

RUFFER INVESTMENT COMPANY LIMITED

(Company No. 41996)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of the Company will be held at Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL, Channel Islands on 28 April 2011 at 10:00am.

Resolution on Form of Proxy

Agenda

Special Resolution 1

1. To elect a Chairman of the Meeting.

2. THAT the existing memorandum of association of the Company (the "Memorandum") be amended as follows:

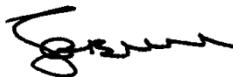
- (a) in accordance with regulation 2(1)(b) of the Companies (Transitional Provisions) Regulations, 2008 (the "Regulations") the Memorandum be amended by the deletion of the paragraphs 6,7 and 8 in their entirety.
- (b) in accordance with regulation 2(1)(b) of the Regulations, paragraph 5 of the Memorandum be relabelled paragraph 6 and be amended so that sub-sections (1) and (2) be deleted in their entirety;
- (c) in accordance with section 38(5) of The Companies (Guernsey) Law, 2008 as amended ("the "Law"), paragraph 3 of the Memorandum be amended so that the objects of the Company be deleted and replaced in their entirety by the insertion of the following statement and relabelled paragraph 5: "*The objects and powers of the Company are not restricted.*";
- (d) in accordance with regulation 2(1)(a) of The Companies (Transitional Provisions) Regulations, 2008 (the "Regulations"), a new paragraph 3 be inserted into the Memorandum which reads: "*The Company is a non-cellular company*", in accordance with the requirements of section 15(2)(c) of the Law; and
- (e) in accordance with regulation 2(1)(a) of the Regulations, paragraph 4 of the Memorandum be amended so that it reads: "*The liability of each Member of the Company is limited to the amount (if any) for the time being unpaid on the shares held by him*", in accordance with the requirements of section 15(2)(d) of the Law.

Special Resolution 2

3. THAT the regulations contained in the document produced to the meeting marked "XXX" for the purposes of identification, be and is hereby approved and adopted as the new Articles of Incorporation in substitution for and to the exclusion of the existing Articles of Association of the Company.

4. Any other business.

By Order of the Board



For and on behalf of
**Northern Trust International Fund Administration
Services (Guernsey) Limited**
Secretary

29 March 2011

Notes

A member of a company is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the company. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. The requisite form is attached hereto and must be delivered to Computershare Investor Services (Jersey) Limited, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY at least 48 hours before the time of the Meeting.

RUFFER INVESTMENT COMPANY LIMITED
(a company incorporated with limited liability in Guernsey with registered number: 41996)

PART I

DEFINITIONS

In this Summary, the following expressions shall have the meanings set out below:

“Articles”	means the existing articles of association of the Company
“Amended Memorandum”	means the existing memorandum of association of the Company dated 1 June 2004 to be amended in accordance with the draft amended memorandum dated 21 March 2011
“Board”	means the board of directors of the Company
“Company”	means Ruffer Investment Company Limited
“CREST Rules”	means the CREST Rules (7 September 2009)
“GFSC”	means the Guernsey Financial Services Commission
“Law”	means the Companies (Guernsey) Law, 2008, as amended
“Memorandum”	means the existing memorandum of association of the Company
“New Articles”	means the draft of the new articles of incorporation of the Company dated 21 March 2011
“Shares”	means the shares in the share capital of the Company (and the term “Share” shall be construed accordingly)
“Shareholders”	means the registered holders of Shares and the term “Shareholder” shall be construed accordingly
“Summary”	means this document including, for the avoidance of doubt, the Amended Memorandum and New Articles

PART II

SUMMARY IN RELATION TO THE PROPOSED AMENDMENTS AND UPDATE TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

By way of background, the Law was introduced in Guernsey on 1 July 2008 as a complete revision of Guernsey's companies law. It is proposed that the Company adopt the Amended Memorandum and the New Articles which have been updated, *inter alia*, to reflect certain changes brought in by the Law and to allow the Company to operate more flexibly and allow it to operate in a manner consistent with the Law.

The following is a summary of the material amendments proposed in respect of both the Memorandum and the Articles but should not be considered an exhaustive representation of the changes proposed in relation thereto. For example changes of a minor, technical or clarifying nature have not been noted below.

Shareholders are advised not to rely on this summary alone but rather to read the Amended Memorandum and the New Articles in their entirety (copies of which are available upon request to the Company Secretary) and to seek independent legal or financial advice as appropriate.

References in this Summary to a particular Article refer to that Article as in the New Articles.

Amended Memorandum:

The Amended Memorandum will reflect, amongst other things, the following changes:

- 1 under the Law the memorandum of association is to be renamed 'Memorandum of Incorporation'. Therefore references to the term 'Memorandum of Association' will be replaced with the term 'Memorandum of Incorporation';
- 2 the Company will be stipulated as being a 'non-cellular company' in order to comply with the Law;
- 3 the Law permits the objects of a company to be unrestricted and therefore the objects and powers of the Company will be stipulated as 'not restricted' and the list of objectives for which the Company was incorporated will be deleted; and
- 4 the final paragraph (common signature) will be deleted in its entirety and moved to the New Articles (Article 43) as, under the Law, a company's common signature need no longer form part of its memorandum.

New Articles:

The New Articles will reflect, amongst other things, the following changes:

- 1 under the Law the articles of association is to be renamed 'Articles of Incorporation'. Therefore references to the term 'Articles of Association' will be replaced with the term 'Articles of Incorporation';
- 2 under the Law standard articles are prescribed pursuant to section 16(2) of the Law. In order for the Company to maintain its bespoke articles the standard articles must be specifically excluded in their entirety – Article 1;
- 3 various additional definitions will be added to or amended in the New Articles in order to comply with the Law – Article 2;

- 4 certain amendments have been made to the provisions relating to share capital to conform with the Law, including, *inter alia*, the directors' authority to issue shares for a period of five (5) years, following adoption of the New Articles. This authority remains subject to the existing pre-emption provisions which remain unaffected by the adoption of the New Articles – Article 6.1;
- 5 new provisions will be added in relation to repurchase of shares by the Company in order to comply with the Law – Article 8;
- 6 new provisions in relation to the variation of class rights and class meetings will be added in order to conform with the relevant sections of the Law , including *inter alia*, provisions in respect of voting at class meetings– Articles 10 and 11;
- 7 new provisions in relation to the maintenance of a register of members pursuant to the Law will be added – Article 17;
- 8 the provisions relating to the transfer and transmission of Shares by way of the CREST UK System will be updated (to bring them in line with the CREST Rules (September 2009)) – Article 18;
- 9 alterations concerning the transfers of shares will be made including, *inter alia*, that transfers may be effected in writing as the Board may accept – Article 18;
- 10 provisions concerning any untraced Shareholders of the Company will be added to allow the Company to sell the shares of a shareholder where such shareholder cannot be traced – Article 20;
- 11 pursuant to the Law, certain amendments have been made to the provisions relating to alteration of capital to include, *inter alia*, that the Company may by ordinary resolution subdivide, cancel or convert all or any of its Shares and denominate or re-denominate its share capital, and further that the Company may, subject to the Law, reduce its share capital, any capital account or any share premium account in any manner – Article 21;
- 12 new provisions in relation to the holding of annual general meetings will be made in order to comply with the Law, including, *inter alia*, prescribing a time limit of 15 months between each annual general meeting and prescribing the mechanics for calling an annual general meeting – Article 22;
- 13 new provisions in relation to notice of general meetings will be made in order to comply with the Law, including, *inter alia*, allowing for the publication of notices on the internet (with all changes being subject to and in accordance with the requirements of the Law) – Article 23;
- 14 new provisions in relation to proceedings at general meetings will be made in order to comply with the new Law including, *inter alia*, that the quorum shall be two or more Shareholders holding 5% of the voting rights (unless the Company has only one Shareholder, in which case that shall be sufficient to form a quorum), allowing a director of the Company to attend and speak and the means by which votes may be cast on a show of hands or on a poll – Article 24;
- 15 new provisions regarding the appointment of proxies will be made in order to comply with the new Law, including in particular, that a Shareholder is entitled to appoint another person as his or her proxy at a general meeting to attend, speak and vote in their place and that more than one proxy may be appointed, if required. In addition, the old law was silent on the timing of delivery of proxies to a company in the run up to a general meeting. Under the Law a uniform timescale for all companies has been set and therefore new provisions have been added in order to comply with the Law in this regard – Article 26;

- 16 express provisions will be added to reflect the provisions of the Law permitting written resolutions of the Shareholders to be passed in lieu of meetings – Article 27;
- 17 an amendment to the aggregate ordinary remuneration of directors will be made to reflect an increase from the previous remuneration figure of £170,000 to £200,000. This is not a requirement under the Law. However this amendment has been specifically requested by the Board – Article 29.1;
- 18 the Law has introduced provisions limiting the validity of indemnities granted by a company to its directors and other officers. The New Articles will therefore reflect the Law and the indemnity provisions which apply to the directors, secretary and officers of the Company will be deleted and replaced to limit the indemnity to the extent permissible under the Law (including the provision of contractual indemnities) – Article 30;
- 19 new provisions will be included for the maintenance of a register of directors pursuant to the Law – Article 32;
- 20 new provisions will be included for the maintenance of Board and Board committee minutes in accordance with the Law – Article 35;
- 21 the provisions relating to transactions with directors will be deleted and replaced with a new set of provisions headed 'Conflicts of Interest' regarding the disclosure of directors' interest in transactions with the Company and their ability to count in the quorum and vote notwithstanding such interests (as the case may be), so as to comply fully with the new position set out by the Law. The new provisions will include, *inter alia*, the requirement for directors to make disclosures to the Board in respect of transactions in which they have an interest. – Article 36;
- 22 substantive amendments will be made in relation to the disqualification and removal of directors provisions allowing, *inter alia*, for removal of directors where they are removed by the Company in general meeting or if they become ineligible pursuant to the Law – Article 37;
- 23 the retirement age of Directors will be amended from 70 to 73 to correct previous typographical error in the Articles. This is not a requirement under the Law. However this amendment has been specifically requested by the Board- Article 37.1.4;
- 24 amended wording will be included in relation to how a Director of the Company may participate and communicate at a meeting of the Board to take account of advances in methods of communication (by electronic means, for instance) – Article 38;
- 25 amended wording will be included to reflect that in the case of an equality of votes at a meeting of the Board, or an equality of votes on a poll in general meeting, a Guernsey resident director present at such meeting shall have a second or casting vote, rather than the Chairman as provided under the Articles. This is not a requirement under the Law. However this amendment has been specifically requested by the Board – Article 24.15 and Article 38.1;
- 26 the provisions relating to the appointment of a Chairman will be amended to remove the restriction on the appointment of a UK resident director as Chairman. Under the Articles the Board may elect one of their number, other than a UK resident director as Chairman. Under the New Articles the wording 'other than a UK resident director' will be removed to allow any director to be appointed as Chairman. This is not a requirement under the Law. However this amendment has been specifically requested by the Board – Article 38.6;
- 27 amended wording will be included to reflect that the Board may, but need not, appoint a secretary, as this is no longer a requirement under the Law – Article 40;

- 28 wording covering the requirement for a resident agent to be appointed in certain circumstances under the Law will be included – Article 41;
- 29 wording concerning the common signature of the Company, as was previously detailed in the existing Memorandum will now be included in the New Articles – Article 43;
- 30 amendment will be made to the existing position as regards the payment of dividends with authority to pay such dividends being vested ultimately with the Board (to reflect the coming into force of a new solvency test model as provided by the Law) – Article 45;
- 31 amendment will be made to the section in the Articles headed 'Reserves' so as to reflect that dividends can be paid out of profits or otherwise. Under the Law a company can pay dividends and make other distributions from any source provided that the company will satisfy the solvency test prescribed under the Law – Article 46;
- 32 amendment will be made to the section in the Articles headed 'Capitalisation of Profits' so as to reflect that capitalisation may only be made subject to the Law and also the deletion of references to 'profits' for the reasons given in 30 and 31 above – Article 47;
- 33 insertion of express provisions regarding the accounts and reports of the Company will be made to comply with the more extensive requirements regarding the content of the company accounts under the Law including, *inter alia*, matters of content, preparation, mechanics of approval and maintenance of the same at the Company's registered office – Article 48;
- 34 provision will be made in the New Articles that an auditor shall be engaged in accordance with the Law (which now contains increased provisions in relation to appointment, remuneration, term and qualification) – Article 49;
- 35 amendment of the section in the Articles headed 'Notices' will be made to, *inter alia*, provide for service and communication by electronic means to reflect the position under the Law, allowing for more flexibility – Article 50;
- 36 the provisions relating to the winding up of the Company will be amended to reflect the position under the Law – Article 51; and
- 37 the provisions relating to the inspection of documents will be removed as this is now covered by the Law and the continuation resolution will also be removed as this was passed in 2007 and therefore is obsolete.

The proposed amendments to the Memorandum and the adoption of the New Articles will only take effect if the Shareholders vote in favour of Special Resolutions 1 and 2 at the Extraordinary General Meeting as set out in the Notice attached to the Shareholders letter dated 29 March 2011.