

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS A PROPOSAL RELATING TO THE SCHEME OF ARRANGEMENT OF HANSA TRUST PLC ON WHICH YOU ARE BEING ASKED TO VOTE. PART I OF THIS DOCUMENT COMPRISES THE EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent professional financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

If you have sold or otherwise transferred all of your Ordinary Shares or 'A' Ordinary Shares in Hansa Trust PLC (the "**Company**"), please forward this document, but not the accompanying Form of Proxy and the New Hansa Prospectus as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. The New Hansa Prospectus should not be forwarded to or transmitted in or into Canada, Australia, the Republic of South Africa or Japan or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions. Shareholders who are resident in, or citizens of, territories outside the United Kingdom should read the section headed "Overseas Shareholders" in Part I of this document.

The definitions used in this document are set out on pages 4 to 8.

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## **Hansa Trust PLC**

*(Incorporated in England and Wales under the Companies Act with registered number 00126107 and registered as an investment company under section 833 of the Companies Act)*

### **Recommended proposal for the reorganisation of the business and assets of the Company in order to effect its re-domiciliation to Bermuda pursuant to a scheme of arrangement under sections 895 to 899 of the Companies Act**

**and**

### **Notice of Court Meetings and General Meeting**

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This document should be read in conjunction with the accompanying New Hansa Prospectus which has been prepared in accordance with the Prospectus Rules, approved by the Financial Conduct Authority in accordance with section 73A of Financial Services and Markets Act 2000 (as amended) and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. In relation to New Hansa, this document does not constitute an offer of any securities for sale or subscription. A copy of the New Hansa Prospectus is enclosed unless the recipient is a Restricted Shareholder.

The Proposal and the Scheme described in this document are conditional, *inter alia*, on Shareholder approval. Your attention is drawn to the letter from the Chairman of the Company set out in this document which contains the unanimous recommendation of the Directors that Shareholders should vote in favour of the Scheme at the relevant Court Meeting and the Ordinary Shareholders should vote in favour of the Scheme Resolutions at the General Meeting. The Explanatory Statement in respect of the Scheme in compliance with section 897 of the Companies Act appears in Part I of this document.

Notice convening the Court Meetings and the General Meeting, all of which will be held at The Washington Mayfair Hotel at 5 Curzon Street, London, W1J 5HE on 29 July 2019, are set out in Parts VI to VIII of this document.

- The Ordinary Court Meeting will start at 1.30 pm (or as soon thereafter as the Annual General Meeting has concluded or been adjourned).
- The 'A' Ordinary Court Meeting will start at 1.35 pm (or as soon thereafter as the Ordinary Court Meeting has concluded or been adjourned).
- The General Meeting will start at 1.40 pm (or as soon thereafter as the 'A' Ordinary Court Meeting has concluded or been adjourned).

**The action to be taken by Shareholders in respect of the General Meeting and the Court Meetings is set out in detail at paragraph 18 of Part I of this document and summarised on page 15.**

The distribution of this document into certain jurisdictions may be restricted by law. Neither this document, any advertisement nor any other material relating to it may be distributed or published in any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations. Therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay.

This document and the Forms of Proxy are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction.

This document and the Forms of Proxy have been prepared in connection with the Proposal pursuant to and for the purpose of complying with English law and the information disclosed may not be the same as that which would have been disclosed in accordance with the laws of jurisdictions outside England and the rest of the UK. Nothing in this document or the Forms of Proxy should be relied on for any other purpose.

All Overseas Shareholders and any person (including custodians, nominees and trustees) who has a contractual or legal obligation to forward this document and/or the Forms of Proxy to a jurisdiction outside the UK should read paragraph 15 of Part I of this document and seek appropriate professional advice before taking any action.

#### **Forward-looking statements**

This document contains statements that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “should”, “could”, “would”, “may”, “anticipates”, “estimates”, “synergy”, “projects”, “goal” or “strategy”, or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies.

These forward-looking statements are not guarantees of financial performance. They have not been audited or verified by an independent party and should not be seen as an indication of returns which might be received by investors in New Hansa. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as at the date of this document. All subsequent oral or written forward-looking statements attributable to the Company or New Hansa or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. The Company disclaims any obligation to update any forward-looking or other statements contained in this document, except as required by applicable law.

The statements contained in this document are made as at the date of publication of this document, unless some other time is specified in relation to them. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company or New Hansa except where expressly stated.

The date of this document is 4 July 2019.

**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company in this document and to the Explanatory Statement set out in Part I of this document.**

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### SHAREHOLDER HELPLINE

0371 664 0321 (if calling from within the UK)

or

+44 (0) 371 664 0321 (if calling from outside the UK)

Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. The Shareholder Helpline is open from 9.00 a.m. until 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

The Shareholder Helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

## DEFINITIONS

<b>“A’ Ordinary Court Meeting”</b>	the meeting of the holders of ‘A’ Ordinary Shares convened by order of the Court pursuant to sections 895 to 899 of the Companies Act for 29 July 2019 to consider and, if thought fit, approve the Scheme, and any adjournment thereof, notice of which is set out in Part VII of this document;
<b>“A’ Ordinary Shares”</b>	the 16,000,000 ‘A’ Ordinary shares of 5 pence each in the capital of the Company;
<b>“A’ Ordinary Scheme Shareholders”</b>	the holders of ‘A’ Ordinary Shares comprising Scheme Shares;
<b>“Administrator”</b>	Maitland Administration Services Limited;
<b>“Admission”</b>	the admission of (i) the New Hansa Ordinary Shares to listing on the premium segment of the Official List; (ii) the New Hansa ‘A’ Ordinary Shares to listing on the standard segment of the Official List; and (iii) the New Hansa Shares to trading on the Main Market, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange;
<b>“AIC Code”</b>	the AIC Code of Corporate Governance, as amended from time to time;
<b>“AIFM”</b>	the alternative investment fund manager;
<b>“AIFMD”</b>	Directive 2011/61/EU on Alternative Investment Fund Managers;
<b>“Annual General Meeting”</b>	the annual general meeting of the Company convened for 29 July 2019 notice of which is set out in the annual report of the Company for the financial year ended 31 March 2019;
<b>“Articles”</b>	the articles of association of the Company;
<b>“Audited Financial Statements”</b>	the annual report and financial statements of the Company for the financial years ended 31 March 2019, 31 March 2018 and 31 March 2017;
<b>“Bermuda Companies Act”</b>	the Companies Act 1981 of Bermuda as may be amended or replaced from time to time;
<b>“Business Day”</b>	a day (excluding Saturday or Sunday) on which banks generally are open for business in the City of London for the transaction of normal banking business;
<b>“Capital Reduction”</b>	the reduction of the Company’s share capital associated with the cancellation of the Scheme Shares provided for by Clause 1a) of the Scheme and under Chapter 10 of Part 17 of the Companies Act;
<b>“Chairman”</b>	the chairman of the Company from time to time;
<b>“CIFL”</b>	Consolidated Investment Funds Limited, an investment dealing company, registered in England, being a dormant wholly owned subsidiary of the Company dissolved on 18 June 2019;
<b>“Companies Act”</b>	the United Kingdom Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force;
<b>“Company” or “Hansa Trust”</b>	Hansa Trust PLC, a company incorporated in the United Kingdom with company number 00126107, the ordinary shares of which are admitted to listing on the premium segment of the Official List and the ‘A’ Ordinary shares of which are admitted to listing on the standard segment of the Official List and each class admitted to trading on the Main Market;

<b>“Court”</b>	the High Court of Justice of England and Wales;
<b>“Court Hearing”</b>	the hearing by the Court of the application to sanction the Scheme;
<b>“Court Meeting”</b>	the Ordinary Court Meeting and / or the ‘A’ Ordinary Court Meeting;
<b>“CREST”</b>	the relevant system as defined in the CREST Regulations in respect of which Euroclear UK is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
<b>“Deferred Shares”</b>	the two deferred shares of 5 pence each in the capital of the Company having the rights set out in the Articles (as amended following the passing of the special resolution at the General Meeting);
<b>“DI Depository”</b>	Link Market Services Trustees Limited;
<b>“Directors” or “Board”</b>	the Board of directors of the Company;
<b>“Disclosure Guidance and Transparency Rules”</b>	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA;
<b>“EEA”</b>	the European Economic Area;
<b>“Euroclear UK”</b>	Euroclear UK & Ireland Limited;
<b>“Effective Date”</b>	the time when the Scheme becomes effective in accordance with clause 7 of the Scheme, expected to be on 29 August 2019;
<b>“FCA”</b>	Financial Conduct Authority;
<b>“Form of Proxy”</b>	the forms of proxy for use by the Shareholders at the Court Meetings and the General Meeting which accompany this document;
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000, as amended;
<b>“General Meeting”</b>	the general meeting of the Company convened for 29 July 2019 to consider and, if thought fit, to approve, amongst other things, a reduction of the share capital of the Company and various other matters in connection with the Scheme, and any adjournment thereof, notice of which is set out in Part VIII of this document;
<b>“Hansa Group”</b>	prior to the Effective Date, the Company and CIFL and, following the Effective Date, New Hansa and the Company;
<b>“Hansa Trust”</b>	the Company;
<b>“Hansa Trust Shares”</b>	the Ordinary Shares and the ‘A’ Ordinary Shares;
<b>“HMRC”</b>	Her Majesty’s Revenue & Customs;
<b>“Listing Rules”</b>	the listing rules made by the UKLA under Part VI of FSMA;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Main Market”</b>	the London Stock Exchange’s main market for listed securities;
<b>“Member State”</b>	any member state of the EEA;
<b>“New Hansa”</b>	Hansa Investment Company Limited, an exempted company with limited liability incorporated under the Bermuda Companies Act with registered number 54752;
<b>“New Hansa ‘A’ Ordinary Shares”</b>	the ‘A’ non-voting ordinary shares of 1 pence each in the capital of New Hansa;

<b>“New Hansa Board”</b>	the board of New Hansa Directors;
<b>“New Hansa Bye-laws”</b>	the bye-laws of New Hansa adopted, conditional upon the Scheme becoming effective, by New Hansa pursuant to a board and a shareholder resolution dated 1 July 2019;
<b>“New Hansa Depository Interests”</b>	a dematerialised depository interest issued by the DI Depository representing and underlying a New Hansa Share;
<b>“New Hansa Directors”</b>	the board of directors of New Hansa;
<b>“New Hansa Ordinary Shares”</b>	the ordinary shares of 1 pence each in the capital of New Hansa;
<b>“New Hansa Prospectus”</b>	a prospectus relating to New Hansa prepared in accordance with the Prospectus Rules in connection with the Scheme and the applications for Admission;
<b>“New Hansa Shareholder”</b>	a registered holder of New Hansa Shares;
<b>“New Hansa Shares”</b>	the New Hansa Ordinary Shares and the New Hansa ‘A’ Ordinary Shares;
<b>“New Shares”</b>	the ordinary shares of 5 pence each in the capital of the Company created following the cancellation of the Scheme Shares and to be issued credited as fully paid to New Hansa pursuant to the Scheme;
<b>“Official List”</b>	the official list maintained by the UKLA;
<b>“Ordinary Court Meeting”</b>	the meeting of the holders of Ordinary Shares convened by order of the Court pursuant to sections 895 to 899 of the Companies Act for 29 July 2019 to consider and, if thought fit, approve the Scheme, and any adjournment thereof, notice of which is set out in Part VI of this document;
<b>“Ordinary Shareholders”</b>	a holder of Ordinary Shares;
<b>“Ordinary Shares”</b>	the 8,000,000 ordinary shares of 5 pence each in the capital of the Company;
<b>“Ordinary Scheme Shareholders”</b>	the holders of Ordinary Shares comprising Scheme Shares;
<b>“OWHL”</b>	Ocean Wilsons Holdings Limited an exempted company with limited liability incorporated under the Bermuda Companies Act with registered number EC-17148;
<b>“Overseas Shareholder”</b>	a Shareholder who has a registered address outside the United Kingdom or who is a citizen of, or resident in, a jurisdiction other than the United Kingdom;
<b>“Panel”</b>	the UK Panel on Takeovers and Mergers which is the regulatory body which administers the City Code on Takeovers and Mergers;
<b>“Portfolio Manager”</b>	Hansa Capital Partners LLP;
<b>“Portfolio”</b>	the portfolio of investments held by the Company from time to time;
<b>“Proposal”</b>	the proposal relating to the reorganisation of the business and assets of the Company to effect a re-domiciliation to Bermuda pursuant to a scheme of arrangement under sections 895 to 899 of the Companies Act;
<b>“Prospectus Rules”</b>	the rules and regulations made by the FCA under Part VI of FSMA;

<b>“Registrars”</b>	Link Market Services (Guernsey) Limited trading as Link Asset Services;
<b>“Restricted Jurisdiction”</b>	a jurisdiction in which the circulation of this Circular and related documents may violate the relevant laws and/or regulations of that jurisdiction;
<b>“Restricted Shareholder”</b>	a shareholder who has a registered address within a Restricted Jurisdiction;
<b>“Scheme” or “Scheme of Arrangement”</b>	the scheme of arrangement proposed to be made under sections 895 to 899 of the Companies Act between the Company and the holders of Scheme Shares, as set out in Part II of this document in its present form or with or subject to any modification, addition or condition approved or imposed by the Court;
<b>“Scheme Record Time”</b>	the record date for participating in the Scheme expected to be close of business (London time) 28 August 2019 being the business day immediately preceding the Effective Date;
<b>“Scheme Resolutions”</b>	<p>the resolutions to be proposed at the General Meeting to approve:</p> <ul style="list-style-type: none"> <li>(a) the entry into of the Transfer Agreement and the transfer of the Portfolio to New Hansa, as a substantial property transaction requiring shareholder approval pursuant to the Companies Act;</li> <li>(b) the Scheme and certain amendments to be made to the Articles for the purposes of giving effect to the Scheme and creating a new class of deferred shares;</li> <li>(c) the Capital Reduction by the cancellation of the Scheme Shares and the creation and allotment of New Shares to New Hansa;</li> <li>(d) any actions to be taken by the Directors as they consider necessary or appropriate for carrying the Scheme into effect;</li> <li>(e) conditional on resolutions (a) to (d) above and resolution (f) below being passed and the resolutions being passed at each of the Court Meetings, the re-designation of one Ordinary Share held by New Hansa and one ‘A’ Ordinary Share held by New Hansa as a new class of deferred shares having the rights set out in the Articles as amended and in the event the Scheme does not come into effect to re-designate one Deferred Share as an Ordinary Share and the second Deferred Share as an ‘A’ Ordinary Share;</li> <li>(f) conditional on the Scheme becoming effective, the cancellation from trading on the Main Market of the Hansa Trust Shares.</li> </ul>
<b>“Scheme Shareholders”</b>	the holders of the Scheme Shares;
<b>“Scheme Shares”</b>	<ul style="list-style-type: none"> <li>(a) all of the Hansa Trust Shares in issue at the date of this document;</li> <li>(b) all (if any) additional Hansa Trust Shares in issue at the Scheme Voting Record Time; and</li> <li>(c) all (if any) further Hansa Trust Shares which may be issued after the Scheme Voting Record Time but on or before the Scheme Record Time in respect of which the original or any subsequent holders shall be bound by the Scheme or in respect of which the original or any subsequent holders shall have agreed in writing to be so bound;</li> </ul> <p>in each case other than any shares held by New Hansa.</p>

<b>“Scheme Voting Record Time”</b>	close of business (London time) on 25 July 2019 or, if the Court Meeting is adjourned by 48 hours or more, close of business on the day which is two days before the date fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting and an entitlement time is specified in that notice, the time specified in that notice;
<b>“SEC”</b>	the US Securities and Exchange Commission;
<b>“Shareholder”</b>	prior to the Effective Date, a holder of Hansa Trust Shares and, following the Effective Date, a holder of New Hansa Shares;
<b>“Shares”</b>	the Hansa Trust Shares;
<b>“Takeover Code”</b>	The UK City Code on Takeovers and Mergers;
<b>“Transfer Agreement”</b>	the contract dated on or about the date of this document for the sale of the Company’s entire portfolio of investments, cash and cash equivalent assets to and the assumption of liabilities by New Hansa;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“US Investment Company Act”</b>	the United States Investment Company Act of 1940, as amended;
<b>“US Exchange Act”</b>	the United States Securities Exchange Act of 1934, as amended;
<b>“US person”</b>	a US person as defined in Regulation S under the US Securities Act; and
<b>“US Securities Act”</b>	the United States Securities Act of 1933, as amended;
<b>“Winterflood”</b>	Winterflood Securities Limited.

# LETTER FROM THE CHAIRMAN

## Hansa Trust PLC

Registered Office: 50 Curzon Street, London, W1J 7UW

*(Incorporated in England and Wales under the Companies Act, with company number 00126107 and registered as an investment company under section 833 of the Companies Act)*

4 July 2019

*To: Holders of Ordinary Shares and 'A' Ordinary Shares*

Dear Shareholder,

### **Proposal**

I am writing to you to explain why it is that your Board is proposing, subject to Shareholder approval and the sanction of the Court, to move the domicile of Hansa Trust's business to Bermuda by means of a scheme of arrangement.

### **Background**

Your company is an unusual investment trust company. Its distinctive features include significant long-term ownership of its shares which provides stability and its large holding in OWHL which represents over 30 per cent of Hansa Trust's net asset value. In addition, it invests globally with only approximately 5 per cent of its portfolio invested in the UK. Your Board believes that its distinctiveness makes its shares an attractive investment for investors wanting something different and that its long-term prospects are most exciting.

The Board has historically taken the view that it is appropriate for Hansa Trust to be domiciled in the UK, benefiting from UK Investment Trust status. However, your Board has become increasingly concerned about the recent political climate in the UK, the instability and uncertainty this creates and the threat posed to Hansa Trust's business by such political developments. The Board considers that it is a fundamental duty of the board of directors of any company to consider risks to its business and, where appropriate, to take action to mitigate those risks. The Board has spent much of the last 18 months considering what course of action might best protect Hansa Trust's business from the risks of unfavourable political developments in the UK. The conclusion that the Board has come to is that Hansa Trust should move its business outside the UK.

In that regard, the Board undertook an extensive investigation into five possible locations that would best enable Hansa Trust to mirror its existing investment strategy, portfolio and capital structure while avoiding any material impact on its returns. The countries considered were Bermuda, Ireland, Luxembourg, the Netherlands and Switzerland. Following this analysis, your Board concluded that re-domiciling the business of Hansa Trust to Bermuda would best achieve this objective and is therefore putting this proposal to you.

The views of Hansa Trust's shareholders are important to the Board. As such, the Board undertook a consultation with its major shareholders in connection with the potential change of domicile. The Board believes that there is broad support for the change, with those shareholders understanding that the business, the modus operandi, the investment strategy, portfolio management and the dividend policy will continue to be materially the same as exists today.

It must be stressed that the proposal to move the business of Hansa Trust to Bermuda is being made so that the business can continue to operate as it is doing currently despite the political uncertainties in the UK. The Proposal is not expected to have any significant impact on Hansa Trust's tax position on the basis of the existing laws and regulations in Bermuda and the United Kingdom.

The Proposal, if approved by Shareholders and sanctioned by the Court, will involve transferring the entire portfolio of investments and other assets of Hansa Trust to a new Bermudan registered company, New Hansa, and replacing your shares in Hansa Trust with five New Hansa Shares of the same class for each Old Hansa Share currently held. Each Shareholder will receive the same proportionate holding and the same class of New Hansa Shares under the Scheme as they

currently hold in Hansa Trust. The two classes of shares of New Hansa will be admitted to trading on the London Stock Exchange in the same way as the existing two classes of shares of Hansa Trust and will continue to be subject to the Listing Rules. It is proposed that there will be a meeting held once a year in London for those shareholders who can not attend the annual general meeting in person where representatives of the New Hansa Board will be available to receive comments and to answer questions. Finally, it is estimated that the ongoing operational expenses of New Hansa will be broadly similar to those currently incurred by Hansa Trust.

Our intention is that New Hansa will be as similar to Hansa Trust as Bermuda law and regulation will permit. In particular the investment portfolio of Hansa Trust will become the investment portfolio of New Hansa and in due course, the Company will be wound up. Immediately following completion of the Proposal, New Hansa will have the same investment risks as Hansa Trust including its considerable exposure to Brazil through its holding in OWHL.

Prior to the necessary shareholder meetings and court hearing required to approve the re-domiciliation, New Hansa has been incorporated in Bermuda and, following a formal search, a board of directors has been appointed with the necessary skills and experience to govern it. Jonathan Davie has been appointed as an independent non-executive director and will take on the role of Chairman and William Salomon has been appointed as a non-independent non-executive director. Both are currently directors of Hansa Trust thereby providing some governance continuity. Three new independent non-executive directors – Richard Lightowler, Nadya Wells and Simona Heidempergher – have also been appointed to complete a board comprising of five directors akin to the board of Hansa Trust.

### **Shareholder Meetings**

The implementation of the Proposal is subject, in the first instance, to Shareholder approval. The Proposal will be put to three different meetings of the Shareholders, the details of which are outlined in Part I of this document together with an explanation of the thresholds required for such approval. There will be a Court Meeting for each class of Hansa Trust Shares and a General Meeting for the holders of Ordinary Shares. Notices convening the Court Meetings and the General Meeting are set out in Parts VI to VIII of this document. The meetings will be held at The Washington Mayfair Hotel at 5 Curzon Street, London, W1J 5HE on 29 July 2019 at the following times:

- The Ordinary Court Meeting will start at 1.30 pm (or as soon thereafter as the Annual General meeting has concluded or been adjourned).
- The 'A' Ordinary Court Meeting will start at 1.35 pm. (or as soon thereafter as the Ordinary Court Meeting has concluded or been adjourned).
- The General Meeting will start at 1.40 pm (or as soon thereafter as the 'A' Ordinary Court Meeting has concluded or been adjourned).

If the various resolutions are approved by the requisite majorities at the relevant meetings, Hansa Trust will apply to the Court seeking the Court's sanction for the Scheme. If any of the resolutions are not passed, or the Court does not sanction the Scheme, then the Proposal will lapse and the Hansa Trust will continue as is – as a UK investment trust company operating in the UK.

The action to be taken by Shareholders in respect of the relevant meetings is set out on page 15 and in paragraph 18 of Part I of this document. You will find enclosed with this document appropriate Forms of Proxy for use in connection with the meetings.

**It is important that as many votes as possible are cast at the Court Meetings so that the Court may be satisfied that there is a fair representation of Shareholder opinion.**

### **Legal, Regulatory And Tax Impact Of The Proposal**

Whilst your Board considers Bermuda to be an appropriate jurisdiction to redomicile to, so that New Hansa can best mirror Hansa Trust, there are nonetheless a number of legal, regulatory and tax consequences resulting from New Hansa being incorporated in Bermuda and not in England. We would like to draw these to your attention and do so in Part I of this document. In particular, I would highlight that the Takeover Code which is designed to regulate the way in which takeovers are conducted will not apply to New Hansa and Bermuda law does not contain any provisions similar to those contained in the Takeover Code applicable in the UK. Steps have been taken by New Hansa

to mitigate this by including certain takeover protections in the New Hansa Bye-laws. Further details are provided in Part I and Part IV of this document.

### **Overseas Shareholders**

Overseas Shareholders should refer to the section headed "Overseas Shareholders" in Part I of this document. The terms of the Scheme, as they relate to Overseas Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Restricted Shareholders will not receive the New Hansa Prospectus.

### **US Shareholder Representations**

Each Scheme Shareholder will be required to provide certain confirmations to Hansa Trust, pursuant to the US Shareholder Letter, a copy of which is enclosed with this document. Details of such confirmations are set out in paragraph 16 of Part I of this document. We would ask that you complete and return the US Shareholder Letter in accordance with the instructions set out in paragraph 16 of Part I of this document.

### **Conclusion and Recommendation**

I hope that this letter has been helpful in providing you with the background to and reasons for the Proposal, as well as, albeit briefly, the process for implementing the Proposal. In addition at the end of this letter I have included a section where the Board seeks to answer some questions you may have. **I would, however, strongly urge you to read the detailed explanation of the Proposal elsewhere in this document, in particular Part I, before reaching any decision about how you intend to vote at the General Meeting and the Court Meetings.**

I would also draw your attention to Parts II to V of this document and to the risk factors set out on pages 16 to 18 of this document.

Your Board considers the Proposal to be in the best interests of Hansa Trust and its Shareholders as a whole. Accordingly, your Board unanimously recommends Shareholders to vote in favour of the Scheme at the Court Meetings and Ordinary Shareholders to vote in favour of the resolutions to be proposed at the General Meeting and that Shareholders complete and return their Forms of Proxy or transmit CREST proxy instructions accordingly, whether or not they intend to attend the meetings.

The Directors intend to vote in favour of the Scheme at the Court Meetings and the resolutions to be proposed at the General Meeting in respect of their beneficial holdings amounting in aggregate to 58,194 Ordinary Shares representing 0.73 per cent. of the total voting rights attaching to the Ordinary Shares as at the date of this document and 139,150 'A' Ordinary Shares representing 0.87 per cent. of the total voting rights attaching to the 'A' Ordinary Shares as at the date of the document.

Your Board greatly appreciates the support it receives from Shareholders and we will be available at the General Meeting to address any questions on the Proposal or this document.

Shareholders may wish to seek advice on how they may be affected by the Proposal or on what they need to do in respect of their shareholding in Hansa Trust. So I will, if I may, repeat the words in bold on the cover of this document at the top of the page:

**"If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent professional financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom."**

Yours sincerely

Alex Hammond-Chambers  
(Chairman)

## **RESPONSES TO ANTICIPATED QUESTIONS**

In this section we seek to answer further questions the Board anticipate Shareholders may have in connection with the implementation of the Proposal:

### **1. *Why are you implementing the re-domiciliation by way of scheme of arrangement?***

The Scheme is a formal procedure under the Companies Act and is a procedure commonly used to carry out corporate re-organisations. The Scheme requires the approval of the Shareholders and the Court. If the requisite majority of Shareholders vote in favour of the Scheme and it is approved by the Court, all Shareholders will be bound by the Scheme regardless of whether or how they voted.

### **2. *What are the three meetings for?***

There is a Shareholder meeting for each class of Hansa Trust Shares convened by the order of the Court pursuant to sections 895 to 899 of the Companies Act to consider and, if thought fit, approve the Scheme. The sole purpose of each Court Meeting is to seek the approval of the holders of each class of Hansa Trust Shares for the Scheme. In addition, there will be a general meeting of the Company to consider and, if thought fit, to approve, amongst other things, a reduction of the share capital of the Company and various other matters in connection with the Scheme. The General Meeting is attended by the Ordinary Shareholders only, being the Shareholders whose shares carry voting rights. The General Meeting and the Court Meetings are being called for different purposes. Each meeting is described in more detail in the section entitled "The Meetings" on pages 21 to 23 of this document.

### **3. *Do I have to pay anything under the Scheme?***

No. All New Hansa Shares arising as a result of the Scheme are being issued to Shareholders in consideration for the cancellation of their existing Hansa Trust Shares. No additional payment is required.

### **4. *Will there be any change to the value or the percentage of my shareholding?***

There is no reason to believe that the market price of each New Hansa Share following the implementation of the Scheme would be different to the market price of each Hansa Trust Share. Each Shareholder will receive the same proportionate holding and same class of New Hansa Shares under the Scheme as they currently hold in Hansa Trust. Consequently, the percentage shareholding (and voting rights) of each Shareholder will not change as a result of the Scheme.

### **5. *Will I receive dividends or distributions on my New Hansa Shares?***

The total dividends expected to be payable to New Hansa Shareholders for the year to 31 March 2020 is, in aggregate, the same as that indicated by the Company.

New Hansa intends to pay four interim dividends per year, which compares to the Company's existing dividend policy to pay two interim dividends each year. The New Hansa Board will, subject to Bermuda law, declare the intended rate of the four proposed dividends at the beginning of the financial year in question. Barring unforeseen circumstances, the interim dividends will be paid in August, November, February and May. In light of the timing of the Scheme, it is anticipated that New Hansa will pay three interim dividends for its financial year ending 31 March 2020, barring unforeseen circumstances: the first dividend being 1.6 pence per share paid in November 2019, and the second and third dividends being 0.8 pence per share paid in February 2020 and May 2020, respectively.

### **6. *Can I hold my New Hansa Shares in uncertificated form?***

As New Hansa is a non-UK company the New Hansa Shares will not be admitted to CREST and therefore will not be able to be held and traded directly in uncertificated form. However, any Shareholders who currently hold their Hansa Trust Shares in uncertificated form and who wish to hold and transfer interests in their New Hansa Shares within CREST will be able to do so pursuant to the Depositary Interest arrangements to be established by New Hansa. Please refer to paragraph 11 of Part I of this document for further details. The New Hansa Depositary Interests will be created and issued pursuant to a deed poll executed by the DI Depositary under English law. These New Hansa Depositary Interests may be held and transferred within the CREST system. The DI Depositary will be registered as the legal owner of the relevant New Hansa Shares, however, the beneficial interest in such shares will remain with the holder of the New Hansa Depositary Interests

representing the underlying shares. The holder of the New Hansa Depositary Interests will receive all of the rights attaching to the New Hansa Shares as that holder of New Hansa Depositary Interests would have had if he or she had been entered on the New Hansa register of members. If you hold your Hansa Trust Shares in uncertificated form as at the Scheme Record Time, your CREST account will automatically be credited with equivalent New Hansa Depositary Interests on or about the Effective Date. If you wish to withdraw your underlying New Hansa Shares from the New Hansa Depositary Interests arrangements, see paragraph 11.3 of Part I of this document.

#### **7. Are there tax consequences resulting from the Scheme?**

Shareholders should contact their tax advisers for advice and further information on the tax consequence for them. The summaries provided in this document are for general information only and are not intended to be, nor should they be considered to be, legal or tax advice to any potential shareholder.

There should generally be no tax liabilities for UK resident Shareholders arising from the Scheme on the basis that the Scheme will constitute a scheme of reconstruction within the meaning of the Taxation of Chargeable Gains Act 1992 ("**TCGA 1992**") and consequently that, subject in the case of certain UK resident shareholders to the receipt of clearance from HMRC, UK resident Shareholders should be treated as exchanging their Hansa Trust Shares for New Hansa Shares in a re-organisation of capital within section 136 of TCGA 1992.

There should generally be no U.S. federal income tax consequences to U.S. Holders (as defined below in Part IV) arising from the Scheme on the basis that the Scheme will constitute a reorganization under Section 368(a)(1)(F) of the Code (as defined below in Part IV). Further details of the U.S. federal income tax treatment of Shareholders arising under the Scheme and as a result of owning and disposing of New Hansa Shares are set out below in Part IV.

Further details of the tax treatment of Shareholders arising under the Scheme are set out in Part III of this document.

#### **8. What if I am resident outside of the United Kingdom?**

Overseas Shareholders should refer to paragraph 15 of Part I of this document.

#### **9. What is the estimated cost of implementing the Proposal?**

The total costs and expenses payable in connection with the Scheme and Admission are estimated to be approximately £1,660,000 (inclusive of VAT) of which it is expected that approximately £730,000 will be paid by the Company and the balance of approximately £930,000 will be paid by New Hansa. No expenses will be charged directly to the Shareholders or directly to the shareholders of New Hansa.

#### **10. What action should I take?**

We would like as many Shareholders as possible to cast their votes in person or by proxy at the relevant Court Meetings, and in respect of the holders of Ordinary Shares, at the General Meeting. It is particularly important that a considerable number of votes are cast at the respective Court Meetings to demonstrate to the Court that the outcome of the voting gives a fair representation of Shareholder opinion amongst each class of Shareholder.

We would urge Shareholders to complete, sign and return their Forms of Proxy or transmit CREST proxy instructions as soon as possible. Further detail of the action to be taken by Shareholders is set out in paragraph 18 of Part I of this document – "**Action to be taken**".

We would also ask Shareholders to complete and return the US Shareholders Letter in accordance with the instructions set out in paragraph 16 of Part I of this document.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	2019
Publication of the New Hansa Prospectus	4 July
Publication of this Circular	4 July
Latest time and date for lodging Forms of Proxy / transmitting CREST proxy instructions for the meetings	not less than 48 hours before the time fixed for each meeting <sup>1</sup>
Scheme Voting Record Time	close of business on 25 July
Ordinary Court Meeting to approve the Scheme	29 July
'A' Ordinary Court Meeting to approve the Scheme	29 July
General Meeting	29 July
Court Hearing to sanction the Scheme	27 August
Scheme Record Time	close of business on 28 August
Effective Date	29 August
Admission and commencement of dealings in New Hansa Shares	8.00 am on 29 August
Cancellation of listing of the Hansa Trust Shares	8.00 am on 29 August
Crediting of New Hansa Depository Interests to CREST accounts	29 August
Share certificates for New Hansa Shares expected to be despatched	w/c 2 September

Notes:

1. No account shall be taken of any part of a day that is not a working day. Each of the times and dates in the table above is indicative only and may be subject to change. Final dates and times will depend on, amongst other things, the dates upon which the Court sanctions the Scheme. If a time or date is changed, the Company will notify the Shareholders of the changes in the timetable either by post or publication of a notice through a regulatory information service. Forms of Proxy for the Court Meetings may be handed to the Registrars (on behalf of the Chairman) immediately prior to the start of the relevant Court Meeting. However, in the case of the General Meeting unless the Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid.
2. References to time in this document are to London time.
3. All Shareholders have the right to attend the Court Hearing in person or through counsel to support or oppose the sanctioning of the Scheme.

## ACTION TO BE TAKEN BY SHAREHOLDERS

Full details of the action to be taken by Shareholders is set out in Part I of this document and in the instructions on the Form of Proxy. The attention of Overseas Shareholders is drawn to the section headed "Overseas Shareholders" in Part I of this document.

The Scheme requires Shareholders to vote on the Scheme at the relevant Court Meeting and the Ordinary Shareholders to vote on the resolutions to be proposed at the General Meeting. Shareholders are urged to do so.

Shareholders who hold Ordinary Shares	→	Complete and return the blue Form of Proxy/transmit CREST Proxy instructions for the Ordinary Court Meeting so as to be received as soon as possible, but in any event by no later than 1.30 pm (London time) on 25 July 2019
Shareholders who hold 'A' Ordinary Shares	→	Complete and return the yellow Form of Proxy/transmit CREST Proxy instructions for the 'A' Ordinary Court Meeting so as to be received as soon as possible, but in any event by no later than 1.35 pm (London time) on 25 July 2019
Shareholders who hold Ordinary Shares	→	Complete and return the white Form of Proxy/transmit CREST Proxy instructions for the General Meeting so as to be received as soon as possible, but in any event by no later than 1.40 pm (London time) on 25 July 2019

Forms of Proxy for the Court Meetings may be handed to the Registrars (on behalf of the Chairman) immediately prior to the start of the relevant Court Meeting. However, in the case of the General Meeting unless the Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid.

Shareholders who are located in the United Kingdom should return their Forms of Proxy using the reply paid envelope enclosed with this document or by registered post, courier or hand to Link Asset Services at Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Those Shareholders who are located outside of the United Kingdom should return their Forms of Proxy by airmail registered post, courier or hand to Link Asset Services at Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

As an alternative to completing and returning the Forms of Proxy, you may vote online at [www.signalshares.com](http://www.signalshares.com). For security purposes, you will need your investor code in order to register; this can be found on your share certificate.

Shareholders who hold their Hansa Trust Shares in uncertificated form (i.e. in CREST) may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please refer to the accompanying notes to the notice of the General Meeting set out at the end of this document).

Proxies submitted via CREST for the relevant meeting must be transmitted so as to be received by the Registrar by no later than 48 hours (excluding non-working days) before the time of the General Meeting or relevant Court meeting or the adjourned meeting.

If you have any questions relating to the completion and return of your Form of Proxy or submitting an instruction via the CREST system please contact Link Asset Services on 0371 664 0321 or +44 (0) 371 664 0321 (if calling from outside the UK). Calls are charged at the standard geographic

rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## **RISK FACTORS**

The risk factors set out below are those which are considered by the Directors to be material in relation to the Proposal as at the date of this document. The risk factors below should not be read in isolation but should be considered by Shareholders together with all other information contained in this document and the New Hansa Prospectus before making any decisions as to how to cast their vote at the Court Meetings and the General Meeting.

Shareholders who are in any doubt as to the action they should take are recommended immediately to consult their stockbroker, bank manager, solicitor, accountant, or other appropriate independent professional financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

### **RISKS ASSOCIATED WITH THE SCHEME**

#### **No guarantee that the Scheme will be implemented**

The implementation of the Scheme is subject to a number of conditions, details of which are set out in Parts I and II of this document and there is no certainty that the Scheme will become effective and implemented in accordance with its terms.

The implementation of the Scheme is conditional, among other things, on the passing by the requisite majorities of the resolutions to be proposed at the Court Meetings and the resolutions to be proposed at the General Meeting and also upon the Court sanctioning the Scheme. In the event that the Scheme is not sanctioned by the Court, the Scheme will not be implemented and the Proposal will not proceed. If the Scheme is not implemented, Shareholders will continue to hold their Ordinary Shares and 'A' Ordinary Shares and the Company will be responsible for the payment of all costs and fees which will have been incurred in connection with the proposed implementation of the Scheme.

### **RISKS ASSOCIATED WITH NEW HANSA**

#### **There is no assurance that the investment objective of New Hansa will actually be achieved or provide the returns sought by it.**

An investment in New Hansa will involve exposure to those risks normally associated with investments in stocks and shares, including those to which an investment in the Company is currently subject. As such, the price of their shares can go down as well as up and an investor may not get back the full amount invested. There is no assurance that the investment objective of New Hansa will actually be achieved or provide the returns sought by it. The market price of each class of New Hansa Shares may not fully reflect their underlying net asset value.

An investment in New Hansa will be governed by the New Hansa Prospectus which accompanies this document. Accordingly, Shareholders should read the New Hansa Prospectus, including the risk factors contained therein, prior to deciding how to cast their vote on the resolutions at the Court Meeting and the General Meeting.

### **TAXATION**

Representations in this document concerning the taxation of Shareholders are based on current law and HMRC practice, both of which are subject to change. The information in this document relating to taxation law and practice is given by way of general summary and does not constitute legal or tax advice to Shareholders.

#### **Changes in tax treatment**

At the present time, there is no Bermudan income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable in Bermuda by New Hansa or its shareholders in respect of its shares. New Hansa has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to New Hansa or to any of

New Hansa's operations or to its shares, debentures or other obligations except insofar as such tax applies to persons resident in Bermuda or is payable by New Hansa in respect of real property owned or leased by New Hansa in Bermuda.

## **RISKS RELATING TO STRUCTURE, REGULATION AND TAXATION**

### **New Hansa will be subject to laws and regulations in Bermuda which may give rise to conflicts**

As a Bermuda incorporated company, New Hansa will be required to comply with Bermuda law and regulations, where applicable. As all of the New Hansa Ordinary Shares will be admitted to listing on the premium segment of the Official List and the New Hansa 'A' Ordinary Shares will be admitted to listing on the standard segment of the Official List and all New Hansa Shares admitted to trading on the Main Market, conflicts may arise between the obligations of New Hansa under applicable Bermuda law and regulations and the Listing Rules. However, having taken appropriate advice, the Board considers that under the current laws and regulations of the UK and Bermuda, the risk of material and irreconcilable legislative or regulatory conflicts is low.

The rights of New Hansa Shareholders will be governed by Bermuda law and regulations following the Scheme becoming effective.

### **The European Union's review of harmful tax competition could adversely affect our business, financial condition and results of operations**

During 2017, the European Union ("EU") Economic and Financial Affairs Council ("ECOFIN") released a list of non-cooperative jurisdictions for tax purposes. The stated aim of this list, and accompanying report, was to promote good governance worldwide in order to maximize efforts to prevent tax fraud and tax evasion. Bermuda was not on the list of non-cooperative jurisdictions, but did feature in the report (along with approximately 40 other jurisdictions) as having committed to address concerns relating to economic substance by 31 December 2018. In accordance with that commitment, Bermuda has enacted Economic Substance Act 2018 ("ESA") that requires certain entities in Bermuda engaged in "relevant activities" to maintain a substantial economic presence in Bermuda and to satisfy economic substance requirements. The list of "relevant activities" includes carrying on as a business any one or more of: banking, insurance, fund management, financing, leasing, headquarters, shipping, distribution and service centre, intellectual property and holding entities.

If a Bermuda company is subject to economic substance requirements it will be required to file an economic substance declaration with the Registrar of Companies in Bermuda on an annual basis in respect of each financial year of New Hansa. The economic substance declaration will include information such as: the nature of the activity undertaken by the company; gross income of the company; the nature and extent of outsourcing arrangements entered into by the company; premises of the company in Bermuda; names and physical addresses of directors of the company that are ordinarily resident in Bermuda; the owners of the company including beneficial owners; the company's operating expenses and assets; the number of full time employees of the company.

As a closed-ended investment fund which does not carry on as a business a relevant activity, New Hansa is outside the scope of the ESA. However, any entity that must satisfy economic substance requirements but fails to do so could face automatic disclosure to competent authorities in the EU of the information filed by the entity with the Bermuda Registrar of Companies in connection with the economic substance requirements and may also face financial penalties, restriction or regulation of its business activities and/or may be struck off as a registered entity in Bermuda.

On 12 March 2019, Bermuda was placed on the EU's list of non-cooperative tax jurisdictions. Bermuda was subsequently removed from the list on 17 May 2019, having enacted legislation to satisfy the commitment made by Bermuda to address ECOFIN's concerns relating to economic substance. However, Bermuda has made further commitments to address concerns relating to economic substance in the area of collective investment funds by the end of 2019, and in this regard was added to a list of jurisdictions that have made these commitments.

If Bermuda does not address ECOFIN's further concerns relating to collective investment funds by the end of 2019, Bermuda may be added back to the list of non-cooperative tax jurisdictions. Although the effects of listing as a non-cooperative tax jurisdiction are not yet clear, Member States of the European Union may choose to apply a range of countermeasures to Bermuda and entities registered in Bermuda, including increased monitoring and audits, withholding taxes, special

documentation requirements and anti-abuse provisions. In addition, new provisions in EU legislation prohibit EU funds from being channeled or transited through entities in countries on the list of non-cooperative tax jurisdictions. If Bermuda introduces legislation to address ECOFIN's concerns, this may adversely affect New Hansa. In particular, if New Hansa becomes subject to the need for registration or regulation under the Investment Funds Act 2006 or other legislation, this may increase our costs of doing business in Bermuda or impact our operations in unforeseeable ways.

#### **New Hansa is not subject to the Takeover Code**

The Takeover Code which is designed to regulate the way in which takeovers are conducted will not apply to New Hansa and Bermuda law does not contain any takeover provisions similar to those contained in the Takeover Code applicable in the UK. As a result, a takeover offer for New Hansa will not be conducted under the Takeover Code nor will it be regulated by the UK Panel on Takeover and Mergers. The New Hansa Bye-laws contain certain takeover protections, although these will not replicate the full protections afforded by the Takeover Code and enforcement of such provisions will be the responsibility of and at the discretion of the Directors of New Hansa and not any regulatory authority.

#### **Rights as a New Hansa Depositary Interest holder**

New Hansa Depositary Interest holders do not have the rights which Bermuda law and the New Hansa Bye-laws confer on legal holders of New Hansa Shares, such as voting rights. Those rights vest in the DI Depositary as the legal holder of the relevant New Hansa Shares. The DI Depositary holds its interest in the New Hansa Shares on bare trust for the relevant holders. To exercise any of the rights attaching to the underlying New Hansa Shares the holders of New Hansa Depositary Interests must either rely on the DI Depositary to exercise those rights for the benefit of the New Hansa Depositary Interest holders or instruct the DI Depositary as to how to exercise those rights. The deed poll creating the New Hansa Depositary Interests provides that the DI Depositary must pass on to and, so far as it is reasonably able to, exercise on behalf of the relevant New Hansa Depositary Interest holders, all rights and entitlements which it receives or to which it is entitled in respect of the underlying New Hansa Shares and which are capable of being passed on or exercised. However, there can be no assurance that all such rights and entitlements will at all times be duly and timely passed on or exercised.

## PART I – DETAILS OF THE PROPOSAL AND ITS EFFECTS

### EXPLANATORY STATEMENT

*In compliance with section 897 of the Companies Act 2006*

**Recommended proposal for the redomiciliation of the business and assets of the Company to Bermuda through (i) the cancellation of the issued share capital of the Company; and (ii) the establishment of New Hansa as the new parent company of the Company by means of a scheme of arrangement under Part 26 of the Companies Act, followed by a transfer of the assets and liabilities of the Company to New Hansa.**

#### 1 REASONS FOR THE PROPOSAL

The reasons for the Scheme are described in the paragraph entitled “Background” in the Chairman’s letter in this document.

#### 2 IMPLEMENTATION OF THE PROPOSAL

##### PREPARATORY STEPS

##### **New Hansa**

New Hansa was incorporated in Bermuda as an exempted limited liability company on 21 June 2019, with registered number 54752. Since its incorporation New Hansa has not commenced operations (other than entry into of the material contracts and activities associated with its administration and the Proposal).

On incorporation, the subscribers to New Hansa’s Memorandum were Dawn Griffiths, Christopher Garrod and Graham B. R. Collis (directors of New Hansa’s Bermuda law legal advisers). These persons were not issued any shares in the capital of New Hansa.

At a meeting of New Hansa held on 26 June 2019, five ordinary shares of 1 pence in the capital of New Hansa and five ‘A’ ordinary shares of 1 pence in the capital of New Hansa were issued and allotted to Jonathan Davie to be held pending implementation of the Scheme (together, the **Initial Shares**). Upon the resolutions being passed at each of the Court Meetings and at the General Meeting, New Hansa’s authorised share capital will be increased from £10,000 divided into 500,000 ordinary shares and 500,000 ‘A’ ordinary shares to £1,200,000 divided into 40,000,000 New Hansa Ordinary Shares, and 80,000,000 New Hansa ‘A’ Ordinary Shares by the creation of an additional 39,500,000 New Hansa Ordinary Shares and an additional 79,500,000 New Hansa ‘A’ Ordinary Shares. As at the date of this document, New Hansa’s issued share capital comprises only these Initial Shares.

##### **Transfer of Shares**

To facilitate implementation of the Scheme, Jonathan Davie has agreed with the Company and New Hansa that, so as to take into account the ten New Hansa Shares already held by him, he will transfer one Ordinary Share and one ‘A’ Ordinary Share to New Hansa (the **JD Shares**) as deferred payment for the issue of the Initial Shares to him. On completion of the Scheme, the New Hansa Shares to which he will be entitled, when aggregated with the ten New Hansa Shares already held by him, will represent the same proportionate interest in New Hansa as the Hansa Trust Shares held by him in advance of the implementation of these steps.

Conditional upon the resolutions being passed at each of the Court Meetings and at the General Meeting, the JD Shares shall be re-designated prior to the date of the Court Hearing as Deferred Shares having the rights set out in the Articles as amended. The JD Shares are not Scheme Shares and therefore do not form part of the Scheme. In the event that the Scheme has not become effective by 30 September 2019 (or such later date as Jonathan Davie, the Company and New Hansa may agree), New Hansa has agreed, subject to compliance with Bermuda law to transfer the JD Shares back to Jonathan Davie at which point the JD Shares will be redesignated as an Ordinary Share and an ‘A’ Ordinary Share.

##### **The Articles**

At the General Meeting, the Ordinary Shareholders will be asked to approve amendments to be made to the Articles with effect from the passing of the resolution to ensure that any Hansa Trust Shares issued after the Scheme Voting Record Time, but before the Scheme Record Time, are subject to the Scheme. It is also proposed that amendments will be made (i) to provide that any

Hansa Trust Shares issued after the Scheme Record Time but before the Effective Date will be transferred to New Hansa (or its nominee(s)) in return for the issue of New Hansa Shares and (ii) to create a new class of Deferred Shares. Those amendments are set out in more detail in the notice of the General Meeting, as set out in Part VIII of this document. Accordingly, Resolution 2.2 will be proposed as a special resolution at the General Meeting.

### **Transfer of the portfolio of investments**

Prior to the Scheme the Company has entered into a contract for the sale of its entire portfolio of investments, cash and cash equivalent assets to and assumptions of liabilities by New Hansa for an amount equal to the market value of the portfolio and other assets, with completion of the sale to take place at the Effective Date. The consideration for the sale will be left outstanding as an inter-company loan owing by New Hansa to the Company. The Transfer Agreement is conditional upon the sanction of the Scheme by the Court and will come into effect on 27 August 2019 being the date that the Court grants its approval to the Scheme with the transfer of assets taking place on or after the Effective Date. It is intended that the Company will be wound up following the transfer of the portfolio of investments, cash and cash equivalent assets.

The entry into the Transfer Agreement by the Company will constitute a substantial property transaction requiring the approval of the Ordinary Shareholders pursuant to section 190(1)(a) of the Companies Act. Accordingly, Resolution 1 will be proposed at the General Meeting.

### **THE SCHEME**

The Scheme process requires the approval of shareholders and the sanction of the Court under Part 26 of the Companies Act. The Company will not apply for Court sanction of the Scheme unless the conditions set out below have been satisfied (or, where permitted, waived).

Under the Scheme, all the Scheme Shares will be cancelled pursuant to the Capital Reduction at the Effective Date (which is expected to be 29 August 2019).

Immediately following the reduction of capital of the Scheme Shares taking effect the share capital of the Company will be restored to its former amount by the creation of such number of New Shares as will have an aggregate nominal value equal to the aggregate nominal value of Scheme Shares cancelled pursuant to the reduction of capital and the Company shall apply the credit arising in its books of account as a result of such reduction of capital in paying up, in full at par, the New Shares created. The New Shares will be issued to New Hansa which will, as a result, become the parent company of the Company. The Company will be a wholly-owned subsidiary of New Hansa.

In consideration for the cancellation of the Scheme Shares and the issue of the New Shares to New Hansa, New Hansa will allot and issue to the Scheme Shareholders the following New Hansa Shares:

for every one Ordinary Share held at the Scheme Record Time	five New Hansa Ordinary Shares
for every one 'A' Ordinary Share held at the Scheme Record Time	five New Hansa 'A' Ordinary Shares

Because Euroclear UK is unable to take responsibility for the electronic settlement of shares issued by non-UK companies, New Hansa Depository Interests in respect of the underlying New Hansa Shares will be issued to those Shareholders who wish to hold their New Hansa Shares in uncertificated form through the CREST system. Further details regarding holding New Hansa Depository Interests are set out in paragraph 11.3 of this Part I of this document and in Part VII of the New Hansa Prospectus.

Shareholders who sell or otherwise transfer their Hansa Trust Shares prior to the Scheme Record Time will not receive any New Hansa Shares.

The allotment and issue of the New Hansa Shares will require approval of the New Hansa Board.

Full terms of the Scheme are set out in Part II of this document.

## **CONDITIONS TO IMPLEMENTATION OF THE PROPOSAL**

The Board will not seek the sanction of the Court to implement the Scheme unless the following conditions have been satisfied or waived (if capable of being waived), and, at the relevant time, the Board considers that it continues to be in the best interests of the Shareholders and the Company that the Scheme be implemented:

- a) the entry into the Transfer Agreement;
- b) the Scheme being approved by a majority in number who represent seventy five (75) per cent. or more in value of the Ordinary Shares held by Scheme Shareholders present and voting, either in person (including by corporate representative) or by proxy, at the Ordinary Court Meeting;
- c) the Scheme being approved by a majority in number who represent seventy five (75) per cent. or more in value of the 'A' Ordinary Shares held by Scheme Shareholders present and voting, either in person (including by corporate representative) or by proxy, at the 'A' Ordinary Court Meeting;
- d) the Scheme Resolutions being passed by the requisite majority of the holders of Ordinary Shares at the General Meeting;
- e) the Panel's waiver of the application of the Takeover Code to the Scheme not being rescinded; and
- f) the Directors not resolving to abandon the Scheme prior to the order of the Court sanctioning the Scheme. The Directors have discretion to determine that the Scheme should no longer proceed if they consider that it is no longer in the best interests of the Company and the Shareholders as a whole.

The New Hansa Shares to be issued pursuant to the Proposal are not being and will not be registered under the US Securities Act or under any laws of any state, district or other jurisdiction, of the United States. Accordingly, the New Hansa Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States, or to, or for the account or benefit of, US persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act or any relevant securities laws of any state of the United States. It is currently expected that the New Hansa Shares will be issued in connection with a scheme of arrangement and therefore will be exempt from the registration requirements of the US Securities Act pursuant to section 3(a)(10) thereunder. Neither the SEC nor any US state securities commission has approved or disapproved of the issuing of the New Hansa Shares, or determined if this document is accurate or complete. Any representation to the contrary is a criminal offence. New Hansa has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of such legislation.

## **3 THE MEETINGS**

Before the Court's approval can be sought to sanction the Scheme, the Scheme will require:

- the approval of Ordinary Scheme Shareholders at the Ordinary Court Meeting;
- the approval of 'A' Ordinary Scheme Shareholders at the 'A' Ordinary Court Meeting; and
- the passing by the Ordinary Shareholders of the resolutions set out in the notice of the General Meeting.

The meetings have been convened for 29 July 2019 and will be held at The Washington Mayfair Hotel at 5 Curzon Street, London, W1J 5HE. Notices of the Court Meetings and the General Meeting are set out in Part VI to Part VIII of this document.

All holders of Scheme Shares whose names appear on the register of members of the Company at the Scheme Voting Record Time will be entitled to attend and vote at the relevant meeting in respect of the number of Scheme Shares respectively registered in their names at the relevant time, as further described below.

As soon as practicable and, in any event, by no later than 8.00 a.m. on the Business Day following the meetings, the Company will make an announcement through a Regulatory Information Service in

the UK stating whether or not the resolutions were passed by the requisite majorities (and, if not, whether or not the Scheme has lapsed) and giving voting results in relation to the meetings.

### **Ordinary Court Meeting**

The Ordinary Court Meeting has been convened for 1.30 pm (or as soon thereafter as the Annual General Meeting has concluded or been adjourned) on 29 July 2019 and will be held at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE pursuant to an order of the Court, to enable Ordinary Scheme Shareholders to consider and, if thought fit, approve the Scheme.

At the Ordinary Court Meeting, voting will be held by way of a poll and each Ordinary Shareholder entitled to attend and who is present in person (including by corporate representative) or by proxy will be entitled to one vote for every £1 nominal amount of share capital of Ordinary Shares held. The statutory majority required to approve the Scheme at the Ordinary Court Meeting is a majority in number of Ordinary Shareholders (as at the Scheme Voting Record Time) representing at least seventy five (75) per cent. in value of the Ordinary Shares held by them present and voting in person (including by corporate representative) or by proxy at the Ordinary Court Meeting.

### **'A' Ordinary Court Meeting**

The 'A' Ordinary Court Meeting has been convened for 1.35 pm (or as soon thereafter as the Ordinary Court Meeting has concluded or been adjourned) on 29 July 2019 and will be held at The Washington Mayfair Hotel at 5 Curzon Street, London, W1J 5HE pursuant to an order of the Court, to enable 'A' Ordinary Scheme Shareholders to consider and, if thought fit, approve the Scheme.

At the 'A' Ordinary Court Meeting, voting will be held by way of a poll and each 'A' Ordinary Shareholder entitled to attend and who is present in person (including by corporate representative) or by proxy will be entitled to one vote for every £1 nominal amount of share capital of 'A' Ordinary Shares held. The statutory majority required to approve the Scheme at the 'A' Ordinary Court Meeting is a majority in number of 'A' Ordinary Shareholders (as at the Scheme Voting Record Time) representing at least seventy five (75) per cent. in value of the 'A' Ordinary Shares held by them present and voting in person (including by corporate representative) or by proxy at the 'A' Ordinary Court Meeting.

### **General**

**In order that the Court can be satisfied that the votes cast constitute a fair representation of the views of Shareholders, it is important that as many votes as possible are cast at the Court Meetings. Shareholders are therefore urged to take the action referred to in paragraph 18 below.**

As far as the Company is aware, having made all reasonable enquiries, no Shareholders are materially interested in the transactions contemplated under the Scheme and therefore, no Shareholders are required to abstain from voting at the Court Meetings under the relevant laws, rules and regulations.

If the Scheme is approved and becomes effective, it will be binding on all Shareholders as at the Scheme Record Time irrespective of whether they attended the Court Meetings or the way in which they voted.

### **General Meeting**

The implementation of the Scheme will also require the passing of the resolutions to be proposed at the General Meeting. The General Meeting has been convened for 1.40 pm (or as soon thereafter as the 'A' Ordinary Court Meeting has concluded or been adjourned) on 29 July 2019 (the same day as the Court Meetings) and will be held at The Washington Mayfair Hotel at 5 Curzon Street, London, W1J 5HE to enable the Ordinary Shareholders to consider and, if thought fit, pass the following resolutions:

- an ordinary resolution to enter into the Transfer Agreement and to approve the transfer of the Portfolio to New Hansa, which constitutes a substantial property transaction requiring shareholder approval pursuant to the Companies Act (Resolution 1);

- a special resolution:
  - to approve the Scheme and certain amendments to be made to the Articles for the purposes of giving effect to the Scheme and to create a new class of deferred shares (paragraphs 2.1 and 2.2);
  - to approve the reduction of capital of the Company by the cancellation of the Scheme Shares and the creation and allotment of the New Shares to New Hansa (paragraphs 2.3);
  - to approve any actions to be taken by the Directors as they consider necessary or appropriate for carrying the Scheme into effect;
  - conditional on the Scheme becoming effective, the cancellation of the admission to listing of the Ordinary Shares and the 'A' Ordinary Shares and the cancellation of trading on the Main Market of the Ordinary Shares and the 'A' Ordinary Shares.
- conditional on the passing of the ordinary resolution and the special resolutions above, and subject to the passing of the resolutions at each of the Court Meetings, an ordinary resolution to re-designate one Ordinary Share held by New Hansa and one 'A' Ordinary Share held by New Hansa as deferred shares having the rights set out in the Articles as amended;
- an ordinary resolution that in the event the Scheme does not become effective and implemented in accordance with its terms by 30 September 2019 one Deferred Share shall be re-designated as an Ordinary Share and the other Deferred Share shall be re-designated as an 'A' Ordinary Share each having the respective rights set out in the articles of association of the Company.

Please see the notice of the General Meeting set out in Part VIII of this document for the full text of the resolutions to be proposed at the General Meeting.

A resolution to be proposed as an ordinary resolution requires votes in favour representing a majority or more of votes cast at the General Meeting in order to be passed and a resolution to be proposed as a special resolution requires votes in favour representing seventy five (75) per cent. or more of the votes cast at the General Meeting in order to be passed.

The resolutions proposed at the General Meeting will be voted on by a poll and not on a show of hands. On a poll each Ordinary Shareholder present in person (including by corporate representative) or by proxy has one vote for every £1 nominal amount of share capital of Ordinary Shares held.

#### **4 COURT APPROVAL**

Under the Companies Act, the Scheme will be subject to the subsequent sanction of the Court. The Court Hearing is expected to be held on 27 August 2019. Scheme Shareholders will have the right to attend the relevant Court hearings and, to appear in person or be represented by counsel to support or oppose the sanctioning of the Scheme. The Court Hearing will be held at the Rolls Building, 7 Rolls Buildings, London, EC4A 1NL. New Hansa has confirmed that it has consented to being represented by the Company's counsel at the Court Hearing so as to consent to the Scheme and to undertake to the Court to be bound thereby.

#### **5 EFFECTIVE DATE**

If the Scheme is sanctioned by the Court and the other conditions to the Scheme (as outlined above) have been satisfied (or, where permitted, waived), the Scheme is expected to be implemented on 29 August 2019.

The Scheme will not become effective in accordance with its terms until a certified copy of the order by the Court has been delivered to the Registrar of Companies for registration, together with a certified copy of the Scheme and a statement of capital confirming the Capital Reduction.

However, in accordance with the terms of the Scheme, implementation of the Scheme will be conditional on Admission of the New Hansa Shares to be issued under the Scheme. Applications will be made to the FCA for the New Hansa Ordinary Shares to be admitted to listing on the premium segment of the Official List and for the New Hansa 'A' Ordinary Shares to be admitted to listing on the standard segment of the Official List and in respect of each class, to the London Stock Exchange for admission to trading on the Main Market. It is expected that Admission will occur, and that dealings in the New Hansa Shares, will commence on 29 August 2019. It is also

expected that the listing of Hansa Trust Shares will be cancelled on that date. If Admission has not occurred by 30 September 2019, the Scheme will lapse and Scheme Shareholders will remain shareholders of the Company and the existing Ordinary Shares will continue to be admitted to listing on the premium segment of the Official List, the existing 'A' Ordinary Shares will continue to be admitted to listing on the standard segment of the Official List and each class of Hansa Trust Shares will continue to be admitted to trading on the Main Market.

**If the Scheme becomes effective, it will be binding on all Shareholders, irrespective of whether or not, being entitled to do so, they attended or voted in favour of the Scheme at the Court Meetings or in favour of the Scheme Resolutions at the General Meeting.**

## **6 MODIFICATION OF THE SCHEME**

The Scheme contains a provision for the Company and New Hansa jointly to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme, or to any condition that the Court may think fit to approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It will be a matter for the Court to decide, in its discretion, whether or not the consent of Scheme Shareholders should be sought at a further meeting. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Directors, is of such a nature or importance as to require the consent of the Scheme Shareholders at a further meeting, the Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

## **7 EFFECTS OF THE SCHEME**

The day-to-day operations of the investment business of the Company are not affected by the implementation of the Proposals.

Under the Scheme, Scheme Shareholders will have their Ordinary Shares and 'A' Ordinary Shares replaced by the same proportionate holding of New Hansa Ordinary Shares and New Hansa 'A' Ordinary Shares, which will be denominated in sterling. Scheme Shareholders' proportionate entitlement to participate in the Company's income will not be affected by reason of the implementation of the Scheme. Scheme Shareholders will not receive any amount in cash pursuant to the terms of the Scheme (other than in certain limited circumstances referred to in Clause 3(b) of the Scheme).

Immediately following the Scheme becoming effective and implemented in accordance with its terms, New Hansa will own no assets other than:

- (i) the entire share capital of the Company; and
- (ii) the portfolio of investments, cash and cash equivalent assets of the Company transferred to it pursuant to the Transfer Agreement.

Following implementation of the Scheme becoming effective and implemented in accordance with its terms, it is intended that the Company be wound up.

Details of the tax treatment of the Scheme for Shareholders and New Hansa Shareholders are set out in Part III of this document.

## 8 DIRECTORS' AND THE EFFECT OF THE SCHEME ON THEIR INTERESTS

Further details as to the composition of the Board of New Hansa are set out in paragraph 9 of this Part I and in paragraph 2 of Part V of this document.

### 8.1 Hansa Trust Shares

The interests of the Directors in Hansa Trust Shares (which are beneficial unless stated otherwise) are set out below. The interests are calculated as at 2 July 2019 (the latest practicable date before the publication of this document). In the event that the Scheme becomes effective, the Directors will have corresponding interests in New Hansa Shares by virtue of the effect of the Scheme on their existing holdings of Hansa Trust Shares, as set out below.

Director	Number of Ordinary Shares	Number of 'A' Ordinary Shares	Number of New Hansa Ordinary Shares	Number of New Hansa 'A' Ordinary Shares	Percentage of issued New Hansa Ordinary Shares on Admission	Percentage of issued New Hansa 'A' Ordinary Shares on Admission
Alex Hammond-Chambers (Chairman)	4,900	10,600	24,500	53,000	0.06	0.07
Jonathan Davie	4,000	26,000	20,000	130,000	0.05	0.16
Raymond Oxford	1,850	1,850	9,250	9,250	0.02	0.01
William Salomon	2,115,869	98,700	10,579,345	493,500	26.45	0.62
Geoffrey Wood	1,000	2,000	5,000	10,000	0.01	0.01

### 8.2 New Hansa Directors Shares

The expected interest of the New Hansa Directors in New Hansa Shares (which are beneficial unless stated otherwise) upon Admission are set out below.

Director	Number of Ordinary Shares	Number of 'A' Ordinary Shares	Number of New Hansa Ordinary Shares	Number of New Hansa 'A' Ordinary Shares	Percentage of issued New Hansa Ordinary Shares on Admission	Percentage of issued New Hansa 'A' Ordinary Shares on Admission
Jonathan Davie	4,000	26,000	20,000	130,000	0.05	0.16
William Salomon	2,115,869	98,700	10,579,345	493,500	26.45	0.62
Richard Lightowler	nil	nil	nil	nil	nil	nil
Nadya Wells	nil	nil	nil	nil	nil	nil
Simona Heidenpergher	nil	nil	nil	nil	nil	nil

### 8.3 Service Agreements

Certain details of New Hansa Directors' service agreements and the terms of their appointment are set out in paragraph 4.2 of Part VII of the New Hansa Prospectus.

The effect of the Scheme on the interests of the Directors does not differ from its effect on the like interests of other persons.

## 9 NEW HANSA

New Hansa has been established for the specific purpose of carrying on the existing business of the Company upon the Scheme becoming effective and implemented in accordance with its terms. Under the Scheme it is proposed that, at the Effective Date, New Hansa will become the new parent company of the Company and that the Company's underlying investment portfolio (which complements the investment objectives and policies of New Hansa) and any cash or cash equivalent assets will transfer to New Hansa.

It is intended that New Hansa mirrors the strategy, portfolio and capital structure of the Company to the extent permissible by local law. In that regard, Shareholders should note the following in relation to New Hansa:

- the substance of its investment objective and investment policy will be materially similar to those of the Company.

- it will have the same share capital structure as the Company currently has with the New Hansa Ordinary Shares being admitted to listing on the premium segment of the Official List and the New Hansa 'A' Ordinary Shares being admitted to listing on the standard segment of the Official List and each class of New Hansa share being admitted to trading on the Main Market.
- New Hansa Shareholders will hold the same proportionate interests in New Hansa as they hold in the Company as at the Scheme Record Time.
- two members of the current Board will be appointed to the New Hansa Board. Jonathan Davie will be appointed as an independent non-executive director and will take on the role of Chairman. William Salomon will be a non-independent non-executive director. In addition, Richard Lightowler, Nadya Wells and Simona Heidempergher will be appointed to the New Hansa Board. Richard Lightowler will take on the role of audit committee chair. Further details of the New Hansa Directors are set out in paragraph 2.2 of Part V of this document.
- Hansa Capital Partners LLP, the Company's portfolio manager will continue to act as portfolio manager of New Hansa on the same terms as the existing delegated portfolio management agreement with the Company (including as to the amount of management fees payable).
- the alternative investment fund manager of New Hansa will be Hanseatic Asset Management LBG, 1st Floor Tudor House Le Bordage St Peter Port Guernsey, Channel Islands GY1 1DB, replacing Maitland Institutional Services Limited. The AIFM will provide restricted alternative investment fund management services in connection with marketing New Hansa for the purposes of AIFMD. New Hansa is a non-EEA AIF and the alternative investment fund manager is a non-EEA AIFM. The AIFM will comply with the national private placement regime in any Member State where it wishes to market the New Hansa Shares.
- the administrator of New Hansa will be Maitland Administration Services Limited, Hamilton Centre, Rodney Way, Chelmsford, CM1 3BY. The Administrator will provide day-to-day administration services to New Hansa including maintenance of accounts, and preparing half yearly and annual accounts of New Hansa. The Administrator may delegate the whole or any part of its duties and responsibilities to an affiliate however such delegation does not affect the liability of the Administrator who shall remain at all times liable for the acts or omissions of its delegate as if such acts or omissions were its own.
- the registrar for New Hansa will be Link Market Services (Guernsey) Limited who will provide share registrar services to New Hansa and will be responsible for the creation and maintenance of the New Hansa share register in Guernsey.
- New Hansa and the Company will enter into a receiving agent services agreement with Link Market Services Limited in connection with the Scheme whereby the receiving agent will manage shareholder responses, perform calculations in respect of any consideration payable to Restricted Shareholders and make amendments to, update or create a new share register all in connection with the Scheme only.
- the company secretary of New Hansa will be Conyers Corporate Services Bermuda Limited who will be responsible for the general secretarial functions required by the Bermuda Companies Act.
- Bank Lombard Odier & Co Ltd will be appointed to act as custodian and will be responsible for the safe keeping of New Hansa's assets and cash deposited with it.
- the depositary interest service provider will be Link Market Services Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The Depositary will issue uncertificated depositary interests representing the New Hansa Shares issued by New Hansa with a view to facilitating the indirect holding of settlement transactions in such securities of each class of the New Hansa Shares, including the cancellation of depositary interests and maintaining the depositary interests register.
- New Hansa's ongoing costs and expenses are not expected to change materially and are therefore expected to be in line with the ongoing costs and expenses of the Company.

- the Company's existing dividend policy is to pay two interim dividends each year. The Company announced advance notification of two interim dividends of 8 pence per Hansa Trust Share for its financial year ending 31 March 2020. Barring unforeseen circumstances, the Company expects to pay the first interim dividend in November 2019 with the second being paid in May 2020. It is expected that the New Hansa Board will, subject to Bermuda law, pay four interim dividends per year. It is expected that the New Hansa Board will, subject to Bermuda law, declare the intended rate of the four proposed dividends at the beginning of the financial year in question and barring unforeseen circumstances, the interim dividends will be paid in August, November, February and May. However, in light of the timing of the Scheme, it is anticipated that New Hansa will pay three interim dividends for its financial year ending 31 March 2020, barring unforeseen circumstances: the first dividend being 1.6 pence per share paid in November 2019, and the second and third dividends being 0.8 pence per share paid in February 2020 and May 2020, respectively. The change in dividends intentions for New Hansa as compared to the Company, reflects New Hansa's quarterly dividend policy as compared to the Company's semi-annual dividend policy and the proposed issue of five New Hansa Shares for every Hansa Trust Share, pursuant to the Scheme. The total dividends expected to be payable to New Hansa Shareholders for the year to 31 March 2020 is, in aggregate, the same as that indicated by the Company.
- depending on their personal circumstances, the tax implications for certain categories of Shareholder of holding New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares may differ in certain respects from the tax implications of holding Ordinary Shares or 'A' Ordinary Shares in the Company. Shareholders are referred to the information in Part III of this document and are strongly recommended to take independent advice having regard to their personal circumstances.

Further details of New Hansa are set out in the accompanying New Hansa Prospectus.

A summary of the New Hansa Bye-laws is set out in paragraph 3 of Part VII of the New Hansa Prospectus. A copy of the New Hansa Bye-laws is available for inspection as mentioned in the section headed "Documents available for inspection" in Part V of this document.

## **10 DEALINGS IN HANSA TRUST SHARES**

Only Shareholders on the register of members at the Scheme Voting Record Time will be entitled to attend and vote at the Court Meetings. Accordingly, in order to qualify to vote at the Court Meetings (other than by way of holding a proxy from a transferor), all transfers of Hansa Trust Shares in certificated form, accompanied by the relevant share certificate must be lodged with the Registrars by close of business (London time) on 25 July 2019, being the Scheme Voting Record Time. Forms of Proxy for the Court Meetings may be handed to the Registrars (on behalf of the Chairman) immediately prior to the start of the relevant Court Meeting. However, in the case of the General Meeting, unless the relevant Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid.

Hansa Trust Shares will be disabled in CREST on 29 August 2019. The last day for trading in the Hansa Trust Shares on the London Stock Exchange for normal settlement will be 28 August 2019. After 28 August 2019, dealings will be for cash settlement only and, in the case of certificated Hansa Trust Shares, will only be registered if documents of title are delivered immediately.

If Shareholders dispose of their Hansa Trust Shares otherwise than through the London Stock Exchange, they must make their own arrangements with the other parties concerned as regards entitlements under the Scheme.

It is intended that subject to the Scheme becoming unconditional and implemented in accordance with its terms, the listing of the each class of the Hansa Trust Shares will be cancelled on or around 29 August 2019.

## **11 ADMISSION, DEALINGS, SETTLEMENT, CREST, SHARE CERTIFICATES AND DEPOSITARY INTERESTS**

### **11.1 Admission and Dealings**

Applications will be made for all of the New Hansa Ordinary Shares to be admitted to the premium segment of the Official List and the New Hansa 'A' Ordinary Shares to be admitted to the standard segment of the Official List and for the New Hansa Shares to be admitted to trading on the Main Market. If the Scheme becomes effective, it is expected that Admission will take place and that

dealings for normal settlement in such New Hansa Shares will commence on 29 August 2019. The New Hansa Shares will not be dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected. The admission of the Hansa Trust Shares is also expected to be cancelled on that date.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the arrangements described in this document or if there is any delay in obtaining the Court's sanction of the Scheme. In the event of a delay, the application for cancellation of the admission of the Hansa Trust Shares will be deferred, so that the admission will not be cancelled until immediately after the Scheme becomes effective. With effect from (and including) the Effective Date, all share certificates representing the Scheme Shares in certificated form will cease to be valid and binding in respect of such holdings and should be destroyed.

## **11.2 Settlement**

To give Scheme Shareholders the opportunity to hold and deal in their New Hansa Shares in uncertificated form through CREST, New Hansa has adopted the New Hansa Depository Interest facility operated by Link Market Services Trustees Limited, acting as the DI Depository and the issuer of the New Hansa Depository Interests. Further information about the New Hansa Depository Interest facility is contained in paragraph 11.3 below.

### **Scheme Shares in certificated form**

Scheme Shareholders who hold their Scheme Shares in certificated form at the Scheme Record Time and wish to hold their New Hansa Shares in certificated form need take no action (other than voting at the Court Meetings and the General Meeting). Definitive share certificates in respect of the New Hansa Shares are expected to be despatched from 2 September 2019. In the case of joint Scheme Shareholders holding their Scheme Shares in certificated form, certificates will be despatched to the person whose name appears first in New Hansa's register of members. Pending receipt of certificates, transfers will be certified against New Hansa's register of members. As from the Effective Date, existing certificates representing holdings in certificated form of Hansa Trust Shares will cease to be valid for any purpose and Hansa Trust Shareholders who hold their Hansa Trust Shares in certificated form should, if so requested by the Company, send such certificates to the Company for cancellation.

### **Scheme Shares in uncertificated form (in CREST)**

Scheme Shareholders who hold their Scheme Shares in a CREST account at the Scheme Record Time and who wish to hold and transfer their interests in New Hansa Shares within CREST need take no action (other than voting at the Court Meetings and the General Meeting). New Hansa Depository Interests will automatically be credited to the CREST member account of those Scheme Shareholders or their nominee and instructions will be given to cancel such holders' entitlement to their Scheme Shares on or about 29 August 2019, being the expected Effective Date. Pending the crediting of such CREST stock accounts, transfers of New Hansa Depository Interests and the underlying New Hansa Shares will not be possible. If you wish to withdraw your underlying New Hansa Shares from the New Hansa Depository Interest arrangements, see paragraph 11.3 below.

New Hansa reserves the right to settle all or any part of the New Hansa Shares referred to in this paragraph for all or any Scheme Shareholders in certificated form if, for any reason, it wishes to do so.

### **General**

All documents and cheques sent by or to Scheme Shareholders, or as such persons shall direct, will be sent at their own risk and will be sent by post either to the holder's address as set out on the Company's register of members at the Scheme Record Time or to such other address of the holder as is notified as a change of address in writing by a Shareholder to the Company prior to the Effective Date and, in the case of joint holders, to the joint holder whose name stands first in such register in respect of the joint holdings concerned.

The Company has confirmed that, except as provided for in the Scheme, settlement of the New Hansa Shares will be implemented in full without regard to any lien, right of set-off, counter claim or other analogous right to which the Company or New Hansa may be, or claim to be, entitled against such shareholder.

### **11.3 CREST, share certificates and New Hansa Depositary Interests**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Euroclear UK is unable to take responsibility for the electronic settlement of shares issued by non-UK companies, such as New Hansa. This means that the New Hansa Shares may not themselves be admitted to CREST. However, to enable investors to settle international securities under the CREST system, New Hansa has arranged for the DI Depositary to issue New Hansa Depositary Interests in respect of the underlying New Hansa Shares. With effect from the Effective Date, CREST members will be able to hold and transfer interests in New Hansa Shares within CREST, pursuant to these New Hansa Depositary Interest arrangements. The New Hansa Shares will not themselves be admitted to CREST, rather the DI Depositary will issue New Hansa Depositary Interests in respect of the underlying New Hansa Shares. In relation to those Scheme Shareholders who wish to hold and transfer interests in New Hansa Shares through CREST, New Hansa's register of members will show the DI Depositary as the legal holder of the relevant New Hansa Shares which in turn will hold its interest in the New Hansa Shares on bare trust for the relevant holders. This means that the beneficial interest in the New Hansa Shares will remain with the holder of the New Hansa Depositary Interests representing the underlying New Hansa Shares, who will receive all the rights attaching to the New Hansa Shares as it would have done if such holder of New Hansa Depositary Interests had been on New Hansa's register of members itself. New Hansa Depositary Interests will be created and issued pursuant to a deed poll executed by the Depositary under English law. These New Hansa Depositary Interests may be held and transferred within the CREST system. Depositary Interests will have the same security code (ISIN) as the underlying New Hansa Shares and will not require a separate admission to listing on the Official List or trading on the Main Market. If you hold your Ordinary Shares or 'A' Ordinary Shares in uncertificated form as at the Scheme Record Time, your CREST account will automatically be credited with equivalent New Hansa Depositary Interests on or about the Effective Date.

A holder of New Hansa Depositary Interests wishing to withdraw the underlying New Hansa Shares to hold them in certificated form may do so at any time using standard CREST messages.

If you hold your Hansa Trust Shares in certificated form and you wish to hold your New Hansa Shares in uncertificated form in CREST, you will need to contact your broker to obtain a CREST Transfer Form. This should be completed and executed by you and returned to your broker as soon as possible and in any event in good time in order to allow the shares to be dematerialised in accordance with Euroclear UK's procedures. In any event, dematerialisation must be completed before the Scheme Record Time.

Scheme Shareholders who hold their Hansa Trust Shares in certificated form and wish to hold their New Hansa Shares in uncertificated form, but do not have a broker, will need to contact a bank or broker or other nominated CREST member or will need to become CREST members themselves.

For further information about New Hansa Depositary Interests or if you have any queries in relation to CREST Transfer Forms, please consult your broker or other professional adviser.

## **12 TAKEOVER CODE**

### **12.1 Introduction**

As a public limited company registered in England and with its registered office in the UK and admitted to trading on the Main Market, the Company is currently subject to the provisions of the Takeover Code. Following the Scheme becoming effective, Shareholders will become shareholders in New Hansa, a company whose registered office is not in the UK. As a result, following the Scheme becoming effective, the Takeover Code will not apply to the Company or to any offer made to shareholders in New Hansa to acquire their shares.

Shareholders should note that, if the Scheme is implemented, they will not receive the protections afforded by the Takeover Code in the event of an offer to acquire their shares in New Hansa.

Brief details of the Panel, the Takeover Code and the protections given by the Takeover Code are described below. Before giving your consent to the Scheme you may want to take independent professional advice from an appropriate independent financial adviser.

## 12.2 The Takeover Code

The Takeover Code is issued and administered by the Panel. The Takeover 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 Takeover 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.

## 12.3 The general principles and rules of the Takeover Code

The Takeover Code is based on a number of general principles which are essentially statements of standards of commercial behaviour. For your information, these general principles are set out in Part IV of this document and apply to all transactions with which the Takeover Code is concerned. They are expressed in broad terms and the Takeover 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 Takeover 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.

## 12.4 Giving up the protection of the Takeover Code

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part IV of this document. You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up if the Scheme is implemented.

The New Hansa Bye-laws contain provisions relating to takeovers as described in paragraph 3 of Part VIII of the New Hansa Prospectus.

## 13 LEGAL AND REGULATORY AND TAX IMPACT OF THE PROPOSAL

A summary of key legal and regulatory consequences (in addition to the disapplication of the Takeover Code) resulting from New Hansa being incorporated in Bermuda as compared to the Company which is incorporated in England, is set out below:

- Bermuda has no detailed corporate governance regime applicable to New Hansa, however, the New Hansa Directors are subject to common law fiduciary obligations and similar statutory duties (including a duty to exercise certain care, diligence and skill) imposed on them pursuant to the Bermuda Companies Act. The New Hansa Directors have considered the principles and recommendations of the AIC Code of Corporate Governance (the “**AIC Code**”) and intend that New Hansa will substantially follow the AIC Code. The New Hansa Directors consider that reporting against the principles and recommendations of the AIC Code provides better information to the New Hansa Shareholders.
- unless otherwise provided for in its bye-laws, shareholders of a company incorporated under the Bermuda Companies Act are not entitled to pre-emptive rights. The New Hansa Bye-laws do provide for pre-emptive rights as set out therein. These pre-emptive rights can be disapplied by special resolution (as defined in the New Hansa Bye-laws) of the Shareholders in accordance with the terms of the New Hansa Bye-laws.
- the New Hansa Shares cannot be admitted as participating securities in CREST and instead Shareholders wishing to hold their New Hansa Shares in uncertificated form through CREST must do so in the form of Depositary Interests. Further information as to how to hold your New Hansa Shares in uncertificated form is provided in paragraph 11.3 of this Part I of this document.
- the provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) (“**DTR5**”) of the FCA Handbook will apply to New Hansa on the basis that New Hansa is a “non-UK issuer”. As such, New Hansa Shareholders will be required to notify New Hansa if the percentage of their interest in New Hansa’s capital or voting rights reaches, exceeds or falls below the relevant percentage thresholds of a non-UK issuer, being, 5, 10,

20, 25, 30, 50 and 75 per cent. There are no provisions under the Bermuda Companies Act equivalent to those contained in Part 22 of the Companies Act (Disclosure of Interests in Shares). Accordingly, in order to make provision for the disclosure of interests, the New Hansa Bye-laws contain provisions which require Shareholders, in certain circumstances, to disclose interest in the shares of New Hansa. Notwithstanding that New Hansa is a “non-UK issuer”, New Hansa has deemed it appropriate to require members to disclose their interests as they currently do for the Company, where the percentage of the interest in the New Hansa’s capital or voting rights reaches, exceeds or falls below the relevant percentage thresholds being, 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10% and each 1% threshold thereafter up to 100%.

- for the purposes of AIFMD New Hansa is categorised as a non-EU alternative investment fund managed by a non-EU alternative investment fund manager. Whilst the Company requires full scope AIFM services and full scope depositary services to be provided to it, New Hansa does not. The AIFM will comply with the national private placement regime in any Member State where it wishes to market the New Hansa Shares. New Hansa is not required to appoint a depositary and has not appointed a depositary. However, New Hansa has appointed a custodian who will be responsible for the safe keeping of New Hansa’s assets and cash deposited with it.

A summary of certain aspects of the UK taxation consequences of the Scheme and the holding and disposing of New Hansa Shares is set out at Part III.

Any holder of Hansa Trust Shares, who is in doubt as to its taxation position or who is resident or otherwise subject to taxation in any jurisdiction other than the UK, should consult an appropriate professional adviser immediately.

#### **14 COSTS OF THE PROPOSAL**

The total costs and expenses payable in connection with the Scheme and Admission are estimated to be approximately £1,660,000 (inclusive of VAT) of which it is expected that approximately £730,000 will be paid by the Company and the balance of approximately £930,000 will be paid by New Hansa. No expenses will be charged directly to the Shareholders or directly to the New Hansa Shareholders.

#### **15 OVERSEAS SHAREHOLDERS**

No New Hansa Shares nor any other securities in New Hansa have been marketed to, nor are any available for purchase by, in whole or in part, the public in the UK or elsewhere in connection with the Proposal. This document does not constitute or form part of any offer or invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue, New Hansa Shares or any other securities in New Hansa.

The distribution of this document and the allotment and issue of New Hansa Shares in jurisdictions other than the UK may be restricted by law. No action has been taken by the Company or New Hansa to obtain any approval, authorisation or exemption to permit the allotment or issue of the New Hansa Shares or the possession or distribution of this document (or any other material relating to such shares) in any jurisdiction, other than in the UK.

The implications of the Proposal for Overseas Shareholders may be affected by the laws of jurisdictions outside the UK. Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements. It is the responsibility of any Overseas Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or duties or payments due in such jurisdiction. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

This document and the Forms of Proxy have been prepared in connection with Proposal pursuant to and for the purpose of complying with English law and the information disclosed may not be the same as that which would have been disclosed in accordance with the laws of jurisdictions outside England and Wales and the rest of the UK. Nothing in this document or the Forms of Proxy should be relied on for any other purpose.

Overseas Shareholders should inform the Company if the issue of New Hansa Shares to it pursuant to the Scheme would infringe the laws of any jurisdiction outside the UK or would require New Hansa to obtain any governmental or other consent or effect any registration or filing or observe any formality.

It is not anticipated that the allotment and/or issue of shares to any Overseas Shareholder would or may infringe the laws of any jurisdiction outside the UK, or would or may require New Hansa to observe any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Hansa, it would be unable to comply or compliance with which New Hansa would regard as unduly onerous. However, should New Hansa receive advice to the contrary, the Scheme provides that New Hansa may, in its sole discretion, determine that such shares shall not be issued to such Overseas Shareholder but shall instead be issued to a nominee for such holder appointed by New Hansa on terms that the nominee shall, as soon as practicable following the Effective Date sell the shares so issued.

Any such sale shall be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any taxes or duties payable) shall be paid to the relevant Overseas Shareholder by sending a cheque in accordance with the terms of the Scheme. Any remittance of the net proceeds of the sale referred to shall be at the risk of the relevant Overseas Shareholder.

### **Shareholders in the United States**

The Proposal relates to the reorganisation of the business of the Company to effect a re-domiciliation to Bermuda pursuant to a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Proposal is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements, style and format of US proxy solicitation or tender offer rules.

**THE INFORMATION CONTAINED IN THIS DOCUMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SEC OR ANY US STATE SECURITIES COMMISSION. NEITHER THE SEC, NOR ANY STATE SECURITIES COMMISSION, HAS PASSED UPON THE FAIRNESS OR MERITS OF THE PROPOSAL DESCRIBED IN, NOR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN, THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

The New Hansa Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of any state of the United States. Accordingly, the New Hansa Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States, or to, or for the account or benefit of, US persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act or any relevant securities laws of any state of the United States. The New Hansa Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. New Hansa Shareholders will be subject to certain US transfer restrictions relating to the New Hansa Shares received pursuant to the Scheme. New Hansa has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of such legislation.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10), the Company will advise the Court that its sanctioning of the Scheme will be relied upon by the Company and New Hansa as an approval of the Scheme following a hearing on its fairness which all New Hansa Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such New Hansa Shareholders.

It may be difficult for the New Hansa Shareholders in the United States to enforce their rights and any claim arising out of the US federal laws, since the Company and New Hansa are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. The New Hansa Shareholders in the United States may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws.

Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date. Nothing in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of New Hansa or the Company where otherwise stated.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed a judgment upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States. The information disclosed in this document is not the same as that which would have been disclosed if this document had been prepared for the purpose of complying with the registration requirements of the US Securities Act or in accordance with any relevant securities laws of any state of the United States the laws and regulations of any other jurisdiction.

## 16 SHAREHOLDER CONFIRMATION

Each Scheme Shareholder will be required to confirm to the Company pursuant to the Shareholder Letter whether it is:

- (a) (i) not a US person, or (ii) a qualified purchaser ("QP") within the meaning of section 2(a)(51) of the US Investment Company Act; or
- (b) a US person and not a QP.

Enclosed with this document is the US Shareholder Letter. We would ask all Shareholders to complete and return this letter to the Registrar. Shareholders who are located in the United Kingdom should return their US Shareholder Letter using the reply paid envelope enclosed with this document or by registered post, courier or hand to Link Asset Services at Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Those Shareholders who are located outside of the United Kingdom should return their US Shareholder Letter by airmail registered post, courier or hand to Link Asset Services at Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

## 17 ASSOCIATED RISKS

While Shareholders are advised to read in full the New Hansa Prospectus which highlights a number of risk factors associated with an investment in New Hansa, Shareholders should bear in mind the risk factors set out in this document on pages 16 to 18.

## 18 ACTION TO BE TAKEN

### Shareholders who hold their Hansa Trust Shares in certificated form

Please check that you have received the following with this document:

#### Ordinary Shareholders

- A blue Form of Proxy for use in respect of the Ordinary Court Meeting.
- A white Form of Proxy for use in respect of the General Meeting.

#### 'A' Ordinary Shareholders

- A yellow Form of Proxy for use in respect of the 'A' Ordinary Court Meeting.

If you have not received the relevant documents please immediately contact the Shareholder Helpline.

Whether or not you plan to attend the meetings, you are requested to complete and sign the Forms of Proxy and return them as soon as possible, but in any event so as to be received not less than 48 hours prior to the time of each of the meetings (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting). Shareholders who are located in the United Kingdom should return their Forms of Proxy using the reply paid envelope enclosed with this document or by registered post, courier or hand to Link Asset Services at Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Those Shareholders who are located outside of the United Kingdom should return their Forms of Proxy by

airmail registered post, courier or hand to Link Asset Services at Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

This will enable your votes to be counted at the General Meeting and the Court Meetings in the event of your absence. The completion and return of the relevant Form of Proxy will not prevent you from attending and voting in person (including by corporate representative) at the meetings, or any adjournments thereof, should you wish to do so.

**If the Forms of Proxy are not returned by the times indicated above, the Forms of Proxy for the Court Meetings may be handed to the Registrars (on behalf of the Chairman) immediately prior to the start of the relevant Court Meeting. However, in the case of the General Meetings, unless the Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid.**

**As an alternative to completing and returning the Forms of Proxy, you may vote online at [www.signalshares.com](http://www.signalshares.com). For security purposes, you will need your investor code in order to register; this can be found on your share certificate. Electronic proxies must be received by no later than 48 hours before the time appointed for the relevant meeting.**

Shareholders are entitled to appoint a proxy in respect of some or all of their Shares and are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow Shareholders to specify the number of Shares in respect of which that proxy is appointed. Shareholders who return a Form of Proxy duly executed but leave this space blank will be taken to have appointed the proxy in respect of all of their relevant Shares. Further information in relation to the procedure for the appointment of a proxy has been included in the instructions included on the Forms of Proxy.

Overseas Shareholders should refer to paragraph 15 above.

#### **Shareholders who hold their the Company Shares in uncertificated form**

If you hold your Hansa Trust Shares in uncertificated form you may complete and return CREST proxy instructions to Link Asset Services (CREST participant ID: RA10) in relation to:

- (a) the General Meeting; and
- (b) each of the Court Meetings.

If you choose to complete and return CREST proxy instructions, you are asked to do so as soon as possible, and in any case so that your CREST proxy instructions are received by the Registrars not later than 1.30 pm (London time) on 25 July 2019. The lodging of CREST proxy instructions will not prevent you from attending either the Court Meetings or the General Meeting and voting in person should you decide to do so.

Appointments of proxies through CREST should be made by utilising the procedures described in the CREST Manual, which can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment 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’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID: RA10) by the latest time (s) for receipt of proxy appointments specified in the notice of meeting. 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.

#### **19 FURTHER INFORMATION**

Your attention is drawn to the letter from your Chairman set out in this document, the full text of the Scheme (which is set out in Part II of this document), the additional information set out in Part V of this document and the New Hansa Prospectus which accompanies this document.

## PART II – SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE

No CR-2019-00 38 38

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMPANIES COURT (ChD)

IN THE MATTER OF HANSA TRUST PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under sections 895 to 899 of the Companies Act 2006)

between

HANSA TRUST PLC

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

### PRELIMINARY

- A. In this Scheme of Arrangement, unless the context otherwise requires, the following expressions shall bear the following meanings:

<b>“A’ Ordinary Court Meeting”</b>	the meeting of the holders of ‘A’ Ordinary Shares convened by order of the Court pursuant to sections 895 to 899 of the Companies Act for 29 July 2019 to consider and, if thought fit, approve the Scheme, and any adjournment thereof, notice of which is set out in Part VII of the Scheme Circular;
<b>“A’ Ordinary Shares”</b>	the 16,000,000 ‘A’ non-voting ordinary shares of 5 pence each in the capital of the Company;
<b>“Articles”</b>	the articles of association of the Company;
<b>“business day”</b>	a day (excluding Saturday or Sunday) on which banks generally are open for business in the City of London for the transaction of normal banking business;
<b>“Bermuda Companies Act”</b>	the Companies Act 1981 of Bermuda as may be amended or replaced from time to time;
<b>“certificated” or “in certificated form”</b>	a share which is not in uncertificated form (that is, not held in CREST);
<b>“Clause”</b>	a clause of this Scheme;
<b>“Company”</b>	Hansa Trust PLC, a company incorporated in the United Kingdom with company number 00126107;
<b>“Companies Act”</b>	the Companies Act 2006;
<b>“Court”</b>	the High Court of Justice of England and Wales;
<b>“Court Hearing”</b>	the hearing by the Court of the application to sanction the Scheme;
<b>“Court Meetings”</b>	the Ordinary Court Meeting and the ‘A’ Ordinary Court Meeting;

<b>“CREST”</b>	the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear UK under the Crest Regulations;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended (including pursuant to the Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009);
<b>“DI Depository”</b>	Link Market Services Trustees Limited;
<b>“Effective Date”</b>	the date on which this Scheme becomes effective in accordance with Clause 7;
<b>“Euroclear UK”</b>	Euroclear UK & Ireland Limited;
<b>“Hansa Trust Shares”</b>	the Ordinary Shares and the ‘A’ Ordinary Shares;
<b>“New Hansa”</b>	Hansa Investment Company Limited, an exempted company with limited liability incorporated under Bermuda Companies Act with registered number 54752;
<b>“New Hansa ‘A’ Ordinary Shares”</b>	the ‘A’ Ordinary shares of 1 pence each in the capital of New Hansa;
<b>“New Hansa Depository Interests”</b>	a dematerialised depository interest issued by the DI Depository representing and underlying a New Hansa Share;
<b>“New Hansa Ordinary Shares”</b>	the ordinary shares of 1 pence each in the capital of New Hansa;
<b>“New Hansa Shares”</b>	the New Hansa Ordinary Shares and the New Hansa ‘A’ Ordinary Shares;
<b>“New Shares”</b>	the ordinary shares of 5 pence each in the capital of the Company created following the cancellation of the Scheme Shares and to be issued credited as fully paid to New Hansa pursuant to the Scheme;
<b>“Ordinary Court Meeting”</b>	the meeting of the holders of Ordinary Shares convened by order of the Court pursuant to sections 895 to 899 of the Companies Act for 29 July 2019 to consider and, if thought fit, approve the Scheme, and any adjournment thereof, notice of which is set out in Part VI of the Scheme Circular;
<b>“Ordinary Shares”</b>	the 8,000,000 ordinary shares of 5 pence each in the capital of the Company;
<b>“penny”, “pence”, “£” or “sterling”</b>	the lawful currency of Great Britain;
<b>“Scheme” or “Scheme of Arrangement”</b>	the scheme of arrangement proposed to be made under sections 895 to 899 of the Companies Act between the Company and the holders of Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Court;
<b>“Scheme Circular”</b>	the circular published by the Company on 4 July 2019 in connection with the Scheme;
<b>“Scheme Record Time”</b>	the record date for participating in the Scheme expected to be close of business (London time) on 28 August 2019 being the business day immediately preceding the Effective Date;
<b>“Scheme Shareholders”</b>	the holders of the Scheme Shares;
<b>“Scheme Shares”</b>	(a) all of the Hansa Trust Shares in issue at the date of the Scheme Circular;

- (b) all (if any) additional Hansa Trust Shares in issue at the Scheme Voting Record Time; and
- (c) all (if any) further Hansa Trust Shares which may be issued after the Scheme Voting Record Time but on or before the Scheme Record Time in respect of which the original or any subsequent holders shall be bound by the Scheme or in respect of which the original or any subsequent holders shall have agreed in writing to be so bound;

in each case other than any shares held by New Hansa.

**“Scheme Voting Record Time”**

close of business (London time) on 25 July 2019 or, if a Court Meeting is adjourned by 48 hours or more, close of business on the day which is two days before the date fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting and an entitlement time is specified in that notice, the time specified in that notice;

**“uncertificated” or “in uncertificated form”**

in relation to a share or other security, a share or other security title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and

**“United Kingdom” or “UK”**

the United Kingdom of Great Britain and Northern Ireland.

- B. In this Scheme, unless the context otherwise requires or otherwise expressly provides:
- 1) references to Parts, Clauses and Sub-Clauses are references to the Parts, Clauses and Sub-Clauses respectively of this Scheme;
  - 2) references to a “person” include references to an individual, firm, partnership, company, corporation, other legal entity, unincorporated body of persons or any state or state agency;
  - 3) references to a statute or a statutory provision include the same as subsequently modified, amended or re-enacted from time to time;
  - 4) references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto;
  - 5) the singular includes the plural and vice versa and words importing one gender shall include all genders;
  - 6) headings to Parts, Clauses and Sub-Clauses are for ease of reference only and shall not affect the interpretation of this Scheme; and
  - 7) to the extent that there shall be any conflict or inconsistency between the terms of this Scheme and the Scheme Circular then the terms of this Scheme shall prevail.
- C. The issued share capital of the Company as at the date of this Scheme is £1,200,000 divided into 8,000,000 Ordinary Shares and 16,000,000 ‘A’ Ordinary Shares.
- D. New Hansa was incorporated in Bermuda as an exempted limited liability company under the Bermuda Companies Act with registered number 54752 on 21 June 2019 for the specific purpose of carrying on the existing business of the Company upon this Scheme becoming effective and being implemented in accordance with its terms and the substance of its investment objective and investment policy will be materially similar to those of the Company.
- E. The authorised share capital of New Hansa at the date of this Scheme is £10,000 divided into 500,000 New Hansa Ordinary Shares and 500,000 New Hansa ‘A’ Ordinary Shares. The issued share capital of New Hansa at the date of this Scheme is five New Hansa Ordinary Shares and five New Hansa ‘A’ Ordinary Shares, which are currently credited as nil paid.

- F. It has been agreed that one Ordinary Share and one 'A' Ordinary Share held by Jonathan Davie at the date of this Scheme will be transferred to New Hansa before the Scheme Record Time and that prior to the date of the Court Hearing and subject to the passing of the resolutions at the Court Meetings and at the General Meeting, such transferred shares will be re-designated as deferred shares of 5 pence each. New Hansa will hold the same until the Effective Date or, if earlier, until the date on which this Scheme lapses or is withdrawn at which point the deferred shares will be redesignated as an Ordinary Share and an 'A' Ordinary Share .
- G. New Hansa has agreed to appear by Counsel at the Court Hearing to consent to this Scheme and to undertake to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme including (without limitation) the allotment of New Hansa Shares to the Scheme Shareholders.

## **THE SCHEME**

### **1 Cancellation of Scheme Shares**

- a) The issued share capital of the Company shall be reduced by cancelling the Scheme Shares.
- b) Subject to and immediately upon the reduction of capital referred to in Clause 1(a) taking effect, and notwithstanding anything to the contrary in the Articles:
- i. the share capital of the Company shall be increased to its former amount by the creation of such number of New Shares as will have an aggregate nominal value equal to the aggregate nominal value of Scheme Shares cancelled pursuant to Clause 1(a); and
  - ii. the Company shall apply the credit arising in its books of account as a result of such reduction of capital in paying up, in full at par, the New Shares created pursuant to Clause 1(b)(i) and shall allot and issue the same, credited as fully paid up, to New Hansa and/or its nominee or nominees.

### **2 Consideration for cancellation of the Scheme Shares**

In consideration of the cancellation of the Scheme Shares and the issue of the New Shares to New Hansa and/or its nominee or nominees pursuant to Clause 1, New Hansa shall subject to the remaining provisions of this Clause and to the provisions of Clauses 4, 5 and 6, allot and issue (credited as fully paid) New Hansa Shares to the Scheme Shareholders on the basis of five New Hansa Ordinary Shares for each Ordinary Share held at the Scheme Record Time and five New Hansa 'A' Ordinary Shares for each 'A' Ordinary Share held at the Scheme Record Time.

### **3 Allotment and issue of New Hansa Shares**

- a) The New Hansa Shares to be issued pursuant to Clause 2 shall rank in full for all dividends or distributions made, paid or declared after the Effective Date on the share capital of New Hansa.
- b) Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder who New Hansa reasonably believes is a citizen, resident or national of any jurisdiction outside the UK, New Hansa is advised that the allotment and issue of New Hansa Shares pursuant to Clause 2 would, or might, infringe the laws of any jurisdiction outside the UK or would, or might, require New Hansa to observe any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Hansa, it would be unable to comply or compliance with which it regards as unduly onerous, then New Hansa may in its sole discretion determine that no such New Hansa Shares shall be allotted and issued to such Scheme Shareholder under Clause 2 but instead such shares shall be allotted and issued to a nominee appointed by New Hansa as trustee for such Scheme Shareholder, on terms that they shall, as soon as practicable following the Effective Date, be sold on behalf of such Scheme Shareholder at the best price which can reasonably be obtained and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) be paid to such Scheme Shareholder in

accordance with the provisions of Clause 4. In the absence of bad faith or willful default, none of the Company, New Hansa and any broker or agent of either of them shall have any liability for any loss arising as a result of the timing or terms of any such sale.

#### **4 Certificates and Payments**

- a) At the Effective Date, New Hansa shall allot and issue all New Hansa Shares which it is required to allot and issue to give effect to this Scheme.
- b) As soon as reasonably practicable after the Effective Date, and not more than 14 days after the Effective Date, New Hansa shall send by post to the allottees of the New Hansa Shares certificates in respect of such shares, pursuant to Clause 2, save that where Scheme Shares are held in uncertificated form, New Hansa will procure that Euroclear UK is instructed to cancel the entitlement to Scheme Shares of each of the Scheme Shareholders concerned and the relevant amount of New Hansa Depository Interests will be credited to the appropriate stock account in CREST of each such Scheme Shareholder as represents their due entitlement to New Hansa Shares.
- c) Not later than 15 days following the sale of any relevant New Hansa Shares pursuant to Clause 3(b), New Hansa shall procure that the nominee referred to in Clause 3(b) shall account for the cash payable by despatching to the persons respectively entitled thereto cheques and/or warrants by post.
- d) All certificates required to be sent by New Hansa pursuant to Clause 4(b) and all cheques or warrants required to be sent pursuant to Clause 4(c) shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of the Company before the Scheme Record Time.
- e) If New Hansa Shares are consolidated or subdivided or if the nominal value of New Hansa Shares is reduced before the despatch of any certificates or the giving of any instructions in accordance with this Clause 4, the certificates or instructions shall relate to such New Hansa Shares as so consolidated, subdivided and/or reduced.
- f) None of the Company, New Hansa, any nominee referred to in Clause 3(b) or any agent of any of them shall be responsible for any loss or delay in transmission of certificates, cheques or warrants sent in accordance with this Clause 4.
- g) All cheques and warrants shall be made payable to the Scheme Shareholder or, in the case of joint holders, to the first-named Scheme Shareholder in respect of the Scheme Shares concerned in sterling drawn down on a UK clearing bank and the encashment of any such cheque or warrant shall be a complete discharge to New Hansa for the monies represented thereby.
- h) This Clause 4 shall be subject to any prohibition or condition imposed by law.

#### **5 Certificates representing Scheme Shares**

With effect from and including the Effective Date:

- a) all certificates representing holdings of Scheme Shares shall cease to have effect as documents of title or to be valid for any purpose in respect of such holdings. The Scheme Shareholders in respect of such shares shall be bound at the request of the Company to deliver such certificates for cancellation to the Company or to any person appointed by the Company to receive the same, unless such certificates have already been destroyed; and
- b) in respect of those Scheme Shareholders holding Scheme Shares in uncertificated form, Euroclear UK shall be instructed to cancel such holders' entitlements to such Scheme Shares.

As regards the Scheme Shares, appropriate entries will be made in the Company's register of members with effect from the Effective Date to reflect their cancellation.

**6 Mandated payments and other instructions**

Shares and each instruction then in force as to notices and other communications from the Company shall, unless and until varied or revoked, be deemed as from the Effective Date to be a valid and effective mandate or instruction to New Hansa in relation to the corresponding New Hansa Shares to be allotted and issued pursuant to this Scheme.

**7 Effective Date**

- a) This Scheme shall become effective as soon as an office copy of the order of the Court sanctioning this Scheme under section 899 of the Companies Act shall have been duly delivered to the Registrar of Companies for registration and the order under section 648 of the Companies Act confirming the reduction of capital provided for by this Scheme and the statement of capital under section 649 of the Companies Act are registered by the Registrar of Companies.
- b) The compromise and arrangement effected by this Scheme shall apply to all Scheme Shares and shall be binding on the Scheme Shareholders (including those who do not attend the relevant Court Meeting, do not vote at the relevant Court Meeting or vote against this Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of the Company.
- c) Unless this Scheme shall have become effective on or before midnight on 30 September 2019 or such later date, if any, as the Company and New Hansa may agree and the Court may allow, it shall lapse.

**8 No liability when acting in good faith**

Neither the Company nor New Hansa, nor any of their respective officers, agents or advisers, will be liable to a Scheme Shareholder for anything done or omitted to be done in the implementation and performance of this Scheme in good faith.

**9 Governing Law and Jurisdiction**

This Scheme shall be governed by, and construed in accordance with, the laws of England and Wales and the Scheme Shareholders hereby agree that the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which arises out of or is connected with the terms of this Scheme.

**10 Modification**

The Company and New Hansa may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

Dated: 4 July 2019

## PART III – TAXATION

### 1 UNITED KINGDOM TAXATION

The following is a general summary of material UK tax considerations relating to the Scheme and the ownership and disposal of New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares. The comments set out below are based on UK tax law as applied in England and Wales and what is understood to be the practice of HMRC (which may not be binding on HMRC) as at the date of this document, both of which are subject to change, possibly with retrospective effect. They are intended as a general guide and apply only to Ordinary Scheme Shareholders and 'A' Ordinary Scheme Shareholders who, respectively, will become holders of New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares. Unless expressly stated otherwise, the comments set out below apply only to Ordinary Scheme Shareholders and 'A' Ordinary Scheme Shareholders resident and, in the case of an individual, domiciled for tax purposes in the UK and to whom "split year" treatment does not apply, who hold their Ordinary Shares and 'A' Ordinary Shares (and who will hold their New Hansa Ordinary Shares and New Hansa 'A' Ordinary Shares) as an investment and who are the absolute beneficial owners thereof. References to New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares include, unless the context otherwise requires, such shares held through New Hansa Depositary Interests.

This summary does not address all possible aspects of UK taxation that may be relevant to an Ordinary Scheme Shareholder or 'A' Ordinary Scheme Shareholder in light of the holder's particular circumstances. Certain categories of shareholders, including those falling outside the category as described above, those carrying on certain financial activities, those subject to specific tax regimes or benefiting from certain reliefs or exemptions, those connected with the Company or New Hansa, individuals to whom "split year" treatment applies and those for whom the Ordinary Shares or 'A' Ordinary Shares are employment-related securities, may be subject to special rules, and this summary does not apply to such shareholders and any general statements made in this disclosure do not take them into account.

This summary is for general information only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular Shareholder. Ordinary Scheme Shareholders or 'A' Ordinary Scheme Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers immediately.

#### 1.1 Taxation of chargeable gains

##### *The Scheme*

A UK-resident Ordinary Scheme Shareholder or 'A' Ordinary Scheme Shareholder who does not hold (either alone or together with persons connected with him) more than 5 per cent. of, or of any class of, shares in or debentures of the Company should not be treated as having made a disposal of his Ordinary Shares or 'A' Ordinary Shares as a result of the Scheme. Instead, the New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares should be treated as the same asset as the Ordinary Shares or 'A' Ordinary Shares acquired at the same time and for the same consideration as those Ordinary Shares or 'A' Ordinary Shares.

Any such holder who holds (either alone or together with persons connected with him) more than 5 per cent. of, or any class of, shares in or debentures of the Company will only be eligible for the treatment described in the preceding paragraph if the Scheme is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is the avoidance of liability to tax on capital gains. Such holders are advised that clearance will be requested from HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 in respect of the Scheme that HMRC are satisfied that the Scheme will be effected for *bona fide* commercial reasons and will not form part of such a scheme or arrangement.

##### *Subsequent disposals of New Hansa Ordinary Shares and New Hansa 'A' Ordinary Shares*

Holders of New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares who are resident in the UK (including for the purposes of a double tax treaty), or, in the case of individuals, who cease to be resident in the UK for a period of five years or less, may, depending on their circumstances (including the availability of exemptions or reliefs) be liable to UK tax on chargeable gains arising from the sale or other disposal of New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares.

As a result of the treatment described under “The Scheme” above, any chargeable gain or allowable loss on a disposal of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares should be calculated taking into account the allowable cost to the holder of acquiring their Ordinary Shares or ‘A’ Ordinary Shares.

## 1.2 Taxation of Dividends

### *Individual Holders of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares*

A UK-resident holder of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares will not be subject to income tax on a dividend such individual receives from New Hansa if the total amount of the dividend income received by the individual in the tax year (including any dividend from New Hansa) does not exceed a dividend allowance of £2,000, which will be taxed at a nil rate (the “**Dividend Allowance**”).

In determining the income tax rate or rates applicable to the taxable income of a UK-resident holder of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares, dividend income is treated as the highest part of such individual shareholder’s income. Dividend income that falls within the Dividend Allowance will count towards the basic or higher rate limits (as applicable) which may affect the rate of tax due on any dividend income in excess of the Dividend Allowance.

To the extent that the dividend income of a UK-resident holder of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares for the tax year exceeds the Dividend Allowance and, when treated as the highest part of such holder’s income, falls above such holder’s personal allowance but below the basic rate limit, such holder will be subject to tax on that dividend income at the dividend basic rate of 7.5 per cent. To the extent that such dividend income falls above the basic rate limit but below the higher rate limit, such an individual shareholder will be subject to tax on that dividend income at the dividend upper rate of 32.5 per cent. To the extent that such dividend income falls above the higher rate limit, such an individual shareholder will be subject to tax on that dividend income at the dividend additional rate of 38.1 per cent.

### *Corporate Holders of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares*

Corporate holders of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares who are within the charge to corporation tax will be subject to corporation tax on the gross amount of dividends paid by New Hansa, unless the dividends fall within an exempt class and certain other conditions are met. The position of each holder of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares will depend on its own individual circumstances, although it would normally be expected that the dividends paid by New Hansa to a holder which is not a small company would fall within an exempt class. However, it should be noted that the exemptions are not comprehensive and may be subject to anti-avoidance rules.

### *Non-UK holder of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares*

A non-resident holder of New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares holding its New Hansa Ordinary Shares or New Hansa ‘A’ Ordinary Shares as an investment and not in connection with any trade, profession or vocation carried on through a branch, agency or permanent establishment in the UK will not be subject to UK tax in respect of any dividends paid by New Hansa.

## 1.3 Inheritance Tax

Ordinary Shares and ‘A’ Ordinary Shares, prior to the Scheme being implemented, will be assets situated in the UK for the purposes of UK inheritance tax. A gift of assets situated in the UK by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who acquire, dispose of or hold Ordinary Shares or ‘A’ Ordinary Shares which could bring them within the charge to inheritance tax.

Ordinary Scheme Shareholders and ‘A’ Ordinary Scheme Shareholders should consult an appropriate professional adviser if they intend to make a gift or transfer at less than market value

of, or intend to hold any Ordinary Shares or 'A' Ordinary Shares through a close company or trust arrangement prior to the Scheme becoming effective. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

*Holders of New Hansa Ordinary Shares, New Hansa 'A' Ordinary Shares and New Hansa Depositary Interests pursuant to the Scheme being implemented*

New Hansa Ordinary Shares and New Hansa 'A' Ordinary Shares will be assets situated outside the UK for the purposes of UK inheritance tax provided such shares are not registered in any register kept in the UK. A gift of such assets by, or the death of, an individual holder of such assets who is domiciled or is deemed to be domiciled in the UK (under certain rules relating to long residence or previous domicile) may (subject to certain exemptions and reliefs) give rise to liability to UK inheritance tax.

The situs of New Hansa Depositary Interests which are registered in the DI Depositary's records in the UK and issued in respect of New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares is uncertain. Although there are arguments to the contrary, HMRC may contend that such New Hansa Depositary Interests issued in respect of New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares are situated in the UK for the purposes of UK inheritance tax. A gift of assets situated in the UK by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile).

Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Where a holder is neither domiciled nor deemed domiciled (under certain rules relating to long residence or previous domicile) in the UK, neither a gift of such assets by the holder nor the death of such holder will give rise to a liability to UK inheritance tax.

Special rules also apply to close companies and to trustees of settlements who acquire, dispose of or hold New Hansa Ordinary Shares, New Hansa 'A' Ordinary Shares or New Hansa Depositary Interests, which could bring them within the charge to inheritance tax. Holders of New Hansa Ordinary Shares, New Hansa 'A' Ordinary Shares or New Hansa Depositary Interests should consult an appropriate tax adviser if they make a gift or transfer at less than market value or hold or intend to hold any New Hansa Ordinary Shares, New Hansa 'A' Ordinary Shares or New Hansa Depositary Interests through a close company or trust. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

#### **1.4 Stamp duty and stamp duty reserve tax ("SDRT")**

The statements in this section are intended as a general guide to the current UK stamp duty and SDRT position. Shareholders should note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable to tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

*Stamp duty and SDRT consequences of the Scheme*

No UK stamp duty or SDRT will be payable on the cancellation of Ordinary Shares or 'A' Ordinary Shares or the issue of New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares pursuant to the Scheme.

*Stamp duty and SDRT consequences of future dealings in New Hansa Ordinary Shares, New Hansa 'A' Ordinary Shares and New Hansa Depositary Interests*

No UK stamp duty should be required to be paid on a transfer of New Hansa Ordinary Shares, New Hansa 'A' Ordinary Shares or New Hansa Depositary Interests provided that no instrument of transfer is executed in the UK and the transfer does not relate to any property situated, or any matter or thing done or to be done, in the UK. No SDRT will be payable on any agreement to transfer New Hansa Ordinary Shares or New Hansa 'A' Ordinary Shares (including in depositary interest form within CREST) provided that, as is intended to be the case, neither the New Hansa

Ordinary Shares nor the New Hansa 'A' Ordinary Shares are registered in any register kept in the UK and New Hansa is resident only in Bermuda for tax purposes.

## 2 US TAXATION

### 2.1 Certain United States Federal Income Tax Considerations to U.S. Holders

The following is a summary of certain anticipated U.S. federal income tax consequences to U.S. Holders (as defined below) of exchanging Hansa Trust Shares for New Hansa Shares pursuant to the Scheme and the ownership and disposition of New Hansa Shares received in the Scheme. This summary is based upon the U.S. Internal Revenue Code of 1986, as amended ("**Code**") U.S. Treasury Regulations promulgated under the Code ("**Regulations**"), administrative rulings of the U.S. Internal Revenue Service ("**IRS**"), judicial decisions of the U.S. courts, in each case as in effect on the date hereof and all of which is subject to change or differing interpretation, possibly with retroactive effect. Any change could alter the tax consequences described herein. In addition, this summary assumes that both the Company and New Hansa are, for U.S. federal income tax purposes, treated as foreign corporations, and not treated as domestic corporations under Section 7874 of the Code. There can be no assurance that the IRS will not challenge one or more of the tax consequences described herein.

This summary is based on certain assumptions and is subject to the limitations and qualifications set forth in this summary. The assumptions on which the summary is based include that there are no changes in existing facts and law, and that the Scheme is completed in the manner contemplated in this Circular. If any of these assumptions is not correct, the summary cannot be relied upon and the U.S. federal income tax consequences to U.S. Holders of the Hansa Trust Shares and of the ownership and disposition of New Hansa Shares received pursuant to the Scheme could differ significantly and adversely from those described in this summary.

This summary does not address aspects of U.S. taxation other than U.S. federal income taxation, nor does it address any aspects of state, local or non-U.S. tax law. In addition, this summary does not address all U.S. federal income tax consequences that may be relevant to the particular circumstances of a U.S. Holder of Hansa Trust Shares, nor to a U.S. Holder of Hansa Trust Shares with a special status, such as:

- a person who owns, has owned, or will own 10% or more (by voting power or value, and taking into account certain attribution rules) of the issued and outstanding Hansa Trust Shares or New Hansa Shares;
- a broker, dealer or trader in securities or currencies, or any person who owns Hansa Trust Shares or New Hansa Shares other than as capital assets within the meaning of Section 1221 of the Code;
- a bank, mutual fund, life insurance company or other financial institution;
- a tax-exempt organization;
- a real estate investment trust or regulated investment company;
- a qualified retirement plan or individual retirement account;
- a person who holds or will hold the Hansa Trust Shares or New Hansa Shares as part of a straddle, hedge, conversion transaction, wash sale, constructive sale or other integrated transaction for tax purposes;
- a person who acquired Hansa Trust Shares in a compensatory transaction;
- a partnership, S corporation or other "pass-through" entity (or arrangement), as determined for U.S. federal income tax purposes;
- an investor in a partnership, S corporation or other "pass-through" entity, as determined for U.S. federal income tax purposes;
- a person whose functional currency for tax purposes is not the U.S. dollar;
- U.S. expatriates, including certain former citizens and residents of the United States under Sections 877 or 877A of the Code;
- a person who is not a U.S. Holder;

- a person required to accelerate the recognition of any item of gross income with respect to Hansa Trust Shares or New Hansa Shares as a result of such income being recognized on an applicable financial statement; or
- a person liable for alternative minimum tax.

Unless otherwise specifically indicated, this summary does not address the U.S. federal income tax consequences of transactions effectuated prior or subsequent to, or concurrently with, the Scheme including, without limitation, the transfer of assets by New Hansa to a wholly owned subsidiary as part of a plan of the Scheme, the exercise, sale or holding of debentures, convertible securities or other right to acquire Hansa Trust Shares. In addition, except as discussed below, this summary does not address tax reporting requirements.

**THIS SUMMARY IS OF A GENERAL NATURE ONLY, IS NOT EXHAUSTIVE OF ALL POSSIBLE U.S. FEDERAL TAX CONSIDERATIONS AND IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED TO BE, LEGAL, BUSINESS OR TAX ADVICE TO ANY PARTICULAR U.S. HOLDER OF HANSA TRUST SHARES. EACH U.S. HOLDER OF HANSA TRUST SHARES SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO IT OF EXCHANGING HANSA TRUST SHARES FOR NEW HANSA SHARES, AS APPLICABLE, PURSUANT TO THE SCHEME AND THE OWNERSHIP AND DISPOSITION OF THE NEW HANSA SHARES RECEIVED, INCLUDING THE EFFECTS OF APPLICABLE U.S. FEDERAL, STATE AND LOCAL TAX LAWS AND NON-U.S. TAX LAWS AND POSSIBLE CHANGES IN TAX LAWS.**

For purposes of this discussion, a “U.S. Holder” means a beneficial owner of a Hansa Trust Share or New Hansa Share, as the case may be, who is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation or other entity classified as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if: (i) a court within the United States can exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust, or (ii) the trust has a valid election in effect under applicable Regulations to be treated as a United States person.

If a “pass-through” entity (or arrangement) holds Hansa Trust Shares, the tax treatment of an owner of such “pass-through” entity generally will depend upon the status of such owner and upon the activities of the “pass-through” entity. An owner of a “pass-through” entity which holds Hansa Trust Shares should consult such owner’s tax advisor regarding the specific tax consequences of exchanging Hansa Trust Shares in the Scheme.

*Executive Summary: Consequences of Exchanging Hansa Trust Shares Pursuant to the Scheme*

The Scheme should qualify as a tax-deferred “reorganization” within the meaning of Section 368(a)(1)(F) of the Code, and, subject to the limitations described below, U.S. Holders (i) should not recognize gain or loss in exchange of Hansa Trust Shares for New Hansa Shares pursuant to the Scheme; (ii) the aggregate tax basis of New Hansa Shares received by a U.S. Holder in the Scheme will be equal to the aggregate tax basis of Hansa Trust Shares surrendered in exchange therefor and (iii) the holding period of New Hansa Shares received by a U.S. Holder will include the holding period of the Hansa Trust Shares surrendered. However, no ruling from the IRS concerning the U.S. federal income tax consequences of the Scheme has been obtained and none will be requested. All U.S. Holders should consult their own tax advisors regarding the specific U.S. federal income tax consequences of the Scheme that are applicable to them.

Tax Consequences if the Scheme Qualifies as a Reorganization – U.S. Holders that Exchange Hansa Trust Shares for Solely New Hansa Shares

If the exchange of Hansa Trust Shares for New Hansa Shares pursuant to the Scheme qualifies as a reorganization under Section 368(a) of the Code, subject to the discussion below relating to the

PFIC rules, the exchange will have the following U.S. federal income tax consequences to U.S. Holders:

- Gain and loss will not be recognized regarding the exchange of Hansa Trust Shares for New Hansa Shares pursuant to the Scheme;
- The aggregate tax basis of New Hansa Shares received by a U.S. Holder in the Scheme will be equal to the aggregate tax basis of Hansa Trust Shares surrendered in exchange therefor;
- The holding period of New Hansa Shares received by a U.S. Holder will include the holding period of the Hansa Trust Shares surrendered; and
- A U.S. Holder who exchanges Hansa Trust Shares for New Hansa Shares pursuant to the Scheme may be required to report certain information to the IRS on its U.S. federal income tax return for the taxable year in which the Scheme occurs and to retain certain records related to the Scheme.

#### Tax Consequences to U.S. Holders if the Scheme Does Not Qualify as a Reorganization

Subject to the PFIC rules discussed below, if the exchange of Hansa Trust Shares for New Hansa Shares pursuant to the Scheme does not qualify as a reorganization under Section 368(a) of the Code to a U.S. Holder, such U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized in the exchange and the U.S. Holder's adjusted tax basis in the Hansa Trust Shares exchanged. The amount realized will be the fair market value of the New Hansa Shares received (determined as of the time of the exchange) plus the U.S. dollar amount of the cash, if any, received. A U.S. Holder's adjusted tax basis in New Hansa Shares received in the exchange would be equal to their fair market value as of the date of the exchange, and the U.S. Holder's holding period for New Hansa Shares would commence on the day following the exchange.

If the Company is not classified as a PFIC for any tax year in which a U.S. Holder held Hansa Trust Shares, any gain or loss generally would be capital gain or loss, which would be long-term capital gain or loss if such Hansa Trust Shares are held for more than one year. Long-term capital gain of certain non-corporate taxpayers, including individuals, is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations.

#### Tax Consequences if the Company is Classified as a PFIC

Notwithstanding the treatment of the Scheme as a tax-deferred reorganization under Section 368(a) of the Code, as described above, the Scheme could be a taxable event to U.S. Holders under the passive foreign investment company ("PFIC") rules. A U.S. Holder of Hansa Trust Shares would be subject to special, potentially adverse tax rules in respect of the Scheme if the Company was classified as a PFIC for U.S. federal income tax purposes for any tax year during which such U.S. Holders holds or held Hansa Trust Shares. A non-United States corporation, such as the Company, will be classified as a PFIC, for U.S. federal income tax purposes, if, in the case of any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of its average quarterly value of its assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income. For this purpose, "gross income" generally includes sales revenues less cost of goods sold, plus income from investment and from incidental or outside operations or sources, and "passive income" generally includes, among other things, dividends, interest, certain rents, royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. In addition, cash is categorized as a passive asset and the Company's unbooked intangibles associated with active business activities may generally be classified as active assets. The Company will generally be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

The Company believes that it was a PFIC for its taxable year ended 31 March 2019, and based on the manner in which it conducted its activities in the past and the expectation as to how it will conduct its activities in the future, the Company believes that it has always been a PFIC and will continue to be a PFIC in the future. The determination of PFIC status is fundamentally factual in nature, depends on the application of complex U.S. federal income tax rules which are subject to differing interpretations, and generally cannot be made until the close of the taxable year in question. Accordingly, there can be no assurance that the IRS will not challenge any determination

made by the Company concerning its PFIC status. Each U.S. Holder should consult its own tax advisors regarding the PFIC status of the Company.

Even if the Scheme qualifies as a reorganization for U.S. federal income tax purposes under Section 368(a) of the Code, Section 1291(f) of the Code requires that, to the extent provided in regulations, a U.S. person that disposes of stock of a PFIC must recognize gain notwithstanding any other provision of the Code. No final Treasury Regulations are in effect under Section 1291(f) of the Code. Proposed Treasury regulations under Section 1291(f) of the Code were promulgated in 1992, with a retroactive effective date once they become finalized. If finalized in their present form, those regulations would generally require taxable gain recognition by a Non-Electing Holder (defined below) with respect to its exchange of Hansa Trust Shares for New Hansa Shares in the Scheme if the Company were classified as a PFIC at any time during such holder's holding period in the Hansa Trust Shares, unless an exception described below applies. If the PFIC rules applied to a U.S. Holder, the amount of any such gain recognized by a Non-Electing Holder (defined below) in connection with the Scheme would be equal to the excess, if any, of the amount realized in the exchange over the U.S. Holder's adjusted tax basis in the Hansa Trust Shares exchanged. The amount realized will be the fair market value of the New Hansa Shares received (determined as of the time of the exchange) plus the U.S. dollar amount of the cash, if any, received. Under the PFIC rules, the following tax consequences would result with regard to such U.S. Holder's federal income tax liability with respect to the Scheme:

- The exchange of the Hansa Trust Shares pursuant to the Scheme may be treated as a fully taxable exchange even if such transaction qualifies as a reorganization pursuant to Section 368(a) of the Code as discussed above;
- Any gain on the sale, exchange or other disposition of Hansa Trust Shares will be allocated ratably over such U.S. Holder's holding period;
- The amount allocated to the current year and to any tax year prior to the first year in which the Company was classified as a PFIC will be taxed as ordinary income in the current year;
- The amounts allocated to each of the other tax years will be subject to tax as ordinary income at the highest rate of tax in effect for individuals or corporations (as applicable) for that year;
- An interest charge for a deemed deferral benefit will be imposed with respect to the resulting tax attributable to each of the other tax years; and
- Any loss realized would generally not be recognized if the Scheme qualifies as a reorganization under Section 368(a) of the Code.

A U.S. Holder who has made a "mark-to-market" election under Section 1296 of the Code ("**MTM Election**") described below or a timely and effective election to treat the Company as a "qualified electing fund" ("**QEF**") under Section 1295 of the Code ("**QEF Election**") generally may mitigate the PFIC consequences described above with respect to the Scheme.

With respect to the QEF Election, the Company did not and does not intend to provide the information U.S. Holders would need to make a QEF Election for the current or past taxable years, and as such the QEF Election has not been and will not be available to U.S. Holders. A U.S. Holder who does not make a timely QEF Election is referred to for purposes of this summary as a "Non-Electing Holder." U.S. Holders should consult with their own tax advisors regarding the potential application of the PFIC rules, including any elections thereunder.

Pursuant to the proposed Regulations under Section 1291(f) of the Code, a Non-Electing Holder (i) does not recognize gain in a transaction that qualifies as a tax-deferred reorganization under Section 368(a) of the Code where the Non-Electing Holder transfers stock in a PFIC so long as such Non-Electing Holder receives in exchange solely stock of another corporation that qualifies as a PFIC for its tax year that includes the date after the date of transfer or stock in an acquiring corporation pursuant to a reorganization under Section 368(a)(1)(F) of the Code (for purposes of this summary, this exception is referred to as the "PFIC-for-PFIC Exception"); and (ii) generally does recognize gain (but not loss) in a transaction that qualifies as a tax-deferred reorganization under Section 368(a) of the Code where the Non-Electing Holder transfers stock in a PFIC and receives in exchange stock of a non-U.S. corporation that does not qualify as a PFIC for its tax year that includes the date after the date of transfer.

As discussed below, New Hansa anticipates that it should be a PFIC for its current year ending on 31 March 2020 and for the foreseeable future. Therefore, if the proposed Regulations were finalized and made applicable to the Scheme (even if it occurs after the effective date of the Scheme), it is likely that the PFIC-for-PFIC Exception would be available to the U.S. Holders. As discussed above, the determination of PFIC status is fundamentally factual in nature, depends on the application of complex U.S. federal income tax rules which are subject to differing interpretations, and generally cannot be made until the close of the taxable year in question. Accordingly, there can be no assurance regarding PFIC status of New Hansa during the tax year which includes the date after the effective date of the Scheme or the availability of the PFIC-for-PFIC Exception.

In addition, it should be noted that the proposed Regulations were issued in 1992 and they state that they are to be effective for transactions occurring on or after 1 April 1992. Because, however, the proposed Regulations have not yet been finalized, they are not currently effective, and there is no assurance they will be finalized in their current form and with the effective date proposed. It is uncertain whether the IRS would accept the approach set forth in the proposed Regulations for purposes of determining the U.S. federal income tax treatment of the Scheme. In the absence of the proposed Regulations being finalized in their current form, the U.S. federal income tax consequences to a U.S. Holder set forth above in “Tax Consequences if the Scheme Qualifies as a Reorganization – U.S. Holders that Exchange Hansa Trust Shares for Solely New Hansa Shares” or “Tax Consequences to U.S. Holders if the Scheme Does Not Qualify as a Reorganization” (as applicable) should apply to the exchange of the Hansa Trust Shares; however, it is unclear whether the IRS would agree with this interpretation and/or whether the IRS could attempt to treat the exchange of the Hansa Trust Shares as a fully taxable exchange on some alternative basis. If the Scheme qualifies as a reorganization within the meaning of Section 368(a) of the Code and gain is not recognized under the proposed Regulations, a U.S. Holder’s holding period for the New Hansa Shares received pursuant to the Scheme for purposes of applying the PFIC rules presumably would include the period during which the U.S. Holder held its Hansa Trust Shares. As a result, it is possible that the IRS would take the position that a subsequent disposition of the New Hansa Shares in a taxable transaction would be taxable under the default PFIC rules described above to a Non-Electing Holder. U.S. Holders should consult their own tax advisors regarding whether the proposed Regulations under Section 1291 of the Code would apply if the acquisition of the Company qualifies as a reorganization within the meaning of Section 368(a) of the Code.

A U.S. Holder that owns (or is deemed to own) shares in a PFIC during any taxable year of the U.S. Holder may have to file an IRS Form 8621 (whether or not a QEF Election or MTM Election is made) and such other information as may be required by the U.S. Treasury Department. Failure to do so, if required, will extend the statute of limitations until such required information is furnished to the IRS. Each U.S. Holder should consult its own tax advisors regarding the potential application of the PFIC rules to the exchange of Hansa Trust Shares pursuant to the Scheme, and any information reporting responsibilities in connection therewith.

#### *Ownership and Disposition of New Hansa Shares*

##### Distributions on New Hansa Shares

Subject to the PFIC rules discussed below, the gross amount of distributions, if any, paid on New Hansa Shares generally will be treated as a dividend to the extent paid out of current or accumulated earnings and profits (as determined pursuant U.S. federal income tax principles). A distribution on New Hansa Shares in excess of current or accumulated earnings and profits is generally treated as a tax-free return of capital to the extent of the U.S. Holder’s adjusted tax basis in such shares and, to the extent in excess of adjusted basis, as capital gain. See “Sale or Other Disposition of New Hansa Shares,” below. However, New Hansa does not intend to maintain calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by New Hansa with respect to the New Hansa Shares will constitute ordinary dividend income. Dividends received on New Hansa Shares will generally not be eligible for the corporate “dividends received deduction.” Subject to applicable limitations, dividends paid by New Hansa to non-corporate U.S. Holders, including individuals, generally will not be eligible for the preferential tax rates applicable to long-term capital gains for dividends because New Hansa, among other reasons, will likely be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Dividends paid in non-U.S. currency will be includible in income in a U.S. dollar amount based on the exchange rate prevailing at the time of receipt of such dividends by the U.S. Holder regardless of whether the non-U.S. currency is actually converted into U.S. dollars. Gain or loss, if any, recognized on a subsequent conversion or other disposition of the non-U.S. currency will generally be U.S. source ordinary income or loss.

Dividends will generally be treated as income from foreign sources for U.S. foreign tax credit purposes and will generally constitute passive category income. A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign income taxes imposed on dividends received on New Hansa Shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign taxes may instead generally claim a deduction, for U.S. federal income tax purposes, in respect of such foreign taxes, but only for a year in which such U.S. Holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. Each U.S. Holder is advised to consult its tax advisor regarding the availability of the foreign tax credit under its particular circumstances.

#### Sale or Other Disposition of New Hansa Shares

Subject to the PFIC rules discussed below, a U.S. Holder who sells or otherwise disposes of New Hansa Shares in a taxable disposition will recognize gain or loss equal to the difference, if any, between the U.S. dollar value of the amount realized on such sale or other taxable disposition and the U.S. Holder's adjusted tax basis in such shares. Subject to the PFIC rules discussed below, any such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the holding period for New Hansa Shares is more than one year at the time of the sale or other disposition. Long-term capital gain of certain non-corporate taxpayers, including individuals, is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations. Each U.S. Holder is advised to consult its tax advisor regarding the tax consequences if a foreign tax is imposed on a disposition of New Hansa Shares, including the availability of the foreign tax credit under its particular circumstances.

U.S. Holders that receive currency other than the U.S. dollar upon the sale or other disposition of New Hansa Shares will realize an amount equal to the U.S. dollar value of the non-U.S. currency on the date of such sale or other disposition or, if the New Hansa Shares are traded on an established securities market, in the case of cash basis and electing accrual basis taxpayers, the settlement date. U.S. Holders will recognize gain or loss if the U.S. dollar value of the currency received on the settlement date differs from the amount realized. U.S. Holders will have a tax basis in the non-U.S. currency received equal to the U.S. dollar value of such currency translated at the spot rate on the settlement date. Generally, any gain or loss realized by U.S. Holders on a subsequent conversion or disposition of such currency will be U.S. source ordinary income or loss.

#### Passive Foreign Investment Company Rules Relating to the Ownership of New Hansa Shares

If New Hansa is or were to become a PFIC for U.S. federal income tax purposes for any tax year during which a U.S. Holder holds New Hansa Shares, such U.S. Holder would be subject to a special, adverse tax regime. As discussed above, a non-United States corporation, such as New Hansa, will be classified as a PFIC, for U.S. federal income tax purposes, if, in the case of any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of its average quarterly value of its assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income.

As discussed above, because the Company is and New Hansa will likely be a PFIC, gain on a disposition or deemed disposition by the U.S. Holder of New Hansa Shares, and the amount of "excess distributions," if any, received on New Hansa Shares, would be subject to tax at the highest marginal rates applicable to ordinary income, and would be subject to interest charges to reflect the value of the U.S. income tax deferral, unless the U.S. Holder has timely made a MTM Election or a QEF Election. In addition, if New Hansa is classified as a PFIC, special foreign tax credit rules may apply with respect to foreign taxes imposed on "excess distributions" received on New Hansa Shares by a Non-Electing Holder.

As an alternative to the foregoing rules, a holder of "marketable stock" in a PFIC may make a MTM Election, provided that the New Hansa Shares are regularly traded on a "qualified exchange." Under applicable Regulations, a "qualified exchange" includes a foreign securities exchange if (i) the foreign exchange is regulated or supervised by a governmental authority of the country in which the

exchange is located; (ii) the foreign exchange has trading volume, listing, financial disclosure, surveillance and other requirements designed to prevent fraudulent and manipulative acts and practices, remove impediments to, and perfect the mechanism of, a free and open, fair and orderly, market, and to protect investors; (iii) the laws of the country in which the exchange is located and the rules of the exchange ensure that these requirements are actually enforced; and (iv) the rules of the exchange ensure active trading of listed stocks. The New Hansa Shares will be admitted to trading on the Main Market of the London Stock Exchange, which New Hansa expects to constitute a qualified exchange. For these purposes, the New Hansa Shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded.

If a MTM Election is made by a U.S. Holder at the close of the first taxable year in which it holds (or is deemed to hold) New Hansa Shares, the U.S. Holder will generally (i) include as ordinary income for each taxable year that New Hansa is a PFIC the excess, if any, of the fair market value of New Hansa Shares held at the end of the taxable year over the adjusted tax basis of such New Hansa Shares and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the New Hansa Shares over the fair market value of such New Hansa Shares held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the MTM Election. The U.S. Holder's adjusted tax basis in the New Hansa Shares would be adjusted to reflect any income or loss resulting from the MTM Election. If a U.S. Holder makes an effective MTM Election, in each year that New Hansa is a PFIC any gain recognized upon the sale or other disposition of the New Hansa Shares will be treated as ordinary income and loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the MTM Election.

If a U.S. Holder makes a MTM Election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the U.S. Holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not classified as a PFIC.

Because a MTM Election cannot be made for any lower-tier PFICs that a PFIC may own, a U.S. Holder who makes a MTM Election with respect to New Hansa Shares may continue to be subject to the general PFIC rules with respect to such U.S. Holder's indirect interest in any of New Hansa's non-United States subsidiaries that is classified as a PFIC.

As described above, New Hansa does not intend to provide information necessary for U.S. Holders to make QEF Elections, which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

#### *Additional Tax on Passive Income*

Certain U.S. Holders that are individuals, estates or trusts (other than trusts that are exempt from tax) will be subject to a 3.8% tax on all or a portion of their "net investment income," which includes dividends on the Hansa Trust Shares or New Hansa Shares and net gains recognized on the disposition of the Hansa Trust Shares or New Hansa Shares (including in connection with an exchange made pursuant to the Scheme). Special rules apply to PFICs. U.S. Holders that are individuals, estates or trusts should consult their own tax advisors regarding the applicability of this tax to any of their income or gains in respect of the Hansa Trust Shares or New Hansa Shares.

#### *Information Reporting and Backup Withholding*

U.S. Holders of Hansa Trust Shares may be subject to information reporting and may be subject to backup withholding, currently at a 24% rate, on consideration received in exchange for Hansa Trust Shares. Distributions on, or the proceeds from a sale or other disposition of, the New Hansa Shares paid within the U.S. also may be subject to information reporting and backup withholding.

Payments of distributions on, or the proceeds from the sale of, Hansa Trust Shares (or New Hansa Shares) to or through a foreign office of a broker generally will not be subject to backup withholding, although information reporting may apply to those payments in certain circumstances.

Backup withholding will generally not apply, however, to a U.S. Holder who:

- furnishes a correct taxpayer identification number and certifies that he, she or it is not subject to backup withholding on an IRS Form W-9 (or substitute form); or

- is otherwise exempt from backup withholding.

Backup withholding is not an additional tax. Any amounts withheld from a payment to a holder under the backup withholding rules may be credited against the U.S. Holder's U.S. federal income tax liability, and a holder may obtain a refund of any excess amounts withheld by filing the appropriate claim for refund with the IRS in a timely manner and furnishing any required information.

Under U.S. federal income tax law, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, the Company or New Hansa. For example, U.S. return disclosure obligations (and related penalties for non-compliance) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain thresholds. The definition of "specified foreign financial assets" includes not only financial accounts maintained in non-U.S. financial institutions, but also, if held for investment and not in an account maintained by certain financial institutions, any stock or security issued by a non-U.S. person, any financial instrument or contract that has an issuer or counterparty other than a U.S. person and any interest in a non-U.S. entity. U.S. Holders may be subject to these reporting requirements. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns under these rules, including the requirement to file an IRS Form 8938.

The discussion of reporting requirements set forth above is not intended to constitute an exhaustive description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisor regarding applicable reporting requirements and the information reporting and backup withholding rules.

**THIS SUMMARY IS OF A GENERAL NATURE ONLY, IS NOT EXHAUSTIVE OF ALL POSSIBLE U.S. FEDERAL TAX CONSIDERATIONS AND IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED TO BE, LEGAL, BUSINESS OR TAX ADVICE TO ANY PARTICULAR U.S. HOLDER OF HANSA TRUST SHARES. EACH U.S. HOLDER OF HANSA TRUST SHARES SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO IT OF EXCHANGING HANSA TRUST SHARES FOR NEW HANSA SHARES PURSUANT TO THE SCHEME AND THE OWNERSHIP AND DISPOSITION OF THE NEW HANSA SHARES RECEIVED PURSUANT TO THE SCHEME, INCLUDING THE EFFECTS OF APPLICABLE U.S. FEDERAL, STATE AND LOCAL TAX LAWS AND NON-U.S. TAX LAWS AND POSSIBLE CHANGES IN TAX LAWS.**

**IF YOU ARE IN ANY DOUBT AS TO YOUR TAX POSITION, OR YOU MAY BE SUBJECT TO TAXATION IN A JURISDICTION OTHER THAN THE UK OR THE US, YOU ARE RECOMMENDED TO SEEK IMMEDIATELY YOUR OWN PERSONAL TAX ADVICE FROM AN INDEPENDENT PROFESSIONAL ADVISER.**

## PART IV – TAKEOVER CODE

As noted at paragraph 12 of Part I of this document, the Takeover Code currently applies to the Company. The Takeover Code does not apply to private companies (other than in certain limited circumstances) and would not apply to the Company following the implementation of the Scheme. As New Hansa is incorporated in Bermuda, once the Scheme has become effective, the Takeover Code will not apply to New Hansa. As such, following implementation of the Scheme, an offer for the share capital of New Hansa will not be subject to the provisions of the Takeover Code.

**Shareholders should note that, if the Scheme Resolutions become effective, they will not receive the protections afforded by the Takeover Code.**

Brief details of the Panel, the Takeover Code and the protections given by the Takeover Code are described below. **Before giving your consent to the Scheme Resolutions, you may wish 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 Takeover Code applies and its Shareholders are accordingly entitled to the protections afforded by the Takeover Code.

The Takeover Code and 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 Takeover 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 following is a summary of the core provisions and principles of the Takeover Code.

### The General Principles of the Takeover Code

The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. For Shareholders' information, these General Principles are set out below. The General Principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover 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.

- 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.
- 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.
- 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.
- 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.
- 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.
- An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

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

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out below. **You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up if you consent to the Scheme.**

### **Equality of treatment**

General Principle 1 of the Takeover 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 Takeover 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 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.

### **More than one class of equity share capital**

Rule 14 provides that, where a company has more than one class of equity share capital, a comparable offer must be made for each class whether such capital carries voting rights or not.

### **Option holders**

Rule 15 of the Takeover Code provides that, when a Takeover Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights.

### **Acting in Concert**

Under the Takeover Code, persons "acting in concert" are persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Control in this context means 30 per cent. of the voting rights in a target company. In particular, Rule 9 of the Takeover Code states that persons acting in concert shall extend offers to the holders of any class of equity share capital in the relevant company, in accordance with the provisions of the Takeover Code.

## **PART V – ADDITIONAL INFORMATION**

### **1. RESPONSIBILITY STATEMENT**

The Directors, whose names are set out in paragraph 2 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility, is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **2. DIRECTORS**

2.1 The names and business address of the Directors of the Company are as follows:

- Alex Hammond-Chambers (Chairman)
- Jonathan Davie
- William Salomon
- Raymond Oxford
- Geoffrey Wood

all of Hansa Trust plc, 50 Curzon Street, London W1J 7UW.

2.2 William Salomon and Jonathan Davie will be appointed to the New Hansa Board, providing a degree of consistency to the management arrangements. Jonathan Davie will be taking on the role of Chairman. In addition, Richard Lightowler, Nadya Wells and Simona Heidempergher have been appointed to the New Hansa Board. Richard has almost 25 years experience in public accounting and recently retired as Partner of KPMG after almost 19 years. He has extensive experience in risk and corporate governance and significant transaction experience including redomiciliations. Richard is based in Bermuda. Nadya Wells has 25 years experience in emerging and frontier markets as a long-term investor and governance specialist, most recently as a portfolio manager with the Capital Group until 2014. Since then she has built a portfolio of independent non-executive directorships in banking, real estate and asset management in multiple jurisdictions with responsibilities on audit, nomination and strategy committees. She also works in the area of Global Health in academia and in research, in both public and private sectors. Simona Heidempergher has extensive experience as an executive and non-executive director in a range of companies, including listed companies, investment funds and research organisations, across multiple jurisdictions. She has been the director of Merifin Capital, an established European privately owned investment company for the past 16 years.

### **3. SHARE CAPITAL**

3.1 As at the date of this document, the issued and fully paid up share capital of the Company (excluding Shares held in treasury) is 8,000,000 Ordinary Shares and 16,000,000 'A' Ordinary Shares.

3.2 At Admission the issued share capital of New Hansa will be:

40,000,000 New Hansa Ordinary Shares; and  
80,000,000 New Hansa 'A' Ordinary Shares.

### **4. DISCLOSURE OF INTERESTS**

4.1 The interests of the Directors and their connected persons in the share capital of the Company (all of which are beneficial shares unless otherwise stated) as at 2 July 2019 (being the latest practicable date prior to the publication of this document) are disclosed at paragraph 8.1 of Part I of this document:

4.2 None of the Directors has any interest, direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year or during any earlier financial year and which remains in any respect outstanding or unperformed.

- 4.3 Insofar as is known to the Company as at 2 July 2019 (being the latest practicable date prior to the publication of this document), the following persons were interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital having voting rights:

<b>Name</b>	<b>Number of Ordinary Shares</b>	<b>% of issued share capital</b>
Nomolas Ltd	2,069,425	25.9%
Victualia Limited Partnership	2,069,425	25.9%

- 4.4 William Salomon is interested in 2,069,425 of the Ordinary Shares held by Victualia Limited Partnership representing 25.9% of the voting share capital of the Company. In addition, William Salomon has further interests in the Company's shares in the form of 46,444 Ordinary Shares and 98,700 'A' Ordinary Shares. William Salomon is a director of the Company and New Hansa, a director and the chairman of Hanseatic Asset Management LBG, the senior partner of the Portfolio Manager and the deputy chairman of OWHL and its listed subsidiary Wilson Sons Limited. Chris Townsend is interested in 2,069,425 Ordinary Shares held by Nomolas Ltd. Chris Townsend is a director of Hansa Capital GmbH (an entity within the same group as the Portfolio Manager), a director of OWHL and the nephew of William Salomon.

## **5. RELATED PARTY TRANSACTIONS**

- 5.1 Save as disclosed in note 22 to the Audited Financial Statements there were no related party transactions entered into by the Company or any member of the Hansa Group during the financial years ended 31 March 2019, 2018 and 2017.
- 5.2 Except with respect to the Transfer Agreement entered into between the Company and New Hansa, and the Receiving Agent Services Agreement to be entered into amongst the Company, New Hansa and Link Asset Services there were no related party transactions entered into by the Company or any member of the Hansa Group from 1 April 2019 to 2 July 2019 (being the latest practicable date prior to publication of this document)
- 5.3 In connection with the agreements referred to at para 5.2 above, William Salomon is a director of the Company and New Hansa, a director and the chairman of Hanseatic Asset Management LBG, and is the senior partner of the Portfolio Manager.

## **6. NEW HANSA BYE-LAWS**

A summary of the New Hansa Bye-laws are set out in paragraph 3 of Part VIII of the accompanying New Hansa Prospectus. A copy of the New Hansa Bye-laws are available for inspection as mentioned in the section headed "Documents available for inspection" in paragraph 9 below.

## **7. SUMMARY OF CERTAIN KEY DIFFERENCES BETWEEN UK AND BERMUDA COMPANY LAW**

The following is a summary of the differences of certain provisions under the Companies Act and the Bermuda Companies Act which the Directors believe Shareholders should consider prior to deciding how to cast their vote on the resolutions to be proposed at the Court Meetings and at General Meeting. This summary is not intended to be an exhaustive comparison of the Companies Act and the Bermuda Companies Act:

	<b>UK</b>	<b>Bermuda</b>
<b>Issue of shares</b>	Subject to a limited number of exceptions, the directors of a company must not allot shares unless they have authority to do so under the Companies Act by seeking shareholder authority for such allotment or incorporating such allotment authority in the company's articles of association. Such authority may be given for a specific issue of	The board of a Bermuda company authorised by the bye-laws to issue unissued shares may do so without reference to the shareholders, but subject to any pre-emption or other relevant rights, which may be contained in the company's bye-laws.

	<b>UK</b>	<b>Bermuda</b>
	<p>shares or for its exercise generally. The allotment authority must state the maximum amount of shares that may be allotted under it and specify the date on which it will expire which cannot exceed 5 years.</p>	
<b>Pre-emption rights</b>	<p>Pre-emption is the name given to a right of first refusal in favour of existing shareholders for the allotment of new shares in a company. These rights are deemed to be necessary to protect shareholders against dilution of their shareholdings.</p> <p>Statutory pre-emption rights on the allotment and issue of ordinary shares or the rights to subscribe for or to convert securities into ordinary shares are imposed under the Companies Act.</p> <p>Unless pre-emption rights are specifically disapplied, generally, issues of ordinary shares (being equity securities) for cash must be carried out on a pre-emptive basis, with the ordinary shares being offered to holders of relevant shares in proportion to their existing holdings.</p>	<p>Under Bermuda law, unless provided in a company's bye-laws or otherwise being a right attaching to shares, shareholders have no automatic pre-emptive rights or other rights to subscribe for additional shares. New Hansa's Bye-laws will provide for this.</p>
<b>Dividends and distributions</b>	<p>A company may not make a distribution except out of "profits available" to make the distribution. These are often referred to as "distributable profits" or "distributable reserves". The distribution must be justified by reference to "relevant accounts".</p> <p>In addition to having sufficient distributable reserves the Companies Act requires a public company's net worth to be at least equal to the amount of its capital. Accordingly, a public company can only make a distribution:</p> <ul style="list-style-type: none"> <li>• if, at the time that the distribution is made, the amount of its net assets (that is, the total excess of assets over liabilities) is not less than the total of</li> </ul>	<p>Under Bermuda law, a company may not declare or pay dividends, or distributions out of contributed surplus, if there are reasonable grounds for believing that:</p> <ol style="list-style-type: none"> <li>(i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or</li> <li>(ii) that the realisable value of its assets would thereby be less than its liabilities.</li> </ol> <p>The board of a Bermuda company generally has the power to declare a final dividend without the need for shareholder approval, subject to the bye-laws.</p>

	<b>UK</b>	<b>Bermuda</b>
	<p>its called-up share capital and undistributable reserves; and</p> <ul style="list-style-type: none"> <li>• if, and to the extent that, the distribution itself, at the time that it is made, does not reduce the amount of the net assets to less than that total.</li> </ul> <p>However, a public company which is registered as an investment company under section 833 of the Companies Act, such as the Company, during the relevant period may make a distribution out of its accumulated realised revenue profits subject to the satisfaction of certain conditions, including that it may make such a distribution only if and to the extent that:</p> <ul style="list-style-type: none"> <li>• its accumulated, realised revenue profits so far as not previously utilised by a distribution or capitalisation, exceed its accumulated revenue losses (whether realised or unrealised); and</li> <li>• the amount of its assets (before and after payment of the distribution) is at least equal to one and a half times the aggregate of its liabilities to creditors.</li> </ul>	
<b>Share repurchase</b>	<p>Under the Companies Act, there is no requirement for a company's articles of association to include a specific authority for the company to be able to purchase its own shares.</p> <p>A company may purchase its shares by way of an "off-market" purchase or by a "market purchase".</p> <p>A "market purchase" is a purchase made on a recognised investment exchange such as the London Stock Exchange and an "off-market" purchase is a purchase made otherwise than on a recognised investment</p>	<p>With the consent of a holder of shares to buy back the shares, a Bermuda company may repurchase its shares pursuant to the provisions of the Bermuda Companies Act. Repurchases may be effected only provided that:</p> <ol style="list-style-type: none"> <li>a) in the case of a repurchase of shares, appropriate authorisation to do so is provided in the company's constitutional documents;</li> <li>b) the funds used for the repurchase are:</li> </ol>

	UK	Bermuda
	<p>exchange. In general, off-market purchases are available to both private and public limited companies but only certain public companies are able to make market purchases.</p> <p>A company may make an “off-market” purchase if the purchase is approved by a resolution of the company.</p> <p>A company may make a “market” purchase if the purchase is approved by a resolution of the company.</p> <p>The authority may be general or limited to the purchase of shares of a particular class or description and must be unconditional or subject to conditions. The authority must specify the maximum number of shares to be purchased and determine the minimum or maximum prices which may be paid for the shares. The resolution must specify a date on which the authority is to expire which cannot be later than five years after the date on which the resolution is passed.</p> <p>For companies with a premium listing of equity shares, the maximum price which can be paid for equity shares bought under a general authority to make market purchases is the higher of:</p> <ul style="list-style-type: none"> <li>• 5 per cent. above the average market value of the company’s equity shares for the five business days before the day the purchase is made; and</li> <li>• The higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out.</li> </ul>	<ul style="list-style-type: none"> <li>a. as to the nominal or par value of the shares, met from: <ul style="list-style-type: none"> <li>i. the company’s share capital account;</li> <li>ii. funds of the company otherwise available for payment of dividend or distributions; or</li> <li>iii. out of the proceeds of a fresh issue of shares made for the purpose of the share repurchase; and</li> </ul> </li> <li>b. as to the premium, if any, payable on repurchase, met from: <ul style="list-style-type: none"> <li>i. funds of the company otherwise available for payment of dividend or distributions; or</li> <li>ii. out of the company’s share premium account before the redemption date;</li> </ul> </li> <li>c) board authorisation for a share repurchase must be given in accordance with the company’s memorandum of association and/or bye-laws; and</li> <li>d) no repurchase of shares may be made, if on the effective date, there are reasonable grounds for believing that the company is, or after the redemption/repurchase would be, unable to pay its liabilities as they become due.</li> </ul> <p>A repurchase of shares under section 42A of the Bermuda Companies Act will not reduce the amount of the company’s authorised share capital; rather, only the issued share capital is reduced.</p>

	<b>UK</b>	<b>Bermuda</b>
	<p>A share repurchase can be funded either from distributable profits or from the proceeds of a fresh issue of shares made for the purpose of financing the buyback. Public companies are not permitted to purchase their own shares out of capital.</p>	

## **8. MISCELLANEOUS**

- a) The auditors of the Company for the last three financial years to 31 March 2019 were Grant Thornton UK LLP, who have audited the Company's accounts and have given an unqualified report in respect of the accounts for each of those years.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents will be available for inspection at the registered office of the Company, Hansa Trust plc, 50 Curzon Street, London W1J 7UW and at the offices of Dentons UK and Middle East LLP, 1 Fleet Place, London EC4M 7WS, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the Effective Date:

- the New Hansa Prospectus;
- the New Hansa Bye-laws;
- the Audited Financial Statements;
- the Forms of Proxy;
- the Articles;
- the proposed amendments to the current Articles in connection with the Scheme;
- this document.

In addition, a copy of the New Hansa Prospectus is available at the National Storage Mechanism which is located at [www.morningstar.co.uk/UK/NSM](http://www.morningstar.co.uk/UK/NSM), and on a section of the Company's website dedicated to New Hansa, which is located at [www.hansatrust.com](http://www.hansatrust.com).

**PART VI – NOTICE OF ORDINARY COURT MEETING**  
**NOTICE OF COURT MEETING**

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**COMPANIES COURT (ChD)**  
Insolvency and Companies Court Judge Prentis

No. CR-2019-00 38 38

**IN THE MATTER OF HANSA TRUST PLC**

and

**IN THE MATTER OF THE COMPANIES ACT 2006**

**NOTICE IS HEREBY GIVEN** that by an order dated 3 July 2019 made in the above matters the Court has directed a meeting (the “**Ordinary Court Meeting**”) to be convened of the holders of ordinary shares of 5 pence each in the capital of Hansa Trust PLC (the “**Company**”) other than Hansa Investment Company Limited for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) proposed to be made between the Company and the holders of the Scheme Shares and that such meeting will be held at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE on 29 July 2019 at 1.30 p.m (or as soon thereafter as the Annual General Meeting has concluded or been adjourned) at which place and time all such Ordinary Shareholders are requested to attend.

A copy of the Scheme and the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part (the “**Circular**”). Capitalised terms used but not defined in this notice shall have the meaning given to them in the Circular.

At the Ordinary Court Meeting, the following resolution will be proposed:

*“That the scheme of arrangement dated 4 July 2019 (the “**Scheme**”) between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and, for the purposes of identification, signed by the chairman hereof, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court, and consented to by New Hansa, be approved and the directors of the Company be authorised to take all such actions as they consider necessary or appropriate for carrying the Scheme into effect.”*

Voting on the resolution to approve the Scheme will be by a poll, which shall be conducted as the chairman of the Ordinary Court Meeting may determine. On a poll, each Ordinary Scheme Shareholder has one vote for each £1 nominal amount of the capital of Ordinary Scheme Shares held.

Ordinary Shareholders entitled to vote at the Court Meeting may vote thereat in person or they may appoint another person, whether a member of the Company or not, as their proxy to attend and to vote in their stead.

A blue Form of Proxy for use at the Ordinary Court Meeting is enclosed herewith. Ordinary Shareholders who hold their shares in uncertificated form are requested to complete CREST proxy instructions in accordance with the procedures described in the CREST Manual, which can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST).

It is requested that Forms of Proxy and CREST proxy instructions (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority) be lodged with the Registrar of the Company, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 1.30 pm on 25 July 2019 or, in the event that the Ordinary Court Meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for any adjourned meeting but, if forms are not so lodged, they may be handed to the Registrar, Link Asset Services, or to the chairman at the Ordinary Court Meeting.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose

seniority will be determined by the order in which the names appear in the register of members of the Company in respect of the joint holding.

As an alternative to completing and returning the blue Form of Proxy, Ordinary Scheme Shareholders may vote online at [www.signalshares.com](http://www.signalshares.com). Electronic proxies must be received by no later than 48 hours before the time appointed for the Ordinary Court Meeting (or any adjournment thereof), as explained in the Circular and in the blue Form of Proxy.

**To be entitled to attend and vote at the Ordinary Court Meeting, members must be entered on the Company's register of members at close of business on 25 July 2019 or, in the event that the Ordinary Court Meeting is adjourned, on the Company's register of members at close of business on the date two Business Days (as defined in the Scheme) before the date of any adjourned meeting.**

By the said order, the Court has appointed Alex Hammond-Chambers or failing him, Jonathan Davie or failing him, William Salomon to act as chairman of the Ordinary Court Meeting and has directed the chairman to report the result thereof to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

Dated: 4 July 2019

**Dentons UK and Middle East LLP**

One Fleet Place  
London EC4M 7WS

Solicitors for the Company

**PART VII – NOTICE OF ‘A’ ORDINARY COURT MEETING**  
**NOTICE OF COURT MEETING**

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**COMPANIES COURT (ChD)**  
Insolvency and Companies Court Judge Prentis

No. CR-2019-00 38 38

**IN THE MATTER OF HANSA TRUST PLC**

and

**IN THE MATTER OF THE COMPANIES ACT 2006**

**NOTICE IS HEREBY GIVEN** that by an order dated 3 July 2019 made in the above matters the Court has directed a meeting (the “**A’ Ordinary Court Meeting**”) to be convened of the holders of ‘A’ non-voting ordinary shares of 5 pence each in the capital of Hansa Trust PLC (the “**Company**”) other than Hansa Investment Company Limited for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) proposed to be made between the Company and the holders of the Scheme Shares and that such meeting will be held at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE on 29 July 2019 at 1.35 p.m. (or as soon thereafter as the Ordinary Court Meeting convened for the same place and date shall have been concluded or adjourned), at which place and time all such ‘A’ Ordinary Shareholders are requested to attend.

A copy of the scheme of arrangement and the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part (the “**Circular**”). Capitalised terms used but not defined in this Notice shall have the meaning given to them in the Circular.

At the ‘A’ Ordinary Court Meeting, the following resolution will be proposed:

*“That the scheme of arrangement dated 4 July 2019 (the “**Scheme**”) between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and, for the purposes of identification, signed by the chairman hereof, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court, and consented to by New Hansa, be approved and the directors of the Company be authorised to take all such actions as they consider necessary or appropriate for carrying the Scheme into effect.”*

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the chairman of the ‘A’ Ordinary Court Meeting may determine. On a poll, each ‘A’ Scheme Shareholder has one vote for each £1 nominal amount of share capital of ‘A’ Ordinary Scheme Shares held.

‘A’ Ordinary Shareholders entitled to vote at the Court Meeting may vote thereat in person or they may appoint another person, whether a member of the Company or not, as their proxy to attend and to vote in their stead.

A yellow Form of Proxy for use at the ‘A’ Ordinary Court Meeting is enclosed herewith. ‘A’ Ordinary Shareholders who hold their shares in uncertificated form are requested to complete CREST proxy instructions in accordance with the procedures described in the CREST Manual, which can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST).

It is requested that Forms of Proxy and CREST proxy instructions (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority) be lodged with the Registrar of the Company, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 1.35 pm on 25 July 2019 or, in the event that the ‘A’ Ordinary Court Meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for any adjourned meeting but, if forms are not so lodged, they may be handed to the Registrar, Link Asset Services, or to the chairman at the ‘A’ Ordinary Court Meeting.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose

seniority will be determined by the order in which the names appear in the register of members of the Company in respect of the joint holding.

As an alternative to completing and returning the yellow Form of Proxy, 'A' Ordinary Scheme Shareholders may vote online at [www.signalshares.com](http://www.signalshares.com). Electronic proxies must be received by no later than 48 hours before the time appointed for the 'A' Ordinary Court Meeting (or any adjournment thereof), as explained in the Circular and in the yellow Form of Proxy.

**To be entitled to attend and vote at the 'A' Ordinary Court Meeting, members must be entered on the Company's register of members at close of business (London time) on 25 July 2019 or, in the event that the 'A' Ordinary Court Meeting is adjourned, on the Company's register of members at close of business (London time) on the date two Business Days (as defined in the Scheme) before the date of any adjourned meeting.**

By the said order, the Court has appointed Alex Hammond-Chambers or failing him, Jonathan Davie or failing him, William Salomon to act as chairman of the 'A' Ordinary Court Meeting and has directed the chairman to report the result thereof to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

Dated: 4 July 2019

**Dentons UK and Middle East LLP**

One Fleet Place  
London EC4M 7WS

Solicitors for the Company

## PART VIII – NOTICE OF GENERAL MEETING

### Hansa Trust Plc

(Registered in England and Wales No. 00126107)

**NOTICE IS HEREBY GIVEN THAT** the general meeting of Hansa Trust PLC (the “**Company**”) will be held at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE at 1.40 pm on 29 July 2019 (or as soon thereafter as the ‘A’ Ordinary Court Meeting (as defined in the document of which this notice forms part dated 4 July 2019 (the “**Circular**”)) has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolutions as ordinary and special resolutions of the Company (as the case may be, as indicated below). Capitalised terms used in these resolutions shall (unless expressed otherwise) have the same meaning as set out in the Circular.

#### ORDINARY RESOLUTION

- 1 For the purpose of giving effect to the Scheme, in accordance with section 190(1)(a) of the Companies Act 2006, the irrevocable sale by the Company of the Portfolio and certain other assets and liabilities of the Company to New Hansa pursuant to the terms of the Transfer Agreement for a consideration equivalent to market value, be approved.

#### SPECIAL RESOLUTION

- 2 THAT:

- 2.1 the scheme of arrangement dated 4 July 2019 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court proposed to be made between the Company and the Scheme Shareholders be approved and the directors of the Company be and they are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- 2.2 for the purpose of giving effect to the Scheme, with effect from the passing of this resolution, the Articles be hereby amended by the adoption and inclusion of the following new articles:
  - 2.2.1 as article 189:

##### “Shares not otherwise subject to the Scheme”

- (a) For the purpose of this Article 189, references to the Scheme are to the scheme of arrangement between the Company and the Scheme Shareholders dated 4 July 2019 under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court. Terms defined in the Scheme shall have the same meanings in this Article.
- (b) Notwithstanding any other provisions of these Articles, if any Hansa Trust Shares are allotted and issued to any person (a “**new member**”) other than New Hansa and/or its nominee or nominees after the adoption of this Article they will:
  - (i) if allotment and issue is prior to the Scheme Voting Record Time, be allotted and issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the new member, and any subsequent holder other than New Hansa and/or its nominee or nominees, shall be bound by the terms of the Scheme provided that the Scheme becomes effective; and
  - (ii) if allotment and issue is at or after the Scheme Voting Record Time but before the Scheme becomes effective, be immediately transferred to New Hansa and/or its nominee or nominees in consideration of and conditional on the issue or transfer to the new member of five New Hansa Share for each Hansa Trust Share so transferred. Any New Hansa Shares issued pursuant to this Article 189 to the new member will be credited as fully paid and will rank equally in all respects with all New Hansa Shares in issue at the time and be subject to the bye-laws of New Hansa.

- (c) The number of New Hansa Shares to be issued or transferred to the new member under this Article 189 may be adjusted by the Directors of the Company in such manner as the Company's auditors may determine on any re-organisation of or material alteration of the share capital of either the Company or New Hansa or any other return of value to holders of New Hansa Shares effected after the Effective Date, provided always that any fractions of a New Hansa Share shall be disregarded and shall be aggregated and sold for the benefit of New Hansa.
- (d) In order to give effect to any such transfer required by this Article 189, the Company may appoint any person to execute and deliver a form of transfer on behalf of the new member in favour of New Hansa and/or its nominee or nominees and to agree for and on behalf of the new member to become a member of New Hansa. Pending the registration of New Hansa as a holder of any share to be transferred pursuant to this Article 189, New Hansa shall be empowered to appoint a person nominated by the Directors of the Company to act as attorney on behalf of any holder of such share in accordance with such directions as New Hansa may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holder of such share shall exercise all rights attached thereto in accordance with the directions of New Hansa but not otherwise.

2.2.2 as article 1.1.3:

**"Share capital"**

Notwithstanding any other provisions of these Articles, the deferred shares shall not entitle the holders:

- (i) to receive notice of or to attend or vote, either in person or by proxy at any general meeting of the Company;
- (ii) to receive sums distributed by the Company in or in respect of any financial year in respect of the deferred shares held by them save for a cumulative dividend at a fixed rate of 0.00001p per share, but shall otherwise confer no other right on the holders thereof to share in the profits of the Company; or
- (iii) on a return of capital on liquidation to share or participate further or otherwise in any surplus assets of the Company remaining after the payment of its liabilities and all other sums payable in priority until such time as the first £1,000,000,000 of such surplus assets has been distributed to the holders of the A ordinary shares and the holders of the ordinary shares (*pari passu* as if the same constituted one class of shares) in respect of each A ordinary share and/or ordinary share held, at which point the deferred shares (if any) shall be entitled to receive an amount equal to the nominal value of such deferred shares.

2.2.3 as article 8:

**"Variation of rights"**

The rights attaching to the deferred shares may be varied or abrogated by an ordinary resolution of the Company.

2.2.4 as article 13.2:

**"Certificates"**

The Company does not have to issue a share certificate to a holder of deferred shares.

2.2.5 as article 34:

**"Transfer of shares"**

Notwithstanding any other provision of these Articles, no deferred shares may be transferred to any person save with written consent of the board.

2.2.6 as articles 187 and 188:

**“Deferred shares”**

187 A reduction by the Company of the capital paid up or credited as paid up on the deferred shares and the cancellation of such deferred shares for no consideration will be treated as being in accordance with the rights attaching to the deferred shares and will not involve a variation of such rights for any purpose, and the Company will be authorised at any time, without obtaining the consent of the holders of the deferred shares, to reduce its capital (in accordance with the provisions of the Companies Act).

188 The Company may appoint any person to execute on behalf of the holders of deferred shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Companies Act, to purchase or cancel such deferred shares without making any payment to or obtaining the sanction of the holders thereof, provided also that the Company may, in accordance with the provisions of the Companies Act, purchase all but not only some of the deferred shares then in issue at a price per deferred share not exceeding the nominal value of each deferred share.

2.3 for the purpose of giving effect to the Scheme:

- (a) at the Effective Date, the share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares;
- (b) subject to and conditional upon such reduction of capital taking effect, and notwithstanding anything to the contrary in the Articles, the Company shall apply the credit arising in its books of account on such reduction of capital in paying up, in full at par, such number of ordinary shares of 5 pence each as shall be of an aggregate nominal amount equal to the aggregate nominal amount of the Scheme Shares cancelled pursuant to sub-paragraph 1.1.1(a) of this resolution (the **“New Shares”**) which shall be allotted and issued (free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever), credited as fully paid, to New Hansa and/or its nominee or nominees; and
- (c) the directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of section 551 of the Companies Act 2006, to allot the New Shares provided that: (i) the maximum number of shares which may be allotted hereunder shall be the aggregate nominal amount of the New Shares (not exceeding £1,199,999.90); (ii) this authority shall expire at midnight on 28 July 2020 (unless revoked, varied or renewed); and (iii) this authority shall be in addition to, and without prejudice to, any subsisting authority previously conferred (and in force) on the directors of the Company pursuant to section 551 of the Companies Act 2006;

2.4 subject to and conditional on the Scheme becoming effective and implemented in accordance with its terms, the admission of the Ordinary Shares to listing on the premium segment of the Official List, the admission of the ‘A’ Ordinary Shares to listing on the standard segment of the Official List and the admission of the Hansa Trust Shares to trading on the Main Market, be cancelled.

**ORDINARY RESOLUTIONS**

3 THAT prior to the date of the Court Hearing and subject to and conditional upon the ordinary and the special resolution set out above being passed and the resolutions proposed at each of the Court Meetings being passed, one Ordinary Share held by New Hansa and one ‘A’ Ordinary Share held by New Hansa be re-designated as two deferred shares of 5 pence each have the rights set out in the articles of association of the Company as amended.

- 4 THAT in the event the Scheme does not become effective and implemented in accordance with its terms by 30 September 2019 one Deferred Share shall be re-designated as an Ordinary Share and the other Deferred Share shall be re-designated as an 'A' Ordinary Share each having the rights set out in the articles of association of the Company.

By order of the Board  
For and on behalf of  
Hansa Capital Partners LLP  
Company Secretary

Registered Office:  
50 Curzon Street  
London W1J 7UW

#### 4 July 2019

Notes:

1. *Ordinary shareholders, proxies and authorised representatives of corporations which are ordinary shareholders, are entitled to attend the meeting. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by close of business on 25 July 2019 (the "specified time") pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.*
2. *If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.*
3. *The resolutions will be put to vote on a poll. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including the votes of all shareholders who are unable to attend the meeting but who appoint a proxy for the meeting. On a poll, each shareholder has one vote for each £1 nominal amount of share capital of shares held.*
4. *A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, upon a poll, to vote instead of him/her provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not also be a member. To appoint more than one proxy, the proxy form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the proxy form together with the number of shares in relation to which the proxy is authorised to act. All proxy forms should be enclosed in the same envelope.*
5. *In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the register of members in respect of the joint holding (the first-named being the most senior).*
6. *To be valid any proxy form or other instrument appointing a proxy must be received by post (during normal business hours only), or by hand at Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or a proxy can be lodged electronically at [www.signalshares.com](http://www.signalshares.com), in each case no later than 1.40 pm (London time) on 25 July 2019.*
7. *The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction (as described overleaf) will not prevent a shareholder from attending the General Meeting and voting in person if he/she wishes to do so.*
8. *Any corporation which is a member can appoint one or more corporate representatives, who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.*
9. *As at 2 July 2019 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consists of 8,000,000 ordinary shares of 5 pence each, carrying one vote for each £1 nominal amount of share capital held and 16,000,000 'A' non-voting ordinary shares of 5 pence each. Therefore, the total voting rights in the Company as at 2 July 2019 are 400,000.*
10. *CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a 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.*
11. *In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent ID RA10 by 1.40 pm on 25 July 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST*

*Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST, in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.*

12. *CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.*
13. *The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.*
14. *Any member entitled to attend, vote or their duly appointed representative attending the meeting, has the right to ask questions. In accordance with s.319A of the Companies Act, the Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer may be given if: (a) to do so would interfere unduly with the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.*
15. *A copy of this notice, and other information required by s.311A of the Companies Act, can be found at [www.hansatrust.com](http://www.hansatrust.com).*
16. *The following documents will be available for inspection at the registered office of the Company during usual business hours on any business day (except public holidays) until the date of the General Meeting and at the place of the General Meeting for a period of 15 minutes prior to and during the meeting:*
  - a) *a copy of the current Articles and the proposed amendments to the current Articles in connection with the Scheme;*
  - c) *the New Hansa Prospectus;*
  - d) *the New Hansa Bye-laws;*
  - e) *the Audited Financial Statements;*
  - f) *the 2018 Interim Financial Statements; and*
  - g) *the Circular.*
17. *A person to whom this notice is sent who is a person nominated under s.146 of the Companies Act to enjoy information rights (a **Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company entitled to attend and vote at the meeting.*

*A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of those same shares, they vote those shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce, prior to their entry to the meeting, evidence satisfactory to the Company of their appointment.*

*On a vote on a resolution on a show of hands, each authorised person has the same voting rights to which the corporation would be entitled. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares:*

- a) *if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and*
- b) *if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.*

