

## CIRCULAR

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO SCHRODER ORIENTAL INCOME FUND LIMITED (THE "COMPANY") ON WHICH YOU ARE BEING ASKED TO VOTE. If you are in any doubt about the contents of this Circular or the action you should take, you are recommended to seek immediately your own personal financial advice from an appropriately qualified independent adviser authorised pursuant to the UK Financial Services and Markets Act 2000 if in the United Kingdom or otherwise regulated under the laws of your own country.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this Circular together with the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

**This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in this Circular and which recommends that you vote in favour of the Resolutions to be proposed at the EGM. Your attention is also drawn to the section entitled "Action to be Taken" on page 9 of this Circular.**

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### SCHRODER ORIENTAL INCOME FUND LIMITED

*(a non-cellular company incorporated under the laws of Guernsey with registered number 43298)*

#### **Notice of Extraordinary General Meeting ("EGM")**

#### **Recommended Proposals for the amendment of the Articles of Incorporation to introduce C Shares, the disapplication of pre-emption rights and the grant of authority for the purchase of own shares**

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The Proposals described in this Circular are conditional on Ordinary Shareholder approval at the EGM. Notice of the EGM to be held at 12.00 noon BST (as in the notice) on Thursday 6 June 2013 at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL is set out at the end of this Circular.

Ordinary Shareholders are requested to return a Form of Proxy by one of the following methods: (i) in hard copy form by post, by courier or by hand to the Company's registrar, Computershare Investor Services PLC, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY; or (ii) in the case of CREST members, by utilising the CREST electronic proxy appointment service (details of which are contained in this Circular), in any case so as to be received by the registrar as soon as possible and, in any event, not less than 48 hours before the time at which the EGM (or any adjournment thereof) is to begin. In calculating such 48-hour period, no account shall be taken of any part of a day that is not a Business Day. Completion of a Form of Proxy will not preclude a Shareholder from attending, speaking and voting in person at the EGM.

Defined terms used in this Circular have the meanings ascribed to them in the section headed "Definitions" on page 11.

This Circular is not a prospectus and is not an offer to sell or a solicitation of any offer to buy any securities in the United States or in any other jurisdiction. Neither the Ordinary Shares nor the C Shares have been, and neither will be, registered under the US Securities Act of 1933, as amended, and the Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended.

## **TABLE OF CONTENTS**

	<i>Page</i>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	3
LETTER FROM THE CHAIRMAN	4
DEFINITIONS	11
NOTICE OF EXTRAORDINARY GENERAL MEETING	14

## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Latest time and date for receipt of Forms of Proxy for the EGM	12.00 noon on 4 June 2013
Extraordinary General Meeting	12.00 noon on 6 June 2013
Admission and unconditional dealings in C Shares commence and date of placing to and buy back from Numis of Ordinary Shares	8.00 a.m. on 11 June 2013
Crediting of CREST stock accounts in respect of C Shares	As soon as possible after 8.00 a.m. on 11 June 2013

## LETTER FROM THE CHAIRMAN

### SCHRODER ORIENTAL INCOME FUND LIMITED

*(a non-cellular company incorporated under the laws of Guernsey with registered number 43298)*

Robert Sinclair (*Chairman*)  
Fergus Dunlop  
Peter Rigg  
Christopher Sherwell

*Registered Office:*  
PO Box 255  
Trafalgar Court  
Les Banques  
St. Peter Port  
Guernsey  
GY1 3QL  
Channel Islands

9 May 2013

To the Ordinary Shareholders

Dear Sir or Madam

#### **NOTICE OF EXTRAORDINARY GENERAL MEETING (“EGM”)**

#### **RECOMMENDED PROPOSALS FOR THE AMENDMENT OF THE ARTICLES OF INCORPORATION TO INTRODUCE C SHARES, THE DISAPPLICATION OF PRE-EMPTION RIGHTS, AND THE GRANT OF AUTHORITY TO PURCHASE OWN SHARES**

#### **1 Introduction**

Further to the announcement on 22 March 2013 the Board now wishes to seek Ordinary Shareholder approval in connection with certain matters relating to a proposed further share issuance (by way of a placing, open offer and offer for subscription of C Shares), a non pre-emptive placing of Ordinary Shares to Numis Securities Limited (“**Numis**”) and the immediate buy back by the Company of those Ordinary Shares for it to hold in treasury, and the grant to the Company of authority for it to make market acquisitions of its own shares. An extraordinary general meeting of the Company is being convened at which Ordinary Shareholders will be asked to consider:

- the amendment of the Articles of Incorporation relating to the C Shares for the purposes of the Issue (Resolution 5);
- the disapplication of pre-emption rights in respect of C Shares for the purposes of the Issue (Resolution 1);
- the disapplication of pre-emption rights in respect of further issues of Ordinary Shares following Conversion from C Shares (Resolution 3);
- authorising the issue and allotment to Numis and immediate repurchase by the Company at Net Asset Value per Ordinary Share of approximately 19,000,000 Ordinary Shares to be held in treasury (Resolutions 2 and 4); and
- authorising the Company to make market purchases of Ordinary Shares (Resolution 6),

(together, the “**Proposals**”).

Ordinary Shareholders are being asked to vote on the Proposals to enable the Company to comply with various legal and regulatory obligations of the Company. The amendment of the Articles of Incorporation is required as the current provisions do not allow for the issue of C Shares. The disapplication of pre-emption rights in respect of the C Shares and in respect of further issues of Ordinary Shares following Conversion is required to be approved by the Ordinary Shareholders pursuant to the Articles of Incorporation. The authorisation of the Company to issue Ordinary Shares to Numis on a non pre-emptive basis and the terms of the agreement pursuant to which that transaction shall take place are also each required to be approved by Ordinary Shareholders pursuant to the Articles of Incorporation. The authorisation of the Company to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue immediately following Conversion is also required to be approved by Ordinary Shareholders pursuant to the Articles of Incorporation.

The purpose of this Circular is to provide Ordinary Shareholders with details of, and to seek Ordinary Shareholder approval for, the Proposals. This Circular includes notice for the EGM to be held at 12.00 noon BST on Thursday 6 June 2013 at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL.

The Board believes that the Proposals are in the best interests of the Company and the Ordinary Shareholders as a whole and recommends that you vote in favour of the Resolutions at the EGM. You are therefore urged to complete and return your Form of Proxy without delay, whether or not you intend to attend the EGM.

Ordinary Shareholders will receive with this Circular a copy of the C Share Prospectus in respect of the Issue.

## **2 The Issue**

### *Background to and rationale for the Issue*

As part of its premium management policy the Board has actively issued further Ordinary Shares to meet ongoing market demand with the objective of maintaining the premium at which the shares trade in relation to the NAV at an acceptable level and of reducing the overall volatility of that premium. This issuance to date has been carried out under a relevant exemption to the Prospectus Directive thereby avoiding the need to publish a prospectus. Over the 12 months to 3 May 2013, the Ordinary Shares have traded at an average premium of 2.5 per cent. to the underlying Net Asset Value per Ordinary Share and a total of 17.5 million Ordinary Shares have been issued. The underlying NAV performance of the Company has continued to be strong with a total return of 29.1 per cent. compared with a total return of 16.8 per cent. in the MSCI AC Pacific (ex Japan) index.

The Company's capacity to issue further shares without the publication of a prospectus has now become limited and, in response to interest from investors, the Directors consider that the Company should raise additional capital through an issue of C Shares.

### *Structure of the Issue*

The Issue is comprised of:

- a non-pre-emptive placing of C Shares primarily to institutional investors;
- a pre-emptive open offer for subscription of C Shares available to existing Ordinary Shareholders to subscribe 2 C Shares for every 5 Ordinary Shares held by them on 3 May 2013; and
- a non-pre-emptive offer for subscription of C Shares, available to retail investors who are likely to be eligible to hold such investments via an ISA.

The Company intends to raise up to £100,000,000 pursuant to the Placing, Open Offer and Offer for Subscription. If commitments and applications are received for more than 100,000,000 C Shares pursuant to the Placing, Open Offer and Offer for Subscription, the Directors reserve the right to increase the number of C Shares available pursuant to the Placing, Open Offer and Offer for Subscription (subject, if required, to publication of a supplementary prospectus approved by the FCA prior to Admission). The maximum number of C Shares that may be issued pursuant to the Placing, Open Offer and Offer for Subscription is 150,000,000 (which represents 38 per cent. of the Company's total ordinary share capital in issue as at 7 May 2013) being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if resolution 1 is passed at the Extraordinary General Meeting.

### *Benefits of the Issue*

The Directors consider there to be a number of potential benefits to Ordinary Shareholders in issuing additional shares and increasing the Company's capital available to make further investments.

The Directors believe that the Issue is expected to have the following benefits:

- providing additional capital which will enable the Company to benefit from the continued investment opportunities in the market;
- having a greater number of Ordinary Shares (following the conversion of the C Shares into Ordinary Shares) in issue is likely to provide the Ordinary Shares with additional liquidity;
- increasing the size of the Company will help make the Company more attractive to a wider shareholder base; and
- the Company's fixed running costs will be spread across a wider shareholder base, thereby marginally reducing the total expense ratio.

The Directors recognise the importance of pre-emption rights to Ordinary Shareholders and consequently: (i) as the Issue is not fully pre-emptive, are seeking the approval of existing Ordinary Shareholders for the Issue by way of special resolution at the EGM; and (ii) 76,125,800 C Shares (or such greater number as may be made available by the Directors in exercising their discretion to scale back the placing and the offer in favour of an excess application facility as detailed in the accompanying C Share Prospectus) are being offered to existing Ordinary Shareholders at the Issue Price by way of an open offer. C Shares issued pursuant to the open offer may be subscribed by existing Ordinary Shareholders pro rata to their holdings of existing Ordinary Shares as at 3 May 2013. Existing Ordinary Shareholders can subscribe in excess of their entitlements pursuant to the open offer by means of an excess application facility and can also participate by subscribing for C Shares in the offer for subscription.

The Net Issue Proceeds will not be known until after the Issue. In the event that the Issue for up to 100 million C Shares goes ahead, the Company will incur predominantly fixed costs of approximately £325-400,000. In addition commission will be payable to Numis at the rate of one per cent. of the Gross Issue Proceeds. It is anticipated that all of the costs associated with the Issue will be borne by the C Shares and as such the NAV of the existing Ordinary Shares will not be diluted as a result of the Issue. However, the Directors reserve the right (at their sole discretion) to allocate a proportion of these costs to the Ordinary Shares in order to ensure that such costs do not represent an excessive proportion of the Gross Issue Proceeds.

#### *Features and Benefits of C Shares*

The issue of the C Shares is designed to overcome the potential disadvantages for both existing and new investors which could arise out of a conventional fixed price issue of further Ordinary Shares for cash. In particular:

- the assets representing the Net Issue Proceeds of the C Shares will be accounted for as a separate pool of assets until the Calculation Time. By accounting for the Net Issue Proceeds arising from the issue of the C Shares separately, holders of existing Ordinary Shares will not be exposed to a portfolio containing a substantial amount of uninvested cash before the Calculation Time; and
- the basis upon which the C Shares will convert into new Ordinary Shares is such that the number of new Ordinary Shares to which holders of the C Shares will become entitled will reflect the relative investment performance and value of the pool of new capital attributable to the C Shares as of the Calculation Time, as compared to the assets attributable to the existing Ordinary Shares at that time and, as a result, neither the Net Asset Value attributable to the Ordinary Shares nor the Net Asset Value attributable to the C Shares will be adversely affected by Conversion.

Pending full investment, the assets attributable to the C Shares will be held in either cash or cash equivalents, money market instruments or funds, bonds, commercial paper or other debt obligations with banks or other counterparties selected by the Investment Manager.

#### *Conversion of C Shares*

It is expected that the Net Issue Proceeds will be fully invested within the period of up to four weeks after Admission and so Conversion is expected to occur within that timeframe. Upon Conversion, the C Shares will be converted into new Ordinary Shares which will rank *pari passu* with the existing Ordinary Shares and will be listed on the premium segment of the Official List and traded on the London Stock Exchange's main market for listed securities.

The Directors have determined that the C Shares will not be converted into Ordinary Shares pursuant to the Issue until the Early Investment Condition has been met, which requires that at least 90 per cent (or such other percentage as the Directors may in their absolute discretion determine) of the assets attributable to the C Shares has been invested or committed to be invested in accordance with the Company's investment policy.

At the Calculation Time, the net assets attributable to the Ordinary Shares then in issue and the net assets attributable to the C Shares, and hence the Conversion Ratio, will be calculated. It is currently expected that:

- (i) the Calculation Time will take place shortly after the Early Investment Condition has been satisfied; and
- (ii) the Conversion Time will occur shortly after the Calculation Time and in any event within 20 Business Days of the Calculation Time.

Holders of the C Shares will receive such number of Ordinary Shares as results from applying the Conversion Ratio to their holding of C Shares at the Conversion Time.

The C Shares will carry voting rights at general meetings of the Company. The C Shares will carry rights to receive any such dividends as the Directors may resolve to pay out of the assets of the Company attributable to the C Shares prior to Conversion although the Directors do not have any current intentions to declare any such dividends. The C Shares are a separate class of shares and will convert into Ordinary Shares upon certain specified conversion criteria occurring as described in the C Share Prospectus. The Ordinary Shares arising on the Conversion will rank *pari passu* with the Ordinary Shares then in issue, including as to dividends declared or paid by reference to a record date falling after the relevant time for calculation of the Conversion Ratio.

Any conversion will be on a "NAV for NAV" basis and the Issue will therefore be "NAV neutral" for Ordinary Shareholders following Conversion of the C Shares. However, it should be noted that Ordinary Shareholders who do not participate in the Issue for an amount at least pro-rata to their holding will have their percentage holding diluted following conversion of C Shares to Ordinary Shares in accordance with the terms of the C Share Prospectus.

#### *Issue Agreement*

It is proposed that Numis will be appointed by the Company to use reasonable endeavours to procure subscribers for C Shares in accordance with the Issue Agreement. The Issue has no minimum size and is not underwritten.

#### *Conditionality of the Issue*

The Issue is conditional on, *inter alia*, the passing of Resolutions 1 and 5 to be proposed at the EGM and on Admission of the C Shares becoming effective. The Issue is not conditional on the passing of Resolutions 2, 3, 4 or 6.

### **3 Pre-emption Rights**

The Articles of Incorporation contain pre-emption rights in respect of all new share issues for cash, which can be disapplied by way of an extraordinary resolution. It is proposed that the pre-emption rights are disapplied in accordance with the Articles of Incorporation in respect of:

- (a) up to an aggregate of 150,000,000 C Shares to be issued pursuant to the Issue (which represents 38 per cent. of the Company's total ordinary share capital in issue as at 7 May 2013). However it should be noted that the Company intends to issue up to 100 million C Shares pursuant to the Placing, Open Offer and Offer for Subscription and approximately 76.1 million of these C Shares are being offered to Shareholders on a pre-emptive basis. If commitments and applications are received for more than 100 million C Shares pursuant to the Placing, Open Offer and Offer for Subscription, the Directors reserve the right to increase the number of C Shares available pursuant to the Placing, Open Offer and Offer for Subscription up to a maximum of 150 million; and

- (b) further new issues of Ordinary Shares in accordance with the Articles of Incorporation, subject to the disapplication being limited to the issue of up to 10 per cent. of the issued Ordinary Shares of the Company immediately following the date of the conversion of C Shares into Ordinary Shares in accordance with the Articles pursuant to the Issue.

The disapplication of pre-emption rights (i) in relation to the issue of C Shares pursuant to the Issue requires an extraordinary resolution in accordance with the Articles of Incorporation and is set out in Resolution 1 in the Notice of EGM set out at the end of this Circular; and (ii) in relation to further issues of Ordinary Shares, on the basis explained in this Circular, requires an extraordinary resolution in accordance with the Articles of Incorporation and is set out in Resolution 3 in the Notice of EGM set out at the end of this Circular. If Resolutions 1 and 5 are not passed, the Company will not proceed with the Issue. The Board intends to seek the disapplication of pre-emption rights in respect of further new issues of Ordinary Shares of up to 10 per cent. of the Ordinary Shares then in issue at each annual general meeting of the Company hereafter.

The authority proposed at the EGM in relation to sub-paragraph (b) above will only become effective upon Conversion whereupon it shall revoke any pre-existing disapplication of pre-emption rights with respect to the further issuance of Ordinary Shares. Prior to Conversion, the proposed authority, assuming it is approved, will not prejudice the issuance of any Shares made in reliance of any pre-existing disapplication of such pre-emption rights or revoke any such authority.

#### **4 Share Buy Back Authority**

The Directors believe it is in the best interests of the Company and its Shareholders to have a general authority for the Company to buy-back its Ordinary Shares in the market as they keep under review any share price discount to net asset value and the purchase of Ordinary Shares. An ordinary resolution in the form set out in Resolution 6 is proposed at the EGM to give the Company authority to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue immediately following the Conversion. The Directors will exercise this authority only if the Directors consider that any purchase would be for the benefit of the Company and its Shareholders, taking into account relevant factors and circumstances at the time. Any Ordinary Shares so purchased would be cancelled.

The maximum purchase price that may be paid for an Ordinary Share will be an amount equal to the greater of (i) 105 per cent. of the average of the middle market quotations for an Ordinary Share of the class being purchased taken from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which that Ordinary Share is purchased and (ii) the higher of the price of the last independent trade in the Ordinary Shares of that class and the highest then current independent bid for the Ordinary Shares of that class on the London Stock Exchange. The minimum price will be £0.01, being the nominal value per Ordinary Share.

Neither the Issue, nor the proposals in relation to the holding of Ordinary Shares in treasury described below, is conditional upon the passing of Resolution 6.

The authority proposed at the EGM will: (a) only become effective immediately following the Conversion and on and from such time will revoke the share buy back authority given at the Company's 2012 AGM; and (b) lapse at the conclusion of the AGM in 2013, unless renewed or revoked earlier.

#### **5 Treasury Shares**

It is proposed that the Company places Ordinary Shares representing no more than 10 per cent. of the Company's issued Ordinary Shares currently expected to be approximately 19,000,000 Ordinary Shares (as at the date of such placing, the "**Transaction Date**") on terms that Numis will subscribe for them at the prevailing Net Asset Value per Ordinary Share on the Transaction Date and then immediately sell them back to the Company on the Transaction Date at the same Net Asset Value per Ordinary Share for the Company to then hold in treasury. The proposed issue and purchase is governed by an issue agreement between, inter alia, the Company and Numis (the "**Issue Agreement**") and pursuant to its terms no commission is payable to Numis in respect of the Ordinary Shares to be held in treasury.

The Ordinary Shares to be held in treasury will be used by the Company to be issued to the market for general corporate purposes but primarily for the purposes of premium management. Currently the Company issues new Ordinary Shares for such purposes; the use of treasury shares will be more efficient



and cost effective. In particular the Company can be more responsive in managing market demand for its shares and save on the significant fixed costs on each occasion that a further issue of Ordinary Shares is made.

Sales of treasury shares into the market for cash cannot be made at a discount to NAV.

As at the date of this Circular, no Ordinary Shares are currently held in treasury.

#### *Conditionality of the Placing to Numis*

The placing of Ordinary Shares to Numis pursuant to the Issue Agreement is conditional on, *inter alia*, the passing of Resolution 2 and 3 to be proposed at the EGM. This transaction is not conditional on the passing of Resolutions 1, 4, 5 or 6.

For the avoidance of doubt, the proposals in relation to the disapplication of the pre-emption rights in relation to the placing of Ordinary Shares to Numis described in this paragraph 5 are not related to or contingent upon the disapplication of the pre-emption rights described in paragraph 3 above.

### **6 Amendment to Articles of Incorporation**

The current Articles of Incorporation do not contain provisions enabling an issue of C Shares.

An amendment to the current Articles of Incorporation to enable the issue of C Shares is therefore required to be made for the purposes of the Issue.

The full terms of the amendment to the Articles of Incorporation proposed to be adopted at the EGM are described in Resolution 5 in the notice of EGM set out at the end of this Circular.

The resolution to amend the Articles of Incorporation is proposed as a special resolution as required by the Companies Law.

### **7 Resolutions**

You will find set out at the end of this Circular a notice convening an EGM of the Company to be held at 12.00 noon BST on Thursday 6 June 2013. The Resolutions to be proposed at the EGM will be proposed as (i) an extraordinary resolution to disapply the pre-emption rights in the Articles of Incorporation in relation to the issue of C Shares pursuant to the Issue on the basis explained in this Circular; (ii) an extraordinary resolution to disapply the pre-emption rights in the Articles of Incorporation in relation to the issue of Ordinary Shares to Numis on the basis explained in this Circular; (iii) a special resolution to approve the terms of the issue to Numis and buy back from Numis of Ordinary Shares to be held by the Company in treasury, on the terms set out in the Issue Agreement and on the basis explained in this Circular; (iv) an extraordinary resolution to disapply the pre-emption rights in the Articles of Incorporation in relation to 10 per cent. of the enlarged number of Ordinary Shares in existence following the conversion of C Shares into Ordinary Shares on the basis explained in this Circular; (v) a special resolution to amend the Articles of Incorporation to enable the issue of C Shares for the purposes of the Issue on the basis explained in this Circular; and (vi) an ordinary resolution to authorise the Company to make market purchases of Ordinary Shares on the basis described in this Circular.

All persons holding Ordinary Shares at 12.00 noon BST on 4 June 2013, or, if the EGM is adjourned, on the register of Ordinary Shareholders of the Company 48 hours before the time of any adjourned EGM, shall be entitled to attend, speak or vote at the EGM and shall be entitled on a poll to 1 vote per Ordinary Share held. In calculating such 48-hour period, no account shall be taken of any part of a day that is not a Business Day. As at 7 May 2013 there were 190,314,500 Ordinary Shares in issue (no Ordinary Shares were held in treasury).

### **8 Action to be Taken**

#### *Attending EGM/Form of Proxy*

Whether or not you intend to attend the EGM, you should ensure that your Form of Proxy is returned to Computershare Investor Services by one of the following means:

- (1) in hard copy form by post, by courier or by hand to the Company's registrar, Computershare Investor Services PLC, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY;
- (2) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the notice of the EGM.

In each case, the Form of Proxy must be received not less than 48 hours before the time for holding of the EGM. In calculating such 48-hour period, no account shall be taken of any part of a day that is not a Business Day. To be valid, the Form of Proxy should be completed in accordance with the instructions accompanying it and lodged with Computershare Investor Services by the relevant time.

Completion and return of the Form of Proxy will not affect an Ordinary Shareholder's right to attend, speak and vote at the EGM.

A quorum consisting of two Shareholders present in person or by proxy is required for the EGM.

## **9 Documents on Display**

The current Articles of Incorporation and a draft of the proposed amended Articles of Incorporation will be available for inspection at (i) the registered office of the Company at PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL; and (ii) the offices of Simmons & Simmons LLP at CityPoint, One Ropemaker Street, London EC2Y 9SS, during normal business hours on any Business Day, from the date of this Circular until the conclusion of the EGM, and at the place of the EGM for at least 15 minutes prior to, and during, the EGM.

## **10 Settlement and Dealing**

Application will be made for the C Shares to be issued pursuant to the Issue to be admitted to listing on the premium segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities. It is expected that, subject to the approval of Resolutions 1 and 5 and the satisfaction or waiver of conditions in the Issue Agreement, Admission will become effective, and dealings in C Shares will commence, on or around 11 June 2013.

All C Shares issued pursuant to the Issue will be in registered form and will be delivered in uncertificated form, unless otherwise requested.

The Company will instruct Euroclear on or around 11 June 2013 (or as soon as practicable thereafter) to credit the appropriate stock accounts in CREST of the placees and subscribers (on a deliver versus payment basis) with their respective entitlements to C Shares. Temporary documents of title will not be issued pending the dispatch by post of definitive certificates, which is expected to take place by 13 June 2013.

C Shares initially issued in certificated form may subsequently be deposited into CREST in accordance with normal CREST procedures.

## **11 Recommendation**

**The Board considers that the Proposals and the Resolutions are in the best interests of the Company and its Ordinary Shareholders as a whole. The Board accordingly recommends all Ordinary Shareholders vote in favour of the Resolutions to be proposed at the EGM.**

Yours faithfully

**Robert Sinclair**  
**Chairman**

## DEFINITIONS

<b>Admission</b>	means the admission of the C Shares to listing on the premium segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with the LSE Admission Standards
<b>Articles or Articles of Incorporation</b>	means the articles of incorporation of the Company adopted from time to time
<b>Back Stop Date</b>	means the date falling four months after the date of Admission of the C Shares
<b>Board or Directors</b>	means the board or directors of the Company
<b>Business Day</b>	means a day on which the London Stock Exchange and banks in Guernsey are normally open for business
<b>C Share</b>	means a redeemable share of no par value in the capital of the Company issued and designated as a C Share of such class, denominated in such currency and convertible into such Ordinary Shares, as may be determined by the Directors at the time of issue
<b>C Share Prospectus</b>	means the prospectus relating to the C Shares to be dated on or around 9 May 2013
<b>Calculation Time</b>	means, provided the Early Investment Condition has been met, the earliest of: <ul style="list-style-type: none"><li>(a) the close of business on such date as the Directors may determine, in the event that the Directors, in their discretion, resolve that any Early Investment Condition has been satisfied and that the C Shares shall be converted;</li><li>(b) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of the Conversion of the C Shares;</li><li>(c) the close of business on the Back Stop Date; and</li><li>(d) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that they are in contemplation.</li></ul>
<b>Circular</b>	means this document
<b>Companies Law</b>	means The Companies (Guernsey) Law, 2008, as amended
<b>Company</b>	means Schroder Oriental Income Fund Limited
<b>Conversion</b>	means the conversion of the C Shares in accordance with the Articles
<b>Conversion Ratio</b>	means A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where: $A = \frac{C - D}{E}$ <p>and</p> $B = \frac{F - G}{H}$

and where:

“C” is the aggregate value of all assets and investments of the Company attributable to the C Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

“D” is the amount which, (to the extent not otherwise deducted in the calculation of C) in the Directors’ opinion fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the C Shares (as determined by the Directors);

“E” is the number of the C Shares in issue as at the relevant Calculation Time;

“F” is the aggregate value of all assets and investments of the Company attributable to the Ordinary Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

“G” is the amount which, (to the extent not otherwise deducted in the calculation of F) in the Directors’ opinion, fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the Ordinary Shares (as determined by the Directors); and

“H” is the number of Ordinary Shares in issue as at the relevant Calculation Time;

Provided always that:

- (a) the Directors shall be entitled to make such adjustments to the value or amount of A and/or B as they believe to be appropriate having regard to, among other things, the assets of the Company immediately prior to the Issue Date and/or the Calculation Time and/or to the reasons for the issue of the C Shares; and
- (b) the Directors may, as part of the terms of issue of the C Shares, amend the definition of Conversion Ratio

**Conversion Time**

means a time following the Calculation Time, being the opening of business in London on such Business Day as may be selected by the Directors and falling not more than 20 Business Days after the Calculation Time

**Early Investment Condition**

means the Investment Manager giving notice to the Directors, and the Directors agreeing, that 90 per cent. (or such other percentage as the Directors may in their absolute discretion determine) of the assets attributable to the C Shares has been invested or committed to be invested as part of a portfolio invested in accordance with the Company’s investment policy

**EGM**

means the extraordinary general meeting of the Company to be held at 12.00 noon BST on Thursday 6 June 2013

**FCA**

means the Financial Conduct Authority as the competent authority for listing in the United Kingdom

<b>Force Majeure Circumstances</b>	means in relation to the C Shares: <ul style="list-style-type: none"> <li>(a) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable;</li> <li>(b) the issue of any proceedings challenging or seeking to challenge the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them or to the persons to whom they are, and/or the terms on which they are, proposed to be issued; or</li> <li>(c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company</li> </ul>
<b>FSMA</b>	means the UK Financial Services and Markets Act 2000
<b>Gross Issue Proceeds</b>	means the aggregate number of C Shares issued under the Issue, multiplied by the Issue Price
<b>Investment Manager</b>	means Schroder Investment Management Limited
<b>Issue</b>	means the issue of C Shares as described in this Circular
<b>Issue Date</b>	means the date on which the Admission of the C Shares becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of the C Shares
<b>Issue Price</b>	means the price at which each share is to be issued or sold under the Issue, being £1.00 per C Share
<b>Listing Rules</b>	means the listing rules of the FCA made under section 74(4) of the FSMA
<b>Net Asset Value or NAV</b>	means, in relation to the Company, the value of the assets of the Company less its liabilities (including accrued but unpaid fees) or, where the context requires, the assets of the Company attributable to a class of Shares less the liabilities of the Company (including accrued but unpaid fees) attributable to such class of Shares, in each case determined in accordance with the accounting principles adopted by the Directors
<b>Net Issue Proceeds</b>	means the Gross Issue Proceeds, less applicable fees and expenses of the Issue
<b>Numis</b>	means Numis Securities Limited
<b>Ordinary Shareholder</b>	means a holder of Ordinary Shares in the capital of the Company
<b>Ordinary Shares</b>	means ordinary shares of no par value in the capital of the Company issued as "Ordinary Shares" of such classes (denominated in such currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles
<b>Proposals</b>	means the items of business to be proposed at the EGM
<b>Form of Proxy</b>	means the appointment of a proxy on behalf of an Ordinary Shareholder in accordance with the procedures described in this Circular
<b>Sterling</b>	means the lawful currency of the United Kingdom

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### SCHRODER ORIENTAL INCOME FUND LIMITED

*(a non-cellular company incorporated under the laws of Guernsey with registered number 43298)*

#### (the "Company")

NOTICE is hereby given that an extraordinary general meeting of the Company ("**EGM**") will be held at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL on Thursday 6 June 2013 at 12.00 noon BST to consider and, if thought fit, to pass the following resolutions, of which Resolution 1, Resolution 2 and Resolution 3 are each proposed as extraordinary resolutions, Resolution 4 and Resolution 5 are each proposed as special resolutions, and Resolution 6 is proposed as an ordinary resolution:

#### EXTRAORDINARY RESOLUTIONS

- 1 THAT subject to the passing of Resolution 5, the Directors be and are hereby authorised to allot and issue, up to an aggregate number of 150,000,000 C Shares in connection with the Issue for cash and the right of Shareholders to receive a pre-emptive offer in respect of such shares shall be excluded pursuant to Article 3.24 of the Company's Articles of Incorporation, provided that this authority shall expire on the day after Admission (as defined in Resolution 5), (unless previously renewed, revoked or varied by the Company by extraordinary resolution).
- 2 THAT the Directors be and are hereby authorised to make offers or arrangements to allot and issue up to an aggregate number of Ordinary Shares representing 10 per cent. of the Company's Ordinary Shares in issue on Admission (currently expected to be approximately 19,000,000) to Numis for cash as if Article 3.24 did not apply to any such allotment and issue, provided that this authority shall expire on the day after Admission (as defined in Resolution 5), (unless previously renewed, revoked, or varied by the Company by extraordinary resolution).
- 3 THAT, subject to the passing of Resolution 1 and Resolution 5, from the date of the conversion of C Shares into Ordinary Shares in accordance with the Company's Articles of Incorporation (the "**Conversion**"), the Directors be and are hereby authorised to allot and issue Ordinary Shares for cash or sold from treasury as if Article 3.24 of the Articles of Incorporation did not apply to any such allotment and issue, provided that this power shall be limited to the allotment and issue (otherwise than pursuant to Resolution 1 above) of up to 10 per cent. of the Ordinary Shares in issue immediately following the Conversion pursuant to the issue of C Shares described in the Circular of the Company dated 9 May 2013 (the "**Issue**") and shall expire upon the date of the next annual general meeting of the Company, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require Ordinary Shares to be allotted and issued or sold from treasury after such expiry and the Directors shall be entitled to allot and issue, or sell from treasury, Ordinary Shares pursuant to any such offer or agreement as if the power conferred hereby had not expired. This resolution revokes and replaces, with effect from the date of the Conversion, all unexercised powers except for that conferred by Resolution 1 set above, previously granted to the Directors to allot and issue shares in the capital of the Company wholly for cash and/or sell treasury shares as if the pre-emption rights contained in Article 3.24 of the Company's Articles of Incorporation did not apply to such allotment and issue but without prejudice to any allotment and issue of shares already made, offered or agreed to be made pursuant to such powers.

#### SPECIAL RESOLUTIONS

- 4 THAT, pursuant to Section 314 of the Companies Law, the terms contained in the issue agreement between the Company and Numis which relate to the purchase by the Company of Ordinary Shares representing 10 per cent. of the Company's Ordinary Shares in issue on Admission at a price of the then prevailing Net Asset Value per Ordinary Share (an extract of which has been presented to the EGM and initialled by the Chairman of the EGM for the purpose of identification) (the "**Issue Agreement Extract**") be and are hereby authorised and approved and that the Directors be and are hereby authorised to cancel any such Ordinary Shares or to hold them in treasury and to enter into and do all things as may be necessary to complete the Issue Agreement on behalf of the Company provided that this authority shall expire on the day after Admission and may be varied, revoked or renewed by special resolution of the Company.

- 5 THAT the amendment to the Company's Articles of Incorporation on the terms set out below be and is hereby approved with effect from the conclusion of the EGM:

The following shall be inserted immediately after Article 35:

**"36. C SHARES**

36.1 The following definitions apply (for the purposes of this Article 36) in addition to, or (where applicable) in substitution for, the definitions elsewhere in these Articles:

Admission	the admission of the C Shares to listing on the Official List of the premium segment of the FCA and to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with the LSE Admission Standards;
Back Stop Date	the date falling four months after the date of Admission;
C Share	a redeemable share of no par value in the capital of the Company issued and designated as a C Share of such class, denominated in such currency and convertible into such Ordinary Shares, as may be determined by the Directors at the time of issue;
C Share Class Account	a separate class account in the books of the Company for the C Shares;
C Share Surplus	the net assets of the Company attributable to the C Shares as determined by the Directors or the liquidator (as the case may be) at the date of winding up or other return of capital;
Calculation Time	the earliest of:  (a) the close of business on such date as the Directors may determine, in the event that the Directors, in their discretion, resolve that any Early Investment Condition has been satisfied and that the C Shares shall be converted;  (b) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of the Conversion of the C Shares;  (c) the close of business on the Back Stop Date; and  (d) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that they are in contemplation.
Conversion	conversion of the C Shares in accordance with these Articles;
Conversion Ratio	A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C - D}{E}$$

and

$$B = \frac{F - G}{H}$$

and where:

“C” is the aggregate value of all assets and investments of the Company attributable to the C Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

“D” is the amount which, (to the extent not otherwise deducted in the calculation of C) in the Directors’ opinion fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the C Shares (as determined by the Directors);

“E” is the number of the C Shares in issue as at the relevant Calculation Time;

“F” is the aggregate value of all assets and investments of the Company attributable to the Ordinary Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

“G” is the amount which (to the extent not otherwise deducted in the calculation of F), in the Directors’ opinion, fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the Ordinary Shares (as determined by the Directors); and

“H” is the number of Ordinary Shares in issue as at the relevant Calculation Time,

Provided always that:

- (a) the Directors shall be entitled to make such adjustments to the value or amount of A and/or B as they believe to be appropriate having regard to, among other things, the assets of the Company immediately prior to the Issue Date or the Calculation Time or to the reasons for the issue of the C Shares; and
- (b) the Directors may, as part of the terms of issue of the C Shares, amend the definition of Conversion Ratio;

Conversion Time	a time following the Calculation Time, being the opening of business in London on such Business Day as may be selected by the Directors and falling not more than 20 Business Days after the Calculation Time;
Early Investment Condition	the Investment Manager giving notice to the Directors, and the Directors agreeing, that at least 90 per cent. (or such other percentage as the Directors may in their absolute discretion determine) of the assets attributable to the C Shares have been invested or committed to be invested as part of a Portfolio invested in accordance with the Company’s investment policy;
Force Majeure Circumstances	in relation to the C Shares: <ul style="list-style-type: none"><li>(a) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable;</li></ul>



	(b) the issue of any proceedings challenging or seeking to challenge the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them or to the persons to whom they are, and/or the terms on which they are, proposed to be issued; or
	(c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company;
Issue Date	the date on which the Admission of the C Shares becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of the C Shares;
Issue Price	means the price at which each C Share is to be issued or sold, being £1.00 per C Share or such other amount as the Directors may determine in their absolute discretion; and
Ordinary Share Surplus	the net assets of the Company attributable to the Ordinary Shares (as determined by the Directors or the liquidator (as the case may be)) at the date of winding up or other return of capital.

### **36.2 Issue of C Shares**

Subject to these Articles and the Companies Law, the Directors have power to issue an unlimited number of C Shares of no par value each with such C Shares being convertible into Ordinary Shares and may issue such C Shares on more than one occasion from time to time.

The Directors shall, on the issue of C Shares, determine the Issue price, the latest Calculation Time and Conversion Time, and the amendments, if any, to the definition of Conversion Ratio.

### **36.3 Dividends**

Notwithstanding any other provision of the Articles, the holders of the C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the assets attributable to the C Shares (as determined by the Directors).

No dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Time and the Conversion Time (both dates inclusive) and no dividend shall be declared with a record date falling between the Calculation Time and the Conversion Time (both dates inclusive).

### **36.4 Ranking of the C Shares upon Conversion**

The Ordinary Shares arising upon Conversion shall rank *pari passu* with all other Ordinary Shares for dividends and other distributions declared, made or paid by reference to a record date falling after the relevant Calculation Time.

### **36.5 Rights as to capital**

The capital and assets of the Company on a winding-up or on a return of capital (other than by way of the repurchase or redemption of the C Shares by the Company) prior, in each case, to Conversion shall be applied as follows:

- (a) the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* to their holdings of Ordinary Shares; and
- (b) the C Share Surplus shall be divided amongst the holders of the C Shares *pro rata* according to their holdings of the C Shares.

### **36.6 Voting and transfer**

The C Shares shall carry the right to attend or vote at any general meeting of the Company.

Pursuant to these Articles, the C Shares shall be transferable in the same manner as the Ordinary Shares.

### **36.7 Redemption**

The C Shares are issued on the terms that the C Shares shall be redeemable by the Company at the absolute discretion of the Directors in accordance with these Articles.

At any time prior to Conversion, the Company may, at the absolute discretion of the Directors, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject to the facility and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holder(s) of the C Shares.

### **36.8 Class consents and variation rights**

Without prejudice to the generality of these Articles, until Conversion the consent of the holders of the C Shares as a class shall be required in accordance with these Articles for, and accordingly the special rights attached to the C Shares shall be deemed to be varied, *inter alia*, by:

- (a) any alteration to the memorandum of incorporation of the Company or these Articles which adversely affects the holders of the C Shares; or
- (b) the passing of any resolution to wind up the Company.

### **36.9 C Share Class Account**

Until Conversion and without prejudice to its obligations under the Companies Law, the Company shall in relation to the C Shares establish a separate C Share Class Account for the C Shares in accordance with these Articles and, subject thereto:

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares;
- (b) allocate to the assets attributable to the C Shares such proportion of the income, expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares; and
- (c) give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

### **36.10 Conversion**

The C Shares shall be converted into Ordinary Shares at the Conversion Time in accordance with the following provisions.

The Directors shall procure that within 20 Business Days after the Calculation Time:

- (a) the Investment Manager or, failing which, an independent accountant selected for the purpose by the Board, shall be requested to calculate the Conversion Ratio as at the Calculation Time and the number of Ordinary Shares to which each holder of the C Shares shall be entitled on Conversion;
- (b) the Auditor may, if the Directors consider it appropriate, be requested to certify whether such calculations have been performed in accordance with these Articles and are arithmetically accurate;

whereupon, subject to the proviso in the definition of "Conversion Ratio", such calculations shall become final and binding on the Company and all Shareholders.

The Directors shall procure that, as soon as practicable, and following such certification (if any), an announcement is made to an RIS advising holders of the C Shares of the Conversion Time, the Conversion Ratio and the aggregate numbers of Ordinary Shares to which holders of the C Shares are entitled on Conversion.

Conversion of the C Shares shall take place at the Conversion Time designated by the Directors. On Conversion the C Shares shall automatically convert (by redesignation, consolidation or sub-division or otherwise as the Directors consider appropriate) into such number of Ordinary Shares as equals the aggregate number of C Shares in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share). Share certificates will not be issued in relation to any sub-divided C Shares.

The Ordinary Shares arising upon Conversion shall be divided amongst the former holders of the C Shares *pro rata* according to their respective former holdings of the C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares, including, without prejudice to the generality of the foregoing, selling or redeeming any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of the C Shares to do any other act or thing as may be required to give effect to the same, including, in the case of a share in certificated form, to execute any stock transfer form and, in the case of a share in uncertificated form, to give directions to or on behalf of the former holder of the C Shares who shall be bound by them.

Forthwith upon Conversion, any certificates relating to the C Shares (if any) shall be cancelled and the Company shall issue to each such former holder of C Shares new certificates in respect of the Ordinary Shares which have arisen upon Conversion unless such former holder of the C Shares elects (or is deemed to have elected) to hold such Ordinary Shares in uncertificated form.

Upon Conversion, the Company will apply for the resulting Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

References to the Auditors certifying any matter shall be construed to mean certification of their opinion as to such matter, whether qualified or not."

## **ORDINARY RESOLUTIONS**

- 6 THAT, the Company be and is hereby generally and unconditionally authorised in accordance with Section 315 of the Companies Law, to make market purchases of Ordinary Shares, at whatever discount the prevailing market price represents to the prevailing Net Asset Value per Ordinary Share provided that:
- (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be such number representing 14.99 per cent. of the issued Ordinary Shares immediately following Conversion pursuant to the Issue;
  - (b) the minimum price which may be paid for an Ordinary Share is £0.01;
  - (c) the maximum price which may be paid for a share is an amount equal to the greater of (i) 105 per cent. of the average of the middle market quotations for an Ordinary Share of the class being purchased taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased; and (ii) the higher of the price of the last independent trade in the Ordinary Shares of that class and the highest then current independent bid for the Ordinary Shares of that class on the London Stock Exchange;
  - (d) purchases may only be made pursuant to this authority if the Ordinary Shares are (at the date of the proposed purchase) trading on the London Stock Exchange at a discount to the Net Asset Value;

- (e) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed or revoked prior to such time; and
- (f) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

The passing of this Resolution 6 shall not revoke any pre-existing authority for the Company to make market purchases until Conversion, whereupon all other pre-existing authorities shall be revoked.

By order of the Board

## **SCHRODER ORIENTAL INCOME FUND LIMITED**

*Registered Office:*

PO Box 255  
Trafalgar Court  
Les Banques  
St. Peter Port  
Guernsey

Date: 9 May 2013

Notes:

- (i) A form of appointment of proxy (the "Form of Proxy") is enclosed with this notice. An Ordinary Shareholder entitled to attend, speak and vote is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend, speak and vote at the EGM. A proxy need not be an Ordinary Shareholder. If you wish to appoint a person other than the Chairman of the EGM, please insert the name of your chosen proxy holder in the space provided on the enclosed Form of Proxy.
- (ii) On a vote by show of hands, every Ordinary Shareholder who is present in person has one vote and every duly appointed proxy who is present has one vote. On a poll vote, every Ordinary Shareholder who is present in person or by way of a proxy has one vote for every Ordinary Share of which he/she is a holder.  

The "Vote Withheld" option on the proxy form is provided to enable you to abstain on any particular resolution. However it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.
- (iii) In the case of joint holders such persons shall not have the right to vote individually in respect of an Ordinary Share but shall elect one of their number to represent them and vote in person or by proxy in their name. In default of such an election, the vote of the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
- (iv) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one Ordinary Share. To appoint more than one proxy you may photocopy the enclosed Form of Proxy. Please indicate the proxy holder's name and the number of Ordinary Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Ordinary Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions given by you. All hard copy Form of Proxies must be signed and should be returned together in the same envelope.
- (v) In order to be valid a Form of Proxy must be returned by one of the following methods:
  - (1) in hard copy form by post, by courier or by hand to the Company's registrar, Computershare Investor Services PLC, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY;
  - (2) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case, the Form of Proxy must be received not less than 48 hours before the time for holding of the EGM. In calculating such 48-hour period, no account shall be taken of any part of a day that is not a Business Day. An Ordinary Shareholder that appoints a person to act on its behalf under any power of attorney or other authority and wishes to use method (1) or (2) must return such power of attorney or other authority to Computershare Investor Services PLC, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY; prior to using such method and in any event not less than 48 hours before the time of the EGM.

- (vi) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the EGM and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (vii) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notification to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (viii) In order for a Form of Proxy, or instruction, made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the Form of Proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA 50) by the latest time(s) for receipt of Form of Proxies specified in the notice of EGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001. CREST members and where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (ix) In the case of an Ordinary Shareholder which is a company, a hard copy Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
- (x) Any corporation which is an Ordinary Shareholder may by a resolution of its directors or other governing body authorise such persons as it thinks fit to act as its representative at the EGM or to approve a resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he or she represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Ordinary Shareholder.
- (xi) Completion and return of the Form of Proxy will not preclude a holder of Ordinary Shares from subsequently attending, speaking and voting in person at the EGM should they so wish.
- (xii) If you submit more than one valid Form of Proxy, the Form of Proxy received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which Form of Proxy was last validly received, none of them shall be treated as valid in respect of the same.
- (xiii) To have the right to attend, speak and to vote at the EGM (and also for the purpose of how many votes a holder of Ordinary Shares casts), a holder of Ordinary Shares must first have his or her name entered in the register of holders of Ordinary Shares by no later than 12.00 noon on 4 June 2013. Changes to entries on the register of holders of Ordinary Shares after that time shall be disregarded in determining the right of any holder of Ordinary Shares to attend and vote at the EGM.
- (xiv) A quorum consisting of two Ordinary Shareholders being entitled to vote and attending in person or by proxy is required for the EGM. If within 15 minutes after the time appointed for the meeting a quorum is not present the EGM shall be adjourned for 7 days at the same time and place or to such other day and at such other time and place as the Board may determine and, provided that the EGM is not adjourned for thirty days or more, no notice of adjournment need be given at any such adjourned meeting. Those Ordinary Shareholders present in person or by proxy shall constitute the quorum at any such adjourned meeting.
- (xv) The resolutions to be proposed at the EGM will be proposed as: (a) in the case of Resolutions 1, 2 and 3 an extraordinary resolution which, to be passed, must receive the support of not less than seventy five per cent. of the total number of votes cast for or against it; (b) in the case of Resolutions 4 and 5, a special resolution which, to be passed, must receive the support of not less than seventy five per cent. of the total number of votes cast for or against it; and (c) in the case of Resolution 6, an ordinary resolution which, to be passed, must receive the support of not less than a simple majority of the total number of votes cast for or against it.
- (xvi) To allow effective constitution of the EGM, if it is apparent to the Chairman of the EGM that no Ordinary Shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Ordinary Shareholder, provided that such substitute shall vote on the same basis as the Chairman.
- (xvii) Copies of the Issue Agreement Extract are available for inspection by members of the Company at the Company's registered office until the date of the EGM and will also be available at the EGM.

- (xviii) The Company's current Articles of Incorporation and a draft of the proposed amended Articles of Incorporation will be available for inspection at (i) the registered office of the Company at PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL; and (ii) the offices of Simmons & Simmons LLP at CityPoint, One Ropemaker Street, London EC2Y 9SS, during normal business hours on any Business Day, from the date of the Circular until the conclusion of the EGM, and at the place of the EGM for at least 15 minutes prior to, and during, the EGM.
- (xix) As at 7 May 2013, 190,314,500 Ordinary Shares of 1 pence each were in issue (no shares were held in treasury). Accordingly, the total number of voting rights of the Company as at 7 May 2013 was 190,314,500.
- (xx) Defined terms used but not defined in this notice shall have the same meaning given to them in the Circular of the Company dated 9 May 2013.



