materiality of the Chairman's interest or as to the entitlement of the Chairman to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall before the conclusion of the meeting be decided by resolution of the Directors or committee members present at the meeting (excluding the Chairman) whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the Chairman has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of such interests in the accounts of the company, be finally and conclusively decided by a majority of the Directors (other than the Director concerned).

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#### **144. EXERCISE OF VOTING POWERS BY DIRECTORS**

The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

### **AUTHENTICATION OF DOCUMENTS**

#### **145. POWER TO AUTHENTICATE DOCUMENTS**

Any Director, the Secretary, the Resident Representative or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee and any books, records, documents and accounts relating to the business of the Company and to certify copies of them or extracts from them as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody of them shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in reliance on them that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

### **SEALS**

#### **146. SAFE CUSTODY**

The Board shall provide for the safe custody of the Seal and of any other seal of the Company.

#### **147. APPLICATION OF SEALS**

147.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

147.2 A seal may, but need not, be affixed to any deed, instrument or document, and if the seal is to be affixed thereto, it shall be attested by the signature of: (i) any Director; (ii) any officer; (iii) the Secretary; or (iv) any person authorised by the Board for that purpose.

147.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

#### **148. EXECUTION WITHOUT SEALING**

A document signed by one or more Directors and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if it were executed under seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it not to have effect without the authority of a resolution of the Board or of a committee of the Board authorised in that behalf. An instrument or document which is executed by the Company otherwise than under seal shall not be deemed to be delivered by the Company solely as a result of it having been executed by the Company.

#### **149. [RESERVED]**

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## THE SECRETARY

### 150. THE SECRETARY

- 150.1 The Board shall have power to appoint a Secretary and shall have power to appoint one or more persons to be an Assistant or Deputy Secretary at such remuneration and on such terms and conditions as it thinks fit and any such person so appointed may be removed by the Board. No person who is resident in the United Kingdom may be appointed as Secretary or Joint Secretary.
- 150.2 Any provision of these Bye-laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

## DIVIDENDS AND OTHER PAYMENTS

### 151. DECLARATION OF DIVIDENDS

Subject to the provisions of these Bye-laws and the Act, the Company may, by resolution declare that dividends be paid in cash or in specie to members according to their respective rights and interests in the Company. However, no dividend shall exceed the amount recommended by the Board.

### 152. INTERIM DIVIDENDS

- 152.1 Subject to Bye-law 152.2, the Board may, subject to the provisions of the Act, declare and pay such interim dividends on any class of shares, including any interim dividend payable at a fixed rate, (being for these purposes any dividend other than one declared at the Company's annual general meeting in respect of the Company's annual financial results), as appear to the Board to be justified by the profits of the Company and the position of the Company. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer in consequence of the declaration or by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.
- 152.2 Any interim dividend on any class of shares with an aggregate value that either by itself, or together with any other interim dividends declared and/or paid on any class of shares in the preceding 12 months, exceeds 3 per cent. of the mean market capitalisation of all of the Company's equity securities listed on any stock exchange for the 12 months preceding the proposed record date for the interim dividend, shall, notwithstanding the provisions of Bye-law 152.1, require a resolution of the Company specifically authorising such interim dividend, *provided that* this Bye-law 152.2 shall not apply in respect of any interim dividend on any Unsecured Loan Notes.

### 153. ENTITLEMENT TO DIVIDENDS

- 153.1 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.
- 153.2 All dividends shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date on which such dividend shall be declared or at such other date as the Company by resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.
- 153.3 The Board may pay dividends on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and/or evidence as would be required if such person desired to be registered as a member in respect of such shares or upon the production of such evidence as is otherwise required by the Board.

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#### **154. CALLS OR DEBTS MAY BE DEDUCTED FROM DIVIDENDS**

The Board may deduct from any dividend or other money payable to any member on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company.

#### **155. DISTRIBUTION IN SPECIE**

The Board may, with the authority of resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks fit. In particular, the Board may:

- (a) issue fractional certificates or, subject to the law and, in the case of shares held in uncertificated form, the rules of the Uncertificated System, authorise and instruct any person to sell and transfer any fractions or disregard fractions altogether;
- (b) fix the value for distribution of such assets or any part of them and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and
- (c) vest any such assets in trustees on trust for the persons entitled to the dividend.

#### **156. DIVIDENDS NOT TO BEAR INTEREST**

Unless otherwise provided by the rights attached to the share no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

#### **157. METHOD OF PAYMENT**

157.1 The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by direct debit, bank transfer, cheque, dividend warrant or money order or by any other method (including electronic media) as the Board may consider appropriate (or in respect of any uncertificated share through the Uncertificated System) and may send it by post or other delivery service (or by such other means offered by the Company as the member or persons entitled to it may agree in writing) to the registered address (or in the case of a Depositary, subject to the approval of the Board, such persons and addresses as the Depositary may require) of the member or person entitled to it (or if two or more persons are holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the member or otherwise by operation of law to the registered address of such of those persons as is first named in the Register) or to such person and such address as such member or person or persons may direct in writing.

157.2 Every cheque, warrant, order or other form of payment is sent at the risk of the person entitled to the money represented by it and shall be made payable to the order of the person or persons entitled or, where an authority in that behalf shall have been received by the Company in such form as the Company shall consider sufficient, to such other person as the person or persons entitled may direct in writing. Payment of the cheque, warrant, order or other form of payment to the person entitled or the person specified in such authority shall be a good discharge to the Company. If any such cheque, warrant, order or other form of payment has or shall be alleged to have been lost, stolen or destroyed the Board may at the request of the person entitled to it issue a replacement cheque, warrant or order or make payment in some other form, subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit.

157.3 Any joint holder or other person jointly entitled to a share may give an effective receipt for any dividend or other moneys payable in respect of such share.

157.4 If the payment is made on behalf of the Company through the Uncertificated System the Company shall not be responsible for any default in accounting for such payment to the member or other person entitled to such payment by a bank or other financial intermediary of which the member or other person is a customer for settlement purposes in connection with the Uncertificated System.

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157.5 The Board may, at its discretion, make provisions to enable a Depositary and/or any member as the Board shall from time to time determine to receive duly declared dividends in a currency or currencies other than sterling. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such rate or rates, and the payment thereof shall be on such terms and conditions, as the Board may in its absolute discretion determine.

157.6 The Board may:

- (a) lay down procedures for making any payments in respect of uncertificated shares through the Uncertificated System;
- (b) allow any holder of uncertificated shares to elect to receive or not to receive any such payment through the Uncertificated System; and
- (c) lay down procedures to enable any such holder to make, vary or revoke any such election.

The Company may make, or procure the making of, any payment in respect of a member's uncertificated shares through the Uncertificated System in accordance with any authority given to the Company to do so (whether in writing, through the Uncertificated System or otherwise) by or on behalf of the member in a form satisfactory to the Board. The making of such payment in accordance with such authority shall be a good discharge to the Company.

#### **158. UNCASHED DIVIDENDS**

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose, the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

#### **159. UNCLAIMED DIVIDENDS**

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

#### **160. PAYMENT OF SCRIP DIVIDENDS**

160.1 The Board may with the prior authority of a resolution of the Company and subject to the Act and such conditions as the Board may determine, provided that the Company has sufficient authorised capital or reserves to give effect to it, offer to any holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid, in whole or in part instead of cash in respect of the whole or some part (to be determined by the Board) of any dividend specified by the resolution. The following provisions shall apply:

- (a) the said resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period or periods but such period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which such resolution is passed;
- (b) the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall, unless the Board otherwise determines, be as nearly as possible equal to the cash amount (disregarding any tax credit) of the dividend that such holder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Ordinary Shares on the London Stock Exchange for the day on which the Ordinary Shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as the Board may determine and on such basis as it considers to be fair and

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- reasonable. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the Auditors may rely on advice or information from such brokers or other sources of information as they think fit;
- (c) no fractions of a share shall be allotted and the Directors may make such provision as they think fit for dealing with the case of shares otherwise becoming distributable in fractions including provisions whereby, in whole or in part, the benefit of the fractional entitlements accrues to the Company rather than to the members concerned;
  - (d) the Directors may specify a minimum number of Ordinary Shares in respect of which the right of election may be exercised;
  - (e) the Board shall, after determining the basis of allotment, notify the holders of Ordinary Shares in writing of the right of election offered to them and specify the procedure to be followed and place at which and the latest time by which (being at least 21 clear days after the despatch of the notice) elections must be lodged in order to be effective. A form of election lodged in respect of a particular dividend in relation to which the Directors have announced their intention to offer elections may not be revoked as regards the said dividend unless prior to the latest time specified by the Directors for lodgement of elections in respect of the said dividend written notice of revocation is lodged at the place specified by the Directors as aforesaid;
  - (f) the Board may exclude from any offer or impose any restrictions on any holders of Ordinary Shares or any Ordinary Shares on which dividends are payable in foreign currency as they think necessary or desirable where the Board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that such exclusions or restrictions are necessary or expedient;
  - (g) the Board may determine that every duly effected election in respect of any Ordinary Shares shall be binding on every successor in title to their holder;
  - (h) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been duly made (the “**elected Ordinary Shares**”) and instead additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Board may capitalise out of any amount for the time being standing to the credit of any of the profits or reserves which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate issue price of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the elected Ordinary Shares on that basis. A Board resolution capitalising any part of such reserve or fund or profits shall have the same effect as if such capitalisation had been declared by resolution of the Company in accordance with Bye-law 163 and in relation to any such capitalisation the Board may exercise all the powers conferred on them by Bye-law 163 without need of such resolution;
  - (i) the additional Ordinary Shares so allotted shall rank *pari passu* in all respects with each other and with the fully paid Ordinary Shares in issue on the record date for the dividend in respect of which the right of election has been offered except that they will not rank for any dividend or other distribution or other entitlement (including the relevant dividend and the share election in lieu of such dividend) which has been declared, paid or made by reference to such record date or any earlier record date; and
  - (j) the Board may terminate, suspend or amend any offer of the right to elect to receive Ordinary Shares in lieu of any cash dividend at any time (whether temporarily or otherwise) and shall not proceed with any election unless the Company has sufficient unissued shares for issue and sufficient funds that may be capitalised to give effect to it after the basis of allotment is determined.
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160.2 The Board may also from time to time establish or vary a procedure for election mandates, under which a holder of Ordinary Shares may elect to receive Ordinary Shares credited as fully paid instead of cash in respect of all or certain future rights offered to that holder under this Bye-law until the election mandate is revoked in accordance with any such procedure.

160.3 If the Ordinary Shares are admitted to listing or trading on any recognised investment exchange, the Company shall apply to the relevant regulatory authority for the additional Ordinary Shares so allotted to be admitted to the recognised investment exchange(s) and securities list(s) to which the Company's existing issued Ordinary Shares are admitted.

160.4 The Directors shall have power to do all acts and things as they consider necessary or expedient to give effect to this Bye-law.

### **161. WAIVER OF DIVIDENDS**

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or otherwise by operation of law) and delivered to the Company and only if or to the extent that the same is accepted as such or acted upon by the Company.

### **162. RESERVES**

The Board may, before recommending any dividend (whether preferential or otherwise) carry to reserves out of the profits of the Company such sums as it thinks fit. All sums standing to reserves may be applied from time to time, at the discretion of the Board, for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested in such investments as the Board thinks fit and so that it shall not be necessary to keep any investment constituting the reserve separate or distinct from any other investment of the Company. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund any special fund or any part of any special fund into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profit of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, carry forward any profit which it may think prudent not to distribute.

### **163. CAPITALISATION OF RESERVES**

The Board may with the authority of a resolution of the Company:

- (a) subject as provided in this Bye-law, resolve to capitalise any profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of share premium account or other undistributable reserve;
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;
- (d) make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit of it to the Company rather than to the holders of Ordinary Shares concerned) or by

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- payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of all the holders of Ordinary Shares concerned into an agreement with the Company providing for either:
    - (i) the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation; or
    - (ii) the payment up by the Company on behalf of such holders by the application to it of their respective proportions of the reserves or profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares,(any agreement made under such authority being effective and binding on all such holders);
  - (f) generally do all acts and things required to give effect to such resolution; and
  - (g) for the purposes of this Bye-law, unless the relevant resolution provides otherwise, if the Company holds Treasury Shares of the relevant class at the record date specified in the relevant resolution, it shall be treated as if it were not entitled to receive the dividends in respect of those Treasury Shares which would have been payable if those Treasury Shares had been held by a person other than the Company.

#### **164. RECORD DATES**

Notwithstanding any other provision of these Bye-laws but without prejudice to the rights attached to any shares, the Company or the Board may fix any date (the “**record date**”) as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular and such record date may be on or at any time before the date on which the same is paid, made, given or served or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect of the same of transferors and transferees of any such shares or other securities. No change in the register of such holders after the record date shall invalidate the same.

### **ACCOUNTS**

#### **165. ACCOUNTING RECORDS**

The Board shall cause accounting records to be kept in accordance with the Act and shall keep such other books and registers as are necessary to comply with Act. The accounting records shall be retained for a minimum period of five years from the date on which they are prepared. The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st January in each year.

#### **166. INSPECTION OF RECORDS**

The accounting records shall be kept at the Office or (subject to the Act) at such other place as the Board thinks fit. No member (other than a Director) shall have any right to inspect any accounting record or other document of the Company unless he is authorised to do so by statute, by order of the Court, by the Board or by resolution of the Company.

#### **167. ACCOUNTS TO BE SENT TO MEMBERS**

A printed copy of the Directors’ and Auditors’ reports accompanied by printed copies of the annual accounts (including every document required by law to be comprised in them or annexed or attached to them) shall not less than 21 clear days before the meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company and to the Auditors and to every other person who is entitled to receive notice of general meetings. However, this Bye-law shall not require a copy of those documents to be sent to any person who under the provisions

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of these Bye-laws is not entitled to receive notices from the Company or of whose address the Company is unaware or to any holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the secretary of that stock exchange such number of copies of each of those documents as the regulations of that stock exchange may require.

## NOTICES

### 168. NOTICES TO BE IN WRITING

Any notice to be given to or by any person pursuant to these Bye-laws shall be in writing (except that a notice convening a Board or Board committee meeting need not be in writing) or shall be given using electronic communication to an address for the time being notified for that purpose to the person giving the notice. Nothing in Bye-laws 168 to 174 (inclusive) shall affect any requirements of the Act that any particular offer, notice or other document be served in any particular manner.

In Bye-laws 168 to 174 (inclusive), “**address**” includes any number, electronic mail address or other address used for the purposes of such communications.

### 169. SERVICE OF NOTICE ON MEMBERS

169.1 A notice or document (including a share certificate) may be given by the Company to a member:

- (a) by delivering it to such member in person, in which case the notice or document shall be deemed to have been served upon such delivery;
- (b) by sending it by post or other delivery service in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by any other means authorised in writing by the member concerned. In the case of a member with a registered address or address for service in the British Isles, such notice or document shall be deemed to have been delivered on the day after the day when it was put in the post (or, where second-class mail is employed, on the second day after the day when it was put in the post). In the case of a member with a registered address or address for service outside the British Isles, such notice or document shall be deemed to have been delivered five business days after the day when it was put in the post. Any notice, certificate or other document not sent by post but delivered or left at a registered address or address for service in the British Isles shall be deemed to have been served or delivered on the day on which it was so delivered or left;
- (c) by sending it by courier to such member’s address in the Register, in which case the notice or document shall be deemed to have been served two days after the date on which it is deposited, with courier fees paid, with the courier service;
- (d) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such member to the Company for such purpose, in which case the notice or document shall be deemed to have been served at the expiration of twenty four hours after the electronic transmission; or
- (e) by delivering it in accordance with the provisions of the Act pertaining to delivery of electronic records by publication on a website, in which case the notice or document shall be deemed to have been served at the time when the requirements of the Act in that regard have been met.

169.2 In the case of joint holders of a share all notices or documents shall be given to the joint holder whose name stands first in the Register in respect of the joint holding. Notice so given shall be sufficient notice to all the joint holders.

169.3 Where a member (or in the case of joint holders the person first named in the Register) has a registered address outside the British Isles but has notified the Company of an address within the British Isles at which notices or other documents may be given to him, or an address to which notices may be sent using electronic communication he shall be entitled to have notices given to him

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at that address, but otherwise no such member shall be entitled to receive any notice or document from the Company.

169.4 If on three consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the British Isles for the service of notices.

169.5 Any notice to be given to a member may be given by reference to the register as it stands at any time within the period of 15 days before the notice is given (subject to the Uncertificated Regulations if the Company is then a participating issuer for the purposes of the Uncertificated Regulations) and no change in the Register after that time shall invalidate the giving of the notice.

#### **170. NOTICE IN CASE OF DEATH, BANKRUPTCY OR MENTAL DISORDER**

The Company may, on receipt of such evidence as the Board may reasonably require to show title to that share, give notice to the person entitled to a share in consequence of the death, bankruptcy or mental disorder of a member or otherwise by operation of law, by sending or delivering it in any manner authorised by these Bye-laws for the giving of notice to a member, addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description at the address (if any) within the British Isles supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied a notice may be given in any manner in which it might have been given if the death, bankruptcy, operation of law or other event had not occurred. Such service of notice shall for all purposes be deemed a sufficient service of such notice on all persons interested in the share.

#### **171. DEEMED NOTICE**

171.2 Any member present, in person or by proxy at any meeting of the Company or of the holders of any class of shares of the Company, shall be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called.

#### **172. NOTICE BINDING ON TRANSFEREES**

Every person who, by operation of law, transfers or by any other means becomes entitled to a share shall be bound by any notice in respect of that share (other than in respect of an Information Notice) which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

#### **173. NOTICE BY ADVERTISEMENT**

Any notice to be given by the Company to the members or any of them and not otherwise provided for by these Bye-laws shall be sufficiently given if given by advertisement in at least one leading daily national newspaper published in the British Isles and, where the Company keeps an overseas branch register, in at least one leading daily newspaper published in the territory in which such register is maintained. Any notice given by advertisement shall be deemed to have been served at noon on the day on which the advertisement first appears.

#### **174. SUSPENSION OF POSTAL SERVICES**

If at any time by reason of, or the threat of, the suspension, interruption or curtailment of postal services within the British Isles, the Company is or would be unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least two leading daily national newspapers (at least one of which shall be published in the British Isles) and, where the Company keeps an overseas branch register, in at least one leading daily newspaper published in the territory in which such register is maintained. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the first of such advertisements appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the British Isles again becomes practicable.

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## WINDING UP

### 175. DIVISION OF ASSETS

- 175.1 The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- 175.2 If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that, as nearly as may be, the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Bye-law 175.2 is subject to the rights attached to any shares which may be issued on special terms or conditions.
- 175.3 Subject to Bye-law 175.2, if the Company is wound up the liquidator may, with the sanction of a resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may with the like sanction vest the whole or any part of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine but no member shall be compelled to accept any assets on which there is a liability.

### 176. [RESERVED]

## INDEMNITY

### 177. RIGHT TO INDEMNITY

The Directors, Resident Representative, Secretary and other officers (such term to include any person appointed to any committee by the Board) acting in relation to any of the affairs of the Company or any subsidiary thereof and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly), and their heirs, executors and administrators (each of which an “indemnified party”), shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any monies or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any monies of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties. Each member agrees to waive any claim or right of action such member might have, whether individually or by or in the right of the Company, against any Director or officer on account of any action taken by such Director or officer, or the failure of such Director or officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or officer.

### 178. POWER TO INSURE

Subject to the provisions of the Act, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a Director or other officer or employee of the Company or of any other company which is a subsidiary, subsidiary undertaking

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or holding company of the Company or in which the Company has an interest whether direct or indirect or which otherwise is in any way allied to or associated with the Company or of any subsidiary undertaking or holding company of the Company or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer, employee or trustee.

**179. WARRANTS TO SUBSCRIBE FOR SHARES**

The Company may, subject to the provisions of the Act and of these Bye-laws, issue warrants to subscribe for shares in the Company. Such warrants shall be issued upon such terms and subject to such conditions as may be resolved upon by the Board including, without prejudice to the generality of the foregoing, terms and conditions which provide that, on a winding up of the Company, a holder of warrants may be entitled to receive out of the assets of the Company available in the liquidation *pari passu* with the holders of shares of the same class as the shares in respect of which the subscription rights conferred by the warrants can be exercised such a sum as he would have received had he exercised the subscription rights conferred by his warrants prior to the winding up but after deduction of the price (if any) payable on exercise of such subscription rights.

**AUDITS**

**180. ANNUAL AUDIT**

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

**181. APPOINTMENT OF AUDITOR**

Subject to the Act, the members shall appoint an auditor to the Company to hold office for such term as the members deem fit or until a successor is appointed. The Auditor may be a member but no Director, officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

**182. REMUNERATION OF AUDITOR**

The remuneration of an Auditor appointed by the members shall be fixed by the Company in general meeting or in such manner as the members may determine. The remuneration of an Auditor appointed by the Board to fill a casual vacancy in accordance with these Bye-laws shall be fixed by the Board.

**183. DUTIES OF AUDITOR**

The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards. The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

**184. ACCESS TO RECORDS**

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers for any information in their possession relating to the books or affairs of the Company.

**185. FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT**

Subject to the following Bye-law, the financial statements and/or the auditor's report as required by the Act shall:

- (a) be laid before the members at the annual general meeting; or
- (b) be received, accepted, adopted or approved by the members by written resolution passed in accordance with these Bye-laws.

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If all members and Directors shall agree, either in writing or at a meeting, that in respect of a particular interval no financial statements and/or auditor's report thereon need be made available to the members, and/or that no auditor shall be appointed then there shall be no obligation on the Company to do so.

**186. VACANCY IN THE OFFICE OF AUDITOR**

The Board may fill any casual vacancy in the office of the auditor.

**CHANGES TO CONSTITUTION**

**187. CHANGES TO BYE-LAWS**

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Act and until the same has been approved by a resolution of the Board and by a special resolution of the members.

**188. CHANGES TO THE MEMORANDUM OF CONTINUANCE**

No alteration or amendment to the Memorandum of Continuance may be made save in accordance with the Act and until same has been approved by a resolution of the Board and by a special resolution of the members.

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## PART IV

### MATERIAL DIFFERENCES BETWEEN THE NEW ARTICLES AND THE EXISTING ARTICLES

Set forth below is a summary of the material differences between the Existing Articles and the New Articles. This summary is not a complete description of the Existing Articles or the New Articles and is qualified by reference to the actual documents.

	<b>Existing Articles</b>	<b>New Articles</b>
<b>Form of resolution (article 3)</b>	A special resolution is passed by a majority of not less than three-fourths of such members as, being entitled so to do, vote in person or by proxy at a general or class meeting.	A special resolution is passed by a majority of not less than two-thirds of such members as, being entitled so to do, vote in person (or, being a corporation, by representative) or by proxy at a general or class meeting.
<b>Uncertificated securities (article 5)</b>	The Board may resolve that a class of shares is to become, or is to cease to be, a participating security and may implement such arrangements as it thinks fit in order for any class of shares to be admitted to settlement by means of an uncertificated system.	Since Bermuda does not have uncertificated securities regulations for the CREST system, this bye-law has been adopted to permit the Board to adopt such procedures as are necessary to enable trading in CREST (or another uncertificated system) if thought appropriate.
<b>Share capital (article 6)</b>	Unless the Company shall by resolution otherwise direct, the amount of share capital of the Company available for issue is £2,250,000 divided into 45,000,000 Ordinary Shares.	This article has been deleted in the New Articles; Bermuda companies detail their share capital in their memorandum rather than their bye-laws.
<b>Power to attach rights (article 12)</b>	Shares may be allotted or issued with rights or restrictions as the Company may from time to time by ordinary resolution determine, or if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine.	Shares may be allotted or issued with such rights or restrictions as the Board, if so authorised by a resolution of the Company, may determine.
<b>Share warrants to bearer (article 13)</b>	Bearer shares are prohibited under the Isle of Man Companies Law. The Company shall have no power to issue any warrants stating that the bearer thereof is entitled to the shares specified therein. Subject to this, however, the Company has the power to issue warrants to subscribe for shares.	This article has been deleted in the New Articles; bearer shares are prohibited under the Bermuda Companies Law so this does not need to be specified, although the Company retains the ability to issue warrants to subscribe for shares pursuant to bye-law 10.

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<b>Interest on calls (article 24)</b>	The interest rate on any unpaid amount if no rate is fixed by the terms of the allotment of the share is a rate not exceeding fifteen per cent per annum (compounded on a six monthly basis).	The interest rate on any unpaid amount if no rate is fixed by the terms of the allotment of the share is a floating rate calculated at three month intervals from the day appointed for payment at a rate equal to the three-month sterling London Interbank Offered Rate plus eight hundred basis points (compounded on a quarterly basis).
<b>Evidence of forfeiture (article 38)</b>	A statutory declaration by a director that a share has been forfeited and stating the date on which it was forfeited is conclusive evidence of the facts stated in it.	An affidavit in writing that the deponent is a director of the Company or the secretary and that a share has been duly forfeited on the date stated in the affidavit is conclusive evidence of the facts therein stated. The changes to this bye-law in the New Articles reflect the Bermuda Companies Law.
<b>Notice of refusal (article 41)</b>	If the Board refuses to register a transfer of a share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.	If the Board refuses to register a transfer of a share it shall, within three months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. This change in the New Articles reflects the Bermuda Companies Law.
<b>Closing of register (article 42)</b>	The registration of transfers of shares or any class of shares may be suspended following the giving of notice by advertisement in not less than two newspapers circulating generally in the Isle of Man and subject to the Uncertificated Securities Regulations 2006 in the case of any shares of a class which is a participating security.	This requirement has been deleted in the New Articles as it is not required under the Bermuda Companies Law and instead the suspension must comply with the notice requirements under the Bermuda Companies Law and is subject to the UK Uncertificated Securities Regulations 2001 in the case of any shares of a class which is a participating security.
<b>Reduction of capital (article 51)</b>	Subject to compliance with the solvency test and to any rights for the time being attached to any shares, the Company may by special resolution reduce its paid up share capital in any manner.	This bye-law has been deleted in the New Articles because all changes to capital (including reduction) are now dealt with in bye-law 49, which is customary for Bermuda companies.

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**Purchase of own shares and debt (article 52)**

Shares may be purchased or otherwise acquired by the Company for any consideration provided that such purchase is in compliance with the Isle of Man Companies Law.

The Company may purchase its own shares and/or debt for cancellation or acquire any shares as treasury shares in accordance with the Bermuda Companies Law, however, any such purchase which: (i) is not made pursuant to a contract existing as at the date of adoption of the New Articles; and (ii) where the aggregate purchase price payable by the Company either by itself or, together with all amounts paid in respect of any other share or debt purchases in the preceding 12 months, exceeds 10 per cent. of the mean market capitalisation of all of the Company's equitable securities listed on any stock exchange for the 12 months preceding the proposed record date for the proposed purchase shall require authorisation by a resolution of the Company, provided that this does not apply in respect of any purchases by the Company of unsecured loan notes issued by the Company.

**Methods of voting (article 70)**

One of the ways a poll may be demanded is by at least five members present in person or by proxy having the right to vote at the meeting.

One of the ways a poll may be demanded is by at least three members present in person or by proxy having the right to vote at the meeting. This change in the New Articles reflects the Bermuda Companies Law.

**Disclosure and register of substantial interests in shares (article 85-87)**

Shareholders of the Company are required under the AIM Rules to notify the Company of substantial interests in the Company's voting shares. This article sets out certain requirements in respect thereof, including when such notifications must be given and the information to be included in such notifications.

This bye-law has been amended in the New Articles to reflect the relevant provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (and to delete references to sections of the UK Companies Act 2006 which are no longer in force).

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**Eligibility of directors (article 98)**

A member qualified to vote at a general meeting can give notice to the Company proposing to appoint or re-appoint a director at any general meeting.

A member or members qualified to vote at a general meeting and holding in aggregate not less than 10 per cent. of all voting rights exercisable at general meeting can give notice to the Company proposing to appoint or re-appoint a director at any general meeting. In order to be valid, the notice must include certain information, including name, address and shareholding, as well as disclosure by the nominating members of any of the Company's debt they may hold, together with a description of any arrangement they have entered into (whether by virtue of a derivative or otherwise) designed to mitigate loss, manage the risk or benefit of a change in the Company's share price or increase the members' voting power. Members serving a notice must also represent that they intend to appear in person or by proxy to bring the nomination at the general meeting.

**Removal by ordinary resolution (article 105)**

The Company may by ordinary resolution remove any director.

This bye-law has been amended in the New Articles so that the notice of a meeting convened to remove a director must contain a statement of the intention to do so and be served on such director not less than 14 days before the meeting and the director is entitled to be heard on the motion for their removal at the meeting.

**Alternate directors (article 109)**

Execution by an alternate director of any resolution in writing of the directors (or a committee of directors) is as effective as execution by his appointer.

No alternate director can act by written resolution.

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**Interim dividends (article 152)**

The Board may, subject to the satisfaction of a solvency test, declare and pay such interim dividends as appear to the Board to be justified by the profits of the Company and the position of the Company.

The Board may, subject to the provisions of the Bermuda Companies Act, declare and pay such interim dividends as appear to the Board to be justified by the profits of the Company and the position of the Company, however, any interim dividend with an aggregate value that either by itself, or together with any other interim dividends declared and/or paid in the preceding 12 months, exceeds 3 per cent. of the mean market capitalisation of all of the Company's equity securities listed on any stock exchange for the 12 months preceding the proposed record date for the interim dividend requires a resolution of the Company authorising such interim dividend, provided that this does not apply in respect of any interim dividend on any unsecured loan notes issued by the Company.

**Right to indemnity (article 177)**

The Company may indemnify every director, alternate director, secretary or other officer of the Company to the fullest extent permitted by law out of the assets of the Company against all costs, charges, losses etc. incurred by him in the actual or purported execution or discharge of his duties or exercise of his powers or otherwise in relation thereto.

The directors, resident representative, secretary, other officers, liquidator or trustees (if any) acting in relation to the affairs of the Company or any subsidiary thereof is indemnified and secured harmless out of the assets of the Company against all costs, charges, losses etc. incurred by them in the execution of their duties or supposed duties. Each member agrees to waive any claim or right of action they might have against any director or officer on account of any action taken (or not taken) by such director or officer in the performance of their duties for the Company or any subsidiary. The indemnity and waiver does not extend to any matter in respect of any fraud or dishonest in relation to the Company which may attach to an indemnified party. This change in the New Articles reflects the Bermuda Companies Law.

**Service of notice on members (article 169)**

Service of any notice or document (including share certificates) may be given personally, by post or by electronic communication under the Electronic Transactions Act 2000 of the Isle of Man.

This bye-law reflects the fact that the Electronic Transactions Act 2000 of the Isle of Man will no longer apply; electronic service is still possible but will now be governed by the New Articles and the Bermuda Companies Law. The ability for service by courier or fax has also been added and a deemed delivery period for post sent to addresses outside the British Isles has been fixed at five business days after posting.

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**Audits (article 180-186)**

There are no articles in this respect in the Existing Articles.

These bye-laws have been added in the New Articles to reflect the Bermuda Companies Law.

**Changes to the constitution (article 187-188)**

The Company's memorandum of association requires a resolution approved by a majority of not less than three-quarters of such members as, being entitled so to do, vote in person or by proxy at the general meeting at which such resolution is proposed, to approve amendments to the Company's memorandum of association and articles of association.

These bye-laws have been added in the New Articles to reflect the Bermuda Companies Law.

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## PART V

### THE CODE

#### SECTION 1: THE GENERAL PRINCIPLES OF THE CODE

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

#### SECTION 2: DETAILED APPLICATION OF THE CODE

The following is a summary of key provisions of the Code which apply to transactions to which the Code applies. **You should note that, by agreeing to the re-registration of the Company as a private company, you will be giving up the protections afforded by the Code.**

##### **Equality of treatment**

General Principle 1 of the Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

##### **Information to shareholders**

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

##### **The opinion of the offeree board and independent advice**

The board of the offeree company is required by Rule 3.1 of the Code to obtain competent independent advice on an offer and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the

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directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that information about the companies involved in the offer must be made equally available to all offeree company shareholders as nearly as possible at the same time and in the same manner.

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## PART VI

### THE DEPOSITARY INTEREST

#### 1. CREST AND THE DEPOSITARY INTERESTS

Prior to AIM Admission and NEX Admission, the Company will establish arrangements to enable investors to settle interests in the Ordinary Shares through the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. Securities issued by companies not incorporated in the Guernsey, Jersey, Isle of Man, Ireland or the UK, such as the Company, cannot be held or transferred electronically in the CREST system. However, depositary interests allow such securities to be dematerialised and settled electronically through CREST.

Where investors choose to settle interests in the Ordinary Shares through the CREST system, and pursuant to depositary arrangements to be established by the Company, the Depositary will hold the Ordinary Shares and issue dematerialised Depositary Interests, representing the underlying Ordinary Shares, which will be held on trust for the holders of the Depositary Interests. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system. Investors should note that it is the Depositary Interests which will be admitted to and settled through CREST and not the Ordinary Shares.

The Depositary Interests will be created pursuant to and issued on the terms of the Deed Poll to be executed between completion of the Migration and AIM Admission and NEX Admission by the Depositary in favour of the holders of the Depositary Interests from time to time. Holders of Depositary Interests should note that they will have no rights against Euroclear UK and Ireland (the operators of CREST) or its subsidiaries in respect of the underlying Ordinary Shares or the Depositary Interests representing them.

If a holder of Ordinary Shares so requests, its Ordinary Shares will be transferred to an account of the Depositary or its nominated custodian and the Depositary will issue Depositary Interests to participating CREST members. Each Depositary Interest will be treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depositary will pass on to holders of Depositary Interests any rights and entitlements received by it as holder of Ordinary Shares on trust for such Depositary Interest holder. Depositary Interest holders, through the Depositary, will also be able to receive notices of meetings of holders of Ordinary Shares and other notices issued by the Company to its Shareholders.

The Depositary Interests have the same security code (ISIN) as the underlying Ordinary Shares and will not require a separate admission to AIM. The Depositary Interests can then be settled within the CREST system in the same way as any other CREST securities. Application will be made for the Depositary Interests to be admitted to CREST with effect from AIM Admission and NEX Admission.

If a holder wishes to cancel its Depositary Interest, it will either directly or through its broker instruct the applicable CREST participant to initiate a CREST withdrawal (where such withdrawal is sent to the Depositary) for the name that appears on the Company's register of members. The Depositary Interest will then be cancelled by the Depositary and the related Ordinary Shares will be credited to the account on the Company's register of members by the Registrars. The Registrars will then send the holder a new Ordinary Share certificate.

The information included within this Part VI relating to the obtaining and cancellation of Depositary Interests by a holder is intended to be a summary only and is not to be construed as legal, business or tax advice. Each investor should consult his or her own lawyer, financial adviser, broker or tax adviser for legal, financial or tax advice in relation to Depositary Interests.

#### 2. THE DEED POLL

The Deed Poll, which will be executed between completion of the Migration and AIM Admission and NEX Admission, will contain the following provisions:

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- (a) The Depositary will hold (itself or through the a custodian), as bare trustee, the underlying Ordinary Shares and all and any rights and other securities, property and cash attributable to the underlying Ordinary Shares pertaining to the Depositary Interests for the benefit of the holders of the relevant Depositary Interests as tenants in common. The Depositary will re-allocate securities or Depositary Interests distributions allocated to the Depositary or custodian pro rata to the Ordinary Shares held for the respective accounts of the holders of Depositary Interests, but will not be required to account for fractional entitlements arising from such re-allocation.
- (b) Holders of Depositary Interests agree to give such warranties and certifications to the Depositary as the Depositary may reasonably require. In particular, holders of Depositary Interests warrant, *inter alia*, that the securities in the Company transferred or issued to the Depositary or a custodian on behalf of the Depositary for the account of the Depositary Interest holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, or applicable law or regulation binding or affecting such holder, and holders of Depositary Interests agree to indemnify the Depositary against any liability incurred as a result of any breach of such warranty.
- (c) The Depositary and any custodian shall pass on to the Depositary Interest holders and, so far as they are reasonably able, exercise on behalf of the Depositary Interest holders all rights and entitlements received or to which they are entitled in respect of the underlying Ordinary Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received, together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must put the Depositary in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights.
- (d) The Depositary will be entitled to cancel Depositary Interests and treat the holders thereof as having requested a withdrawal of the underlying securities in certain circumstances, including where a Depositary Interest holder fails to furnish the Depositary with such certificates or representations as to material matters of fact, including his identity, as the Depositary deems appropriate.
- (e) The Depositary warrants that it is an authorised person under the Financial Services and Markets Act 2000 and is duly authorised to carry out custodian and other activities under the Deed Poll. It also undertakes to maintain that status and authorisation.
- (f) The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any Depositary Interest holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent. Except in the case of personal injury or death, any liability incurred by the Depositary to a holder under the Deed Poll is limited to the lesser of:
- (i) the value of the Ordinary Shares that would have been properly attributable to the Depositary Interests to which the liability relates; and
  - (ii) that proportion of £5 million which corresponds to the portion which the amount the Depositary would otherwise be liable to pay to the holder bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £5 million.
- (g) The Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll.
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- (h) Each holder of Depositary Interests is liable to indemnify the Depositary and any custodian (and their agents, officers and employees), and hold each of them harmless, from and against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of that holder, other than those caused by or resulting from the wilful default, negligence or fraud of: (i) the Depositary; or (ii) the custodian or any agent if such custodian or agent is a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of such custodian or agent.
  - (i) The Depositary is entitled to make deductions from the deposited property or any income or capital arising therefrom, or to sell such deposited property and make deductions from the sale proceeds thereof, in order to discharge the indemnification obligations of Depositary Interest holders.
  - (j) The Depositary may terminate the Deed Poll by giving not less than 30 days' notice. During such notice period, Depositary Interest holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary shall, as soon as reasonably practicable and amongst other things: (i) deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest holder or at the Depositary's discretion; or (ii) sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll, pro rata to the Depositary Interest holders in respect of their Depositary Interests.
  - (k) The Depositary or the Company may require from any holder: (i) information as to the capacity in which Depositary Interests are owned or held by such holders and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying Ordinary Shares and the nature and amounts of such interests; (ii) evidence or declaration of nationality or residence of the legal or beneficial owner(s) of Depositary Interests and such information as is required to transfer the relevant Depositary Interests or Ordinary Shares to the holder; and (iii) such information as is necessary or desirable for the purposes of the Deed Poll or CREST system, and holders are bound to provide such information requested. The holders of Depositary Interests consent to the disclosure of such information by the Depositary, custodian or Company to the extent necessary or desirable to comply with their respective legal or regulatory obligations.

### **3. THE DEPOSITARY AGREEMENT**

The Depositary Agreement, which will be entered into by the Company (as continued in Bermuda) and the Depositary between completion of the Migration, and AIM Admission and NEX Admission, will contain the following provisions:

- (a) Under the Depositary Agreement, the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll, a series of Depositary Interests representing Common Shares and to provide certain other services (including depositary services, custody services and dividend services) in connection with such Depositary Interests.
  - (b) The Depositary agrees that it will comply with the terms of the Deed Poll and that it will perform its obligations with reasonable skill and care. The Depositary assumes certain specific obligations, including, for example, to arrange for the Depositary Interests to be admitted to CREST as participating securities and provide copies of, and access to, the register of Depositary Interests.
  - (c) The Company acknowledges that it shall be its responsibility and undertakes to advise the Depositary promptly of any securities laws or other applicable laws, rules or regulations in Bermuda with which the Depositary must comply in providing the services.
  - (d) The Company agrees to provide such assistance, information and documentation to the Depositary as is reasonably required by the Depositary for the purposes of performing its duties, responsibilities and obligations under the Depositary Agreement.
  - (e) The Depositary is to indemnify the Company and its officers and employees from and against any loss (excluding indirect, consequential or special loss) which any of them may incur in any way as a result of or in connection with the fraud, negligence or wilful default of the Depositary (or its officers, employees, agents or sub-contractors).
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- (f) The Company will indemnify the Depositary from and against all loss suffered by the Depositary as a result of or in connection with the performance of its obligations under the Depositary Agreement.
  - (g) The aggregate liability of the Depositary to the Company over any 12-month period under the Depositary Agreement will not exceed twice the amount of the Fees (as defined in the Depositary Agreement) payable in any 12-month period in respect of a single claim or in the aggregate.
  - (h) The appointment of the Depositary shall continue until terminated by either party on six months' notice, subject to: (i) a fixed term of one year; or (ii) an earlier termination in accordance with the terms of the Depositary Agreement. Should the Depositary Agreement be terminated for any reason, other than arising from the Depositary's fraud, negligence, wilful default or material breach of a term of the Depositary Agreement, the Company shall within 30 days of termination pay to the Depositary the Depositary's reasonable costs and expenses of transferring the Depositary Interest register to its new registrar. Either party may terminate the Depositary Agreement with immediate effect by notice in writing if the other party: (i) shall be in persistent or material breach of any material term (of the Depositary Agreement) and such breach is not remedied within 21 days of a request for such remedy; (ii) goes into insolvency or liquidation or administration or a receiver is appointed over any part of its undertaking or assets, subject to certain provisos; or (iii) shall cease to have the appropriate authorisations which permit it lawfully to perform its obligations under the Depositary Agreement.
  - (i) The Depositary will be entitled to employ agents for the purposes of carrying out certain of its obligations under the Depositary Agreement which the Depositary reasonably considers to be of a specialist nature.
  - (j) The Company is to pay to the Depositary an annual fee for the services. The Company shall pay a fixed fee for the deposit, cancellation and transfer of the Depositary Interests and the compilation of the initial Depositary Interests register. The Company shall in addition reimburse the Depositary within 30 days of the Depositary's invoice for all network charges, CREST charges, money transmission and banking charges and other out-of-pocket expenses incurred by it in connection with the provision of the services under the Depositary Agreement.

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## PART VII

### TAXATION

The following summary is only intended as a brief and general guide to the main aspects of UK tax law and HMRC practice currently applicable to the holding and disposal of Ordinary Shares in the Company. Such tax law and practice, and accordingly the levels and bases of UK taxation and reliefs from UK taxation, may change in the future. The summary is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. It is addressed (except where otherwise stated) to Shareholders who are UK resident and UK domiciled, are ordinary investors and are the absolute beneficial owners of Ordinary Shares held as investments and not, therefore, to special classes of Shareholder such as financial institutions or otherwise to Shareholders to whom a special tax regime applies. Accordingly, its applicability will depend upon the particular circumstances of each Shareholder. The summary is not exhaustive and does not generally consider tax reliefs or exemptions.

Any Shareholder or prospective Shareholder, wherever resident or domiciled, who is in any doubt as to his or her UK tax position in relation to the Company should consult his or her UK professional adviser.

#### THE MIGRATION

The Migration itself should not give rise to any liability to UK income tax or capital gains tax for any UK resident Shareholder. However, Shareholders who are not domiciled in the UK should take their own tax advice on this point.

#### THE COMPANY

Provided that the Company is not resident in the UK for tax purposes and that its activities do not amount to trading in the UK, it should not generally be liable to UK income tax or corporation tax on any income or other profits or gains of an income nature which it derives from sources outside the UK and it should not generally be within the scope of UK capital gains tax or corporation tax in respect of capital gains (other than UK real estate related capital gains) wherever arising. In those circumstances, the Company will be liable to UK income tax (often charged by way of withholding at source) on any income or other profits or gains of an income nature arising within the UK, unless an exemption applies.

#### THE SHAREHOLDERS

##### Taxes on dividends paid on Ordinary Shares

Shareholders who are UK resident and domiciled individuals will generally be liable to UK income tax on dividends paid on Ordinary Shares at the rates applicable to dividend income. Certain reliefs and allowances may be available depending on the personal circumstances of the individual Shareholder.

Shareholders who are UK resident companies will generally be liable to UK corporation tax on foreign dividends. However, in certain circumstances, such dividends are exempt from corporation tax.

##### Taxes on disposals of Ordinary Shares

Shareholders who are UK resident and domiciled individuals and Shareholders who are UK resident companies will generally be liable to UK capital gains tax or corporation tax on gains arising on the disposal of Ordinary Shares. Certain reliefs and allowances may be available depending on the personal circumstances of the individual Shareholder.

##### Inheritance tax

A gift of Ordinary Shares by, or the death of, a holder of Ordinary Shares who is UK domiciled may give rise to a liability to UK inheritance tax. For these purposes, a transfer of assets at less than their full market value may be treated as a gift. The position may, in some cases, be modified by inheritance or gift tax conventions entered into between the UK and other countries.

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## **Stamp taxes**

Transfers of Ordinary Shares will not generally be liable to UK stamp duty. However, if the instrument of transfer is executed in the UK or has some other relevant connection with the UK, the consideration paid will generally be liable to UK stamp duty. UK stamp duty reserve tax (“SDRT”) should not normally be payable on agreements to transfer Ordinary Shares.

The electronic transfer system known as CREST permits “chargeable securities” to be transferred without a written instrument. The absence of a written instrument of transfer results in such paperless transfers generally being liable to SDRT rather than stamp duty. An agreement to transfer chargeable securities for a consideration in money or money’s worth is generally liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration for the transfer. The Depositary Interests would normally constitute “chargeable securities”. However, the Depositary Interests will not generally be “chargeable securities” if they are admitted to trading on a “recognised growth market” but not officially listed on that or any other market. AIM and NEX Exchange Ltd are “recognised growth markets”.

## **Anti-avoidance provisions**

As pointed out at the beginning of this Part VI, Shareholders and prospective Shareholders should consult their UK professional adviser as to their UK tax position in relation to the Company. This should, in particular, include advice as to whether or not any of the following anti-avoidance provisions might apply in relation to Ordinary Shares in the Company acquired, held or disposed of by them.

The attention of Shareholders who are UK resident individuals is drawn to the “transfers of assets abroad” provisions of the Income Tax Act 2007 Part 13 Chapter 2. This Chapter contains provisions to prevent avoidance of UK income tax by such individuals by means of transactions (which could include acquiring Ordinary Shares in the Company) which result in income arising to persons abroad (such as the Company). These provisions may render such individuals liable to UK income tax in respect of income and profits arising to the Company.

The attention of UK resident Shareholders is drawn to the “transactions in securities” provisions of the Income Tax Act Part 13 Chapter 1 and the Corporation Tax Act 2010 Part 15. These provisions cancel tax advantages from certain transactions in securities and may render such Shareholders liable to UK taxation in respect of, amongst other things, the issue, redemption or sale of Ordinary Shares or distributions of a capital nature in respect of them.

The attention of UK resident Shareholders is drawn to the “offshore funds” regime in the Taxation (International and Other Provisions) Act 2010 Part 8, which among other things may render such individuals liable to UK income tax on gains realised on the disposal or redemption of Ordinary Shares in the Company.

The attention of UK resident Shareholders is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992. If the Company is not resident in the UK but would be a “close” company if it were so resident, the provisions of this section may, in certain circumstances, have the effect of making such a Shareholder liable to UK capital gains tax or corporation tax on chargeable gains on an apportioned part of any capital gains arising to the Company.

The attention of Shareholders who are UK resident companies is drawn to the provisions concerning “controlled foreign companies” in the Taxation (International and Other Provisions) Act 2010 Part 9A. These provisions have the effect, in certain circumstances, of making a company resident in the UK liable to UK corporation tax on, or by reference to, the profits of a company resident outside the UK (such as the Company) in which it holds an interest.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

# EPE Special Opportunities plc

*(a company incorporated in the Isle of Man with registered number 008597V  
with registered office IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP)*

**NOTICE IS HEREBY GIVEN THAT** an EXTRAORDINARY GENERAL MEETING of EPE Special Opportunities plc (the “**Company**”) will be held at Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW at 12.00 noon on 24 August 2018 to consider and, if thought fit, to pass the following Resolutions. Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution:

### ORDINARY RESOLUTION

1. THAT the Board’s decision not to adopt equivalent provisions to those contained in the City Code on Takeover and Mergers in the “New Articles” to be approved and adopted pursuant to resolution 2(a)(v) below, be approved.

### SPECIAL RESOLUTION

2. THAT, subject to and conditional upon the passing of Resolution 1 above:
  - (a) the proposed migration of the Company from the Isle of Man to Bermuda and the taking of all steps in connection therewith be approved, including, but not limited to:
    - (i) the making of an application to the Isle of Man Companies Registry for the discontinuation of the Company in the Isle of Man and for the continuation of the Company in Bermuda;
    - (ii) the continuance of the Company as an exempted company under the laws of Bermuda and the discontinuance of the Company as a company under the laws of the Isle of Man and authorisation for the directors of the Company to effect all necessary actions and execute and deliver any and all necessary documents to the Minister of Finance and the Registrar of Companies in Bermuda and to the Isle of Man Companies Registry in the Isle of Man in order to effect the continuance of the Company as an exempted company under the laws of Bermuda and the discontinuance of the Company as a company under the laws of Isle of Man;
    - (iii) that, upon the effectiveness of the Migration, there shall be:
      - (A) no changes to the Board of Directors; and
      - (B) no changes to the issued or authorised capital of the Company and that the Company’s authorised capital continue to consist of ordinary shares par value £0.05 each;
    - (iv) that, subject to the Registrar of Companies in Bermuda issuing the certificate of incorporation on a continuance in connection with the proposed migration of the Company from the Isle of Man to Bermuda, as described in the circular published by the Company on 1 August 2018 (the “**Certificate**”), the Company’s name be changed to “EPE Special Opportunities Limited” and the Company’s registered office be changed to “Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda”; and
    - (v) subject to the Registrar of Companies in Bermuda issuing the Certificate, the memorandum of continuance and bye-laws tabled at the meeting and labelled the “New Articles” and initialled by the Chairman of the meeting be approved and adopted as the new memorandum and bye-laws of the Company in substitution for and to the entire exclusion of the existing memorandum and articles of association of the Company,

and the directors of the Company be authorised to do all such acts and things necessary or desirable in order to effect the proposed migration of the Company from the Isle of Man to Bermuda; and

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- (b) subject to and conditional upon the Bermuda Registrar of Companies issuing the Certificate, the admission of the Company's Ordinary Shares of 5 pence each to trading on the AIM market of the London Stock Exchange be cancelled and that the directors be authorised to take all steps which are necessary or desirable in order to effect such cancellation.

By order of the Board

Philip Scales

Date: 1 August 2018

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**Notes:**

1. Only members of the Company are entitled to attend and vote at this meeting. Any such member is entitled to appoint a proxy (or proxies) to attend and vote instead of him. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed which, to be valid, must be completed and delivered, sent by post to Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW or sent by facsimile to +44 (0) 1534 8250250 or sent by email to FundsCosec@rawlinson-hunter.co.uk to the Company's administrator, R&H Fund Services (Jersey) Limited so as to arrive not later than 12.00 noon on 22 August 2018, being 48 hours before the time of the meeting.
3. Completion and return of a Form of Proxy will not prevent a member from subsequently attending the General Meeting and voting in person if he/she so wishes.
4. The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006 (Isle of Man), specifies that only those members registered in the register of members of the Company as at noon on 22 August 2018 (or in the event that the meeting is adjourned or postponed, on the register of members 48 hours before the time of any adjourned or postponed meeting) shall be entitled to attend or vote at the meeting in respect of the ordinary shares registered in their name at that time. Changes to entries on the register of members of the Company after noon on 22 August 2018 (or, in the event that the meeting is adjourned or postponed, on the register of members less than 48 hours before the time of any adjourned or postponed meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.